

**CASE**

**NUMBER:**

99 070

# Propane Volumes, Degree Days, and Customers

|                                 | Quarter ended March 31, |              | Six months ended March 31 |               |
|---------------------------------|-------------------------|--------------|---------------------------|---------------|
|                                 | 1999                    | 1998         | 1999                      | 1998          |
| Sales volumes - gallons (000's) |                         |              |                           |               |
| Retail LP sales                 | 9,149                   | 6,928        | 14,647                    | 12,743        |
| Wholesale LP sales              | 1,419                   | 2,185        | 2,059                     | 4,682         |
| Total sales gallons             | <u>10,568</u>           | <u>9,113</u> | <u>16,706</u>             | <u>17,425</u> |
| Degree days                     | 1,933                   | 1,794        | 3,210                     | 3,486         |
| Percent of normal               | 90%                     | 84%          | 88%                       | 95%           |
| Customers                       | 38,908                  | 29,229       | 38,908                    | 29,229        |

# Storage and Energy Services

Operating Data

|                                     | Quarter ended March 31, 1999 |                 | Six months ended March 31, 1999 |                              |
|-------------------------------------|------------------------------|-----------------|---------------------------------|------------------------------|
|                                     | MMcf                         | Price (000's)   | MMcf                            | Price (000's)                |
| <b>Gas Storage Activity:</b>        |                              |                 |                                 |                              |
| Gas in storage beginning of period  | 2,931                        | \$ 8,097        | 2,458                           | \$ 7,207                     |
| Storage withdrawals                 | 1,011                        | 2,864           | 1,024                           | 2,889                        |
| Storage injections                  | 41                           | 64              | 527                             | 979                          |
| Gas in storage end of quarter       | <u>1,961</u>                 | <u>\$ 5,297</u> | <u>1,961</u>                    | <u>\$ 5,297</u>              |
|                                     |                              |                 |                                 | <u>Average price per Mcf</u> |
|                                     |                              |                 |                                 | 2.76                         |
|                                     |                              |                 |                                 | 2.83                         |
|                                     |                              |                 |                                 | 1.56                         |
|                                     |                              |                 |                                 | 2.70                         |
| <b>Gas Sales:</b>                   |                              |                 |                                 |                              |
| Irrigation                          | 1,653                        | \$ 4,971        | 1,676                           | \$ 5,219                     |
| Industrial                          | 1,400                        | 4,203           | 2,912                           | 8,763                        |
|                                     | <u>3,053</u>                 | <u>9,174</u>    | <u>4,588</u>                    | <u>13,982</u>                |
| <b>Leasing &amp; Other Revenues</b> |                              | <u>3,497</u>    |                                 | <u>5,084</u>                 |
| <b>Total Segment Revenues</b>       |                              | <u>\$12,671</u> |                                 | <u>\$ 19,066</u>             |



**ATMOS**

## Cash Flows

# Atmos Consolidated Cash Flow Statements As Reported

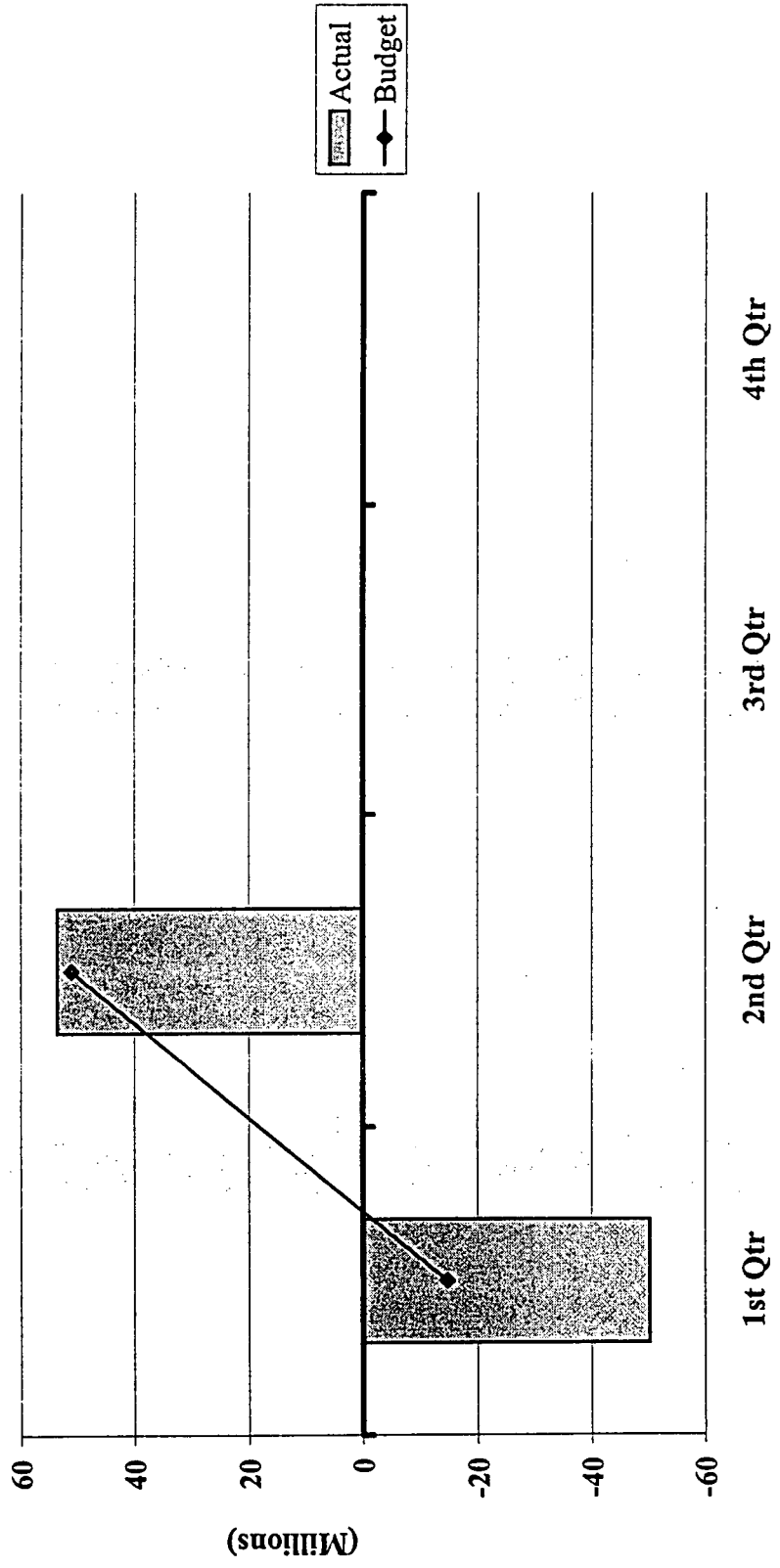
Cash Flows

|   | Six months ended March 31, |           |
|---|----------------------------|-----------|
| (\$000's)                               | 1999                       | 1998      |
| Net income                              | \$ 44,175                  | \$ 57,520 |
| Depreciation and amortization           | 29,500                     | 25,418    |
| Deferred income taxes                   | 4,281                      | (342)     |
| Changes in working capital              | (4,549)                    | 7,457     |
| Cash provided by operations             | 73,407                     | 90,053    |
| Capital expenditures ( net)             | (53,184)                   | (52,360)  |
| Debt repayments                         | (50,695)                   | (8,522)   |
| Dividends paid                          | (16,828)                   | (15,828)  |
| Cash used                               | (120,707)                  | (76,710)  |
| Net cash inflows (outflows)             | (47,300)                   | 13,343    |
| Cash provided from financing activities | 57,174                     | (9,334)   |
| Net increase in cash                    | \$ 9,874                   | \$ 4,009  |

# Atmos Consolidated

## Free Cash Flow after Dividends

### Year To Date By Quarter

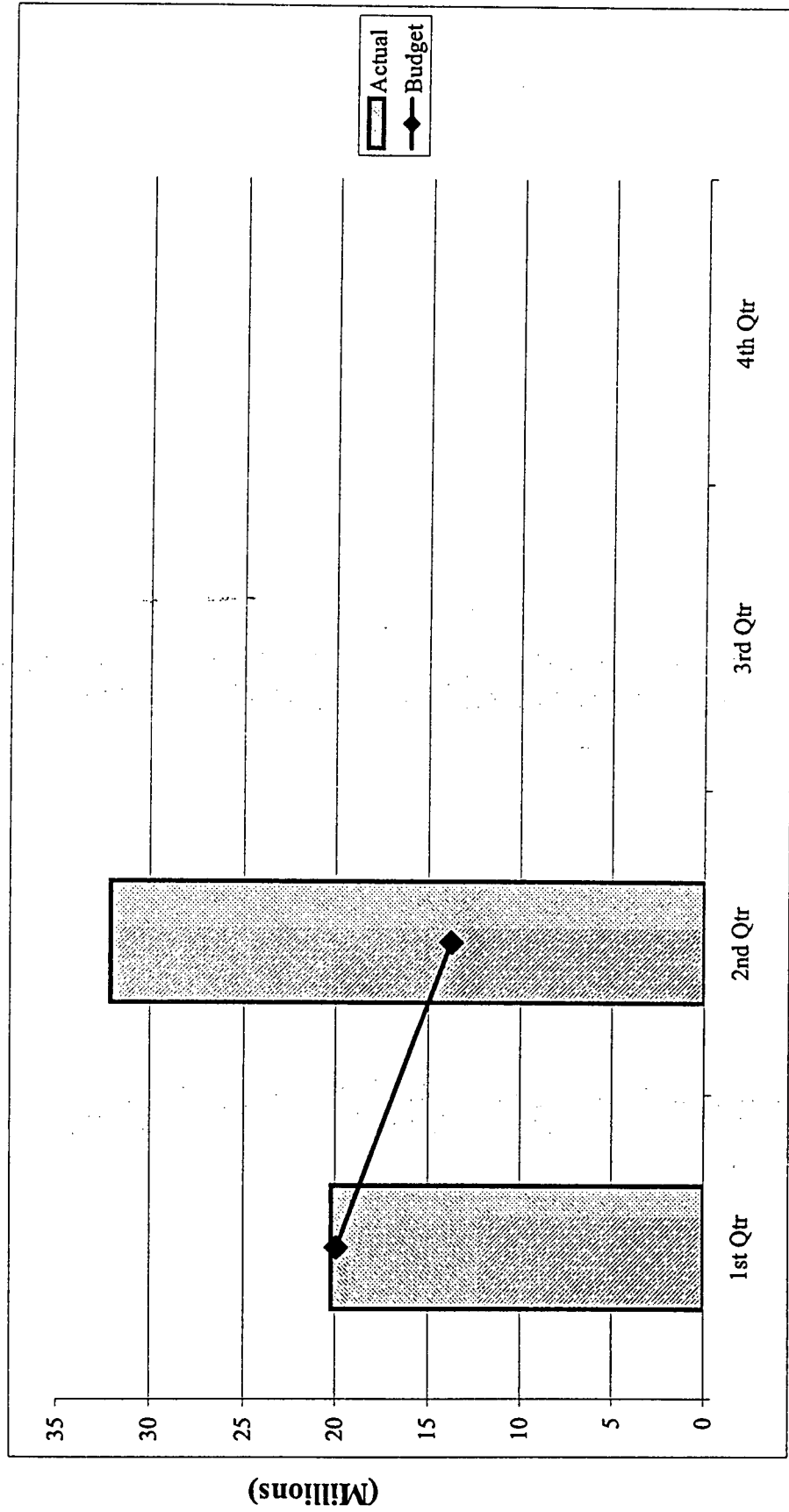


# Atmos Consolidated Capital Expenditures

Cash Flows

|                             | Six months ended March 31, |           |
|-----------------------------|----------------------------|-----------|
|                             | 1999                       | 1998      |
| (\$000's)                   |                            |           |
| Utility segments:           |                            |           |
| Energas                     | \$ 4,816                   | \$ 5,680  |
| Greeley Gas                 | 6,016                      | 4,759     |
| Trans La                    | 2,042                      | 2,942     |
| United Cities               | 11,135                     | 10,154    |
| Western Kentucky            | 3,194                      | 5,814     |
| Utility technology projects | 24,416                     | 24,223    |
| Total utility               | 51,619                     | 53,572    |
| Non-utility segments:       |                            |           |
| Propane                     | 706                        | 573       |
| Storage and Energy Services | -                          | 155       |
| Total non-utility           | 706                        | 728       |
| Total capital invested      | \$ 52,325                  | \$ 54,300 |

# Atmos Consolidated Capital Expenditures Year To Date By Quarter





(THIS PAGE LEFT BLANK INTENTIONALLY)



# Balance Sheet And Capitalization

# Atmos Consolidated Balance Sheets

As of March 31

*Balance Sheet and Capitalization*

| Description  | 1999                | 1998                |
|--|---------------------|---------------------|
| (000's)  |                     |                     |
| <b>ASSETS</b>  |                     |                     |
| Property, plant and equipment                                | \$ 1,358,273        | \$ 1,315,026        |
| Construction work in progress                                | <u>137,108</u>      | <u>69,966</u>       |
| Less accumulated depreciation and amort.                     | 1,495,381           | 1,384,992           |
|  | <u>553,836</u>      | <u>508,923</u>      |
| Net property, plant and equipment                            | 941,545             | 876,069             |
| <b>Current assets</b>  |                     |                     |
| Cash and temporary cash investments                          | 14,609              | 10,025              |
| Accounts receivable, less allowance for<br>doubtful accounts | 100,387             | 112,042             |
| Inventories  | 14,710              | 13,289              |
| Gas stored underground                                       | 24,493              | 22,910              |
| Other current assets   | <u>3,007</u>        | <u>5,183</u>        |
| Total current assets   | 157,206             | 163,449             |
| Deferred charges and other assets                            | <u>122,912</u>      | <u>108,656</u>      |
| Total assets   | <u>\$ 1,221,663</u> | <u>\$ 1,148,174</u> |

# Atmos Consolidated Balance Sheets

As of March 31

*Balance Sheet and Capitalization*

| Description<br>(000's)                 | 1999                | 1998                |
|--|---------------------|---------------------|
| <b>CAPITALIZATION AND LIABILITIES</b>  |                     |                     |
| Shareholders' equity                   |                     |                     |
| Common stock                           | \$ 245              | \$ 150              |
| Additional paid-in capital             | 282,971             | 262,295             |
| Retained earnings                      | <u>126,715</u>      | <u>117,630</u>      |
| Total shareholders' equity             | 409,931             | 380,075             |
| Long-term debt                         | <u>386,640</u>      | <u>252,152</u>      |
| Total capitalization                   | 796,571             | 632,227             |
| Current liabilities                    |                     |                     |
| Current maturities of long-term debt   | 18,996              | 57,508              |
| Notes payable                          | 112,147             | 146,843             |
| Accounts payable                       | 71,693              | 73,463              |
| Taxes payable                          | 18,084              | 27,332              |
| Customers' deposits                    | 10,805              | 13,581              |
| Other current liabilities              | <u>34,832</u>       | <u>51,198</u>       |
| Total current liabilities              | 266,557             | 369,925             |
| Deferred income taxes                  | 84,494              | 87,486              |
| Deferred credits and other liabilities | <u>74,041</u>       | <u>58,536</u>       |
| Total capitalization and liabilities   | <u>\$ 1,221,663</u> | <u>\$ 1,148,174</u> |

# Atmos Consolidated Capitalization

As of March 31

*Balance Sheet and Capitalization*

|   | 1999                     | 1998                     |
|---|--------------------------|--------------------------|
| (\$000's)                                       |                          |                          |
| Working capital                                 |                          |                          |
| Short-term debt (1)                             | \$ <u>24,493</u>         | \$ <u>22,910</u>         |
| Short-term debt                                 | \$ 87,654      9.7%      | \$ 123,933      15.2%    |
| Long-term debt<br>(Includes current maturities) | 405,636      44.9%       | 309,660      38.1%       |
| Shareholders' equity                            | <u>409,931</u> 45.4%     | <u>380,075</u> 46.7%     |
| Total capitalization                            | <u>\$ 903,221</u> 100.0% | <u>\$ 813,668</u> 100.0% |

(1) Includes short-term borrowings associated with working gas inventories.

( THIS PAGE LEFT BLANK INTENTIONALLY )

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
AS OF 03/31/99

| Line No.       | Description<br>(a)  | 1999<br>(b)   | 1998<br>(c)   | As of<br>September 30, 1998<br>(d) | Line No. |
|----------------|---|---------------|---------------|------------------------------------|----------|
| ASSETS         |   |               |               |                                    |          |
| 1              | Property, plant and equipment                             |               |               |                                    |          |
| 2              | Utility plant   | 1,284,493,611 | 1,233,408,777 | 1,258,300,497                      | 1        |
| 3              | Nonutility plant  | 73,778,648    | 81,616,964    | 75,255,494                         | 2        |
| 3              | Construction work in progress                             | 137,108,195   | 69,965,875    | 112,864,203                        | 3        |
| 4              |   | 1,495,380,454 | 1,384,991,616 | 1,446,420,194                      | 4        |
| 5              | Less accumulated depreciation and amortization            | 553,835,947   | 508,922,593   | 528,559,812                        | 5        |
| 6              | Net property, plant and equipment                         | 941,544,507   | 876,069,023   | 917,860,382                        | 6        |
| 7              | Investments in & advances to subsidiaries                 | 0             | 0             | 0                                  | 7        |
| Current assets |   |               |               |                                    |          |
| 8              | Cash and temporary cash investments                       | 14,608,801    | 10,024,727    | 4,734,898                          | 8        |
| 9              | Accounts receivable, less allowance for doubtful accounts | 100,386,896   | 110,442,139   | 34,887,297                         | 9        |
| 10             | Inventories   | 14,710,320    | 13,289,169    | 15,219,349                         | 10       |
| 11             | Gas stored underground                                    | 24,492,756    | 22,909,632    | 48,908,938                         | 11       |
| 12             | Other current assets                                      | 3,007,463     | 4,132,202     | 3,629,466                          | 12       |
| 13             | Intercompany accounts - net                               | (0)           | 0             | 0                                  | 13       |
| 14             | Total current assets                                      | 157,206,235   | 160,797,869   | 107,379,969                        | 14       |
| 15             | Deferred charges and other assets                         | 122,911,943   | 111,306,905   | 116,149,364                        | 15       |
| 16             | Total assets  | 1,221,662,684 | 1,148,173,797 | 1,141,389,715                      | 16       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS (Continued)  
AS OF 03/31/99

| Line No.                                    | Description<br>(a)                            | 1999<br>(b)   | 1998<br>(c)   | As of<br>September 30, 1998<br>(d) | Line No. |
|---|---|---------------|---------------|------------------------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |   |               |               |                                    |          |
| Shareholders' equity                        |   |               |               |                                    |          |
| 1   | Common stock                                  | 154,139       | 150,282       | 151,992                            | 1        |
| 2   | Treasury Stock                                | (90,591)      | 0             | 0                                  | 2        |
| 3   | Common stock subscribed                       | 0             | 0             | 0                                  | 3        |
| 4   | Additional paid-in capital                    | 283,152,565   | 262,294,366   | 271,637,624                        | 4        |
| 5   | Retained earnings                             | 126,715,164   | 117,629,893   | 99,368,877                         | 5        |
| 6   | Total shareholders' equity                    | 409,931,278   | 380,074,541   | 371,158,493                        | 6        |
| 7   | Long-term debt (including current maturities) | 405,635,531   | 309,660,163   | 456,330,719                        | 7        |
| 8   | Total capitalization                          | 815,566,810   | 689,734,704   | 827,489,212                        | 8        |
| Current liabilities                         |   |               |               |                                    |          |
| 9   | Notes payable                                 | 112,147,281   | 146,843,000   | 66,400,000                         | 9        |
| 10  | Accounts payable                              | 71,693,211    | 73,462,792    | 44,741,661                         | 10       |
| 11  | Accrued taxes                                 | 8,160,916     | 11,099,278    | 10,350,963                         | 11       |
| 12  | Income taxes payable                          | 9,922,959     | 16,232,506    | 2,385,011                          | 12       |
| 13  | Dividends declared                            | 0             | 0             | 0                                  | 13       |
| 14  | Customers' deposits                           | 10,805,337    | 13,581,728    | 12,029,062                         | 14       |
| 15  | Other current liabilities                     | 34,831,405    | 51,197,833    | 30,369,188                         | 15       |
| 16  | Total current liabilities                     | 247,561,109   | 312,417,139   | 166,275,885                        | 16       |
| 17  | Deferred income taxes                         | 84,493,794    | 87,486,482    | 80,212,480                         | 17       |
| 18  | Deferred credits and other liabilities        | 74,040,972    | 58,535,472    | 67,412,138                         | 18       |
| 19  | Total liabilities and shareholders' equity    | 1,221,662,684 | 1,148,173,797 | 1,141,389,715                      | 19       |



ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR ENDED 03/31/99

| Line No. | Description (a)                        | Current Month |              |                       | Year to Date  |               |                       | Twelve (12) Months Ended 3/31/99 (h) | Line No. |
|----------|--|---------------|--------------|-----------------------|---------------|---------------|-----------------------|--------------------------------------|----------|
|          |  | Actual (b)    | Budget (c)   | Prior Year Actual (d) | Actual (e)    | Budget (f)    | Prior Year Actual (g) |                                      |          |
| 1        | Operating revenues                     |               |              |                       |               |               |                       |                                      |          |
| 2        | Gas                                    | \$75,690,347  | \$98,000,000 | \$80,050,371          | \$435,201,597 | \$607,405,000 | \$541,950,152         | \$677,842,930                        |          |
| 3        | Transportation                         | 2,200,391     | 2,737,000    | 2,097,559             | 12,449,883    | 15,071,000    | 13,255,333            | 23,165,356                           |          |
| 4        | Other                                  | 270,942       | 243,000      | 0                     | 1,707,626     | 1,484,000     | 0                     | 1,707,626                            |          |
| 5        | Non Utility                            | 4,020,140     | 5,063,000    | 4,000,595             | 22,294,293    | 36,054,000    | 28,675,907            | 33,263,606.46                        |          |
| 6        | Total operating revenues               | 82,181,819    | 106,043,000  | 86,148,525            | 471,653,399   | 660,014,000   | 583,881,391           | 735,979,518                          |          |
| 7        | Purchased gas cost                     | 45,848,625    | 67,750,000   | 49,472,684            | 268,050,423   | 418,919,000   | 360,309,040           | 424,112,926                          |          |
| 8        | Gross profit                           | 36,333,194    | 38,293,000   | 36,675,841            | 203,602,976   | 241,095,000   | 223,572,352           | 311,866,592                          |          |
| 9        | Operating expenses                     |               |              |                       |               |               |                       |                                      |          |
| 10       | Operation                              | 10,734,571    | 12,542,000   | 10,685,467            | 70,190,173    | 76,722,000    | 69,268,536            | 129,007,828.10                       |          |
| 11       | Litigation Settlement                  | 3,250,000     | 0            | 0                     | 3,250,000     | 0             | 0                     | 3,250,000                            |          |
| 12       | Maintenance                            | (750,155)     | 840,000      | 783,460               | 3,826,726     | 4,758,000     | 4,768,898             | 9,335,568                            |          |
| 13       | Depreciation and amortization          | 4,566,451     | 4,470,000    | 3,971,237             | 27,400,462    | 26,795,000    | 23,784,448            | 51,171,414                           |          |
| 14       | Taxes - other than income taxes        | 3,006,835     | 2,357,000    | 3,032,587             | 16,404,938    | 14,465,000    | 17,595,760            | 28,596,777                           |          |
| 15       | Total operating expenses               | 20,807,703    | 20,209,000   | 18,472,751            | 121,072,299   | 122,740,000   | 115,417,643           | 221,361,587                          |          |
| 16       | Operating income                       | 15,325,491    | 18,084,000   | 18,203,090            | 82,530,677    | 118,355,000   | 108,154,709           | 90,505,005                           |          |
| 17       | Other income (expenses)                |               |              |                       |               |               |                       |                                      |          |
| 18       | Interest expenses                      | (2,675,016)   | (3,162,000)  | (2,806,144)           | (17,238,695)  | (19,294,000)  | (18,644,523)          | (34,173,203)                         |          |
| 19       | Merchandise                            | 26,392        | 30,000       | (22,400)              | 109,660       | 236,000       | 100,049               | (142,615)                            |          |
| 20       | Interest income                        | 101,044       | 94,000       | 95,802                | 490,613       | 561,000       | 985,976               | 1,014,019                            |          |
| 21       | Other nonoperating income              | (85,543)      | 333,000      | (59,400)              | 814,192       | 1,940,000     | (444,341)             | 5,751,619                            |          |
| 22       | Equity in earnings - Woodward          | 199,581       | 397,000      | 1,698,569             | 2,660,631     | 3,041,000     | 2,362,068             | 4,218,773                            |          |
| 23       | Total other income (expenses)          | (2,433,543)   | (2,308,000)  | (1,093,574)           | (13,163,599)  | (13,516,000)  | (15,640,771)          | (23,331,406)                         |          |
| 24       | Income before income taxes             | 13,091,949    | 15,776,000   | 17,109,517            | 69,367,079    | 104,839,000   | 92,513,938            | 67,173,599                           |          |
| 25       | Provision for income taxes             | 4,460,067     | 5,910,000    | 6,405,675             | 25,192,571    | 39,164,000    | 34,993,779            | 22,004,604                           |          |
| 26       | Net income                             | \$8,631,882   | \$9,866,000  | \$10,703,842          | \$44,174,508  | \$65,675,000  | \$57,520,159          | \$45,168,995                         |          |
| 27       | Basic earnings per share               | \$0.28        | \$0.32       | \$0.36                | \$1.45        | \$2.14        | \$1.94                | \$1.50                               |          |
| 28       | Basic avg. common shares outstanding   | 30,530,344    | 30,530,344   | 29,822,531            | 30,361,020    | 30,741,000    | 29,653,738            | 30,191,721                           |          |
| 29       | Diluted earnings (loss) per share      | \$0.28        | \$0.32       | \$0.36                | \$1.44        | \$2.12        | \$1.94                | \$1.49                               |          |
| 30       | Diluted avg. common shares outstanding | 30,778,707    | 30,778,707   | 30,041,635            | 30,600,572    | 30,987,000    | 29,667,856            | 30,405,453                           |          |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
FOR THE QUARTERS ENDED 12/31/98 AND 03/31/99

| Line No. | Description (a)                        | 12/31/98      |               |                       | 03/31/99      |               |                       |
|----------|--|---------------|---------------|-----------------------|---------------|---------------|-----------------------|
|          |  | Actual        | Budget (b)    | Prior Year Actual (c) | Actual (b)    | Budget (c)    | Prior Year Actual (d) |
| 1        | Operating revenues                     |               |               |                       |               |               |                       |
| 2        | Gas                                    | \$194,610,169 | \$250,909,000 | \$275,230,542         | \$240,591,429 | \$356,496,000 | \$266,719,610         |
| 3        | Transportation                         | 6,804,625     | 6,069,000     | 6,835,199             | 5,645,258     | 9,002,000     | 6,420,134             |
| 4        | Other                                  | 0             | 0             | 0                     | 1,707,626     | 1,484,000     | 0                     |
| 5        | Non Utility                            | 8,812,995     | 16,524,000    | 13,265,120            | 13,481,298    | 19,530,000    | 15,410,787            |
| 6        | Total operating revenues               | 210,227,788   | 273,502,000   | 295,330,861           | 261,425,611   | 386,512,000   | 288,550,531           |
| 7        | Purchased gas cost                     | 119,019,340   | 170,560,000   | 195,730,079           | 149,031,084   | 248,359,000   | 164,578,961           |
| 8        | Gross profit                           | 91,208,449    | 102,942,000   | 99,600,782            | 112,394,527   | 138,153,000   | 123,971,570           |
| 9        | Operating expenses                     |               |               |                       |               |               |                       |
| 10       | Operation                              | 35,877,875    | 36,551,000    | 36,040,613            | 34,312,298    | 40,171,000    | 33,227,923            |
| 11       | Litigation Settlement                  | 0             | 0             | 0                     | 3,250,000     | 0             | 0                     |
| 12       | Maintenance                            | 2,670,538     | 2,544,000     | 2,481,064             | 1,156,188     | 2,214,000     | 2,287,835             |
| 13       | Depreciation and amortization          | 13,599,853    | 13,376,000    | 11,908,347            | 13,800,609    | 13,419,000    | 11,876,101            |
| 14       | Taxes - other than income taxes        | 7,371,757     | 7,155,000     | 8,219,264             | 9,033,181     | 7,310,000     | 9,376,496             |
| 15       | Total operating expenses               | 59,520,023    | 59,626,000    | 58,649,287            | 61,552,276    | 63,114,000    | 56,768,355            |
| 16       | Operating income                       | 31,688,426    | 43,316,000    | 40,951,494            | 50,842,252    | 75,039,000    | 67,203,215            |
| 17       | Other income (expenses)                |               |               |                       |               |               |                       |
| 18       | Interest expenses                      | (9,072,909)   | (9,842,000)   | (9,308,985)           | (8,165,786)   | (9,452,000)   | (9,335,538)           |
| 19       | Merchandise                            | 90,092        | 118,000       | 31,308                | 19,569        | 118,000       | 68,742                |
| 20       | Interest income                        | 199,537       | 284,000       | 470,049               | 291,076       | 277,000       | 515,927               |
| 21       | Other nonoperating income              | 216,962       | 850,000       | (118,522)             | 597,230       | 1,090,000     | (325,820)             |
| 22       | Equity in earnings - Woodward          | 1,213,187     | 1,729,000     | 380,342               | 1,447,444     | 1,312,000     | 1,981,726             |
| 23       | Total other income (expenses)          | (7,353,132)   | (6,861,000)   | (8,545,807)           | (5,810,467)   | (6,655,000)   | (7,094,963)           |
| 24       | Income before income taxes             | 24,335,294    | 36,455,000    | 32,405,687            | 45,031,785    | 68,384,000    | 60,108,252            |
| 25       | Provision for income taxes             | 8,955,388     | 13,679,000    | 12,283,592            | 16,237,183    | 25,485,000    | 22,710,188            |
| 26       | Net income                             | \$15,379,906  | \$22,776,000  | \$20,122,095          | \$28,794,602  | \$42,899,000  | \$37,398,064          |
| 27       | Basic earnings per share               | \$0.51        | \$0.74        | \$0.68                | \$0.95        | \$1.40        | \$1.26                |
| 28       | Basic avg. common shares outstanding   | 30,273,167    | 30,741,000    | 29,762,261            | 30,449,293    | 30,741,000    | 29,739,855            |
| 29       | Diluted earnings (loss) per share      | \$0.50        | \$0.74        | \$0.68                | \$0.94        | \$1.38        | \$1.25                |
| 30       | Diluted avg. common shares outstanding | 30,515,415    | 30,987,000    | 29,749,124            | 30,697,777    | 30,987,000    | 29,964,542            |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEETS  
AS OF 03/31/99

| Line No.              | Description (a)   | Atmos Energy Corp. (b) | Atmos Propane | Atmos Other Operations (c) | Eliminations and Adjustments (d) | Consolidated (e) | Line No. |
|-----------------------|---|------------------------|---------------|----------------------------|----------------------------------|------------------|----------|
| <b>ASSETS</b>         |   |                        |               |                            |                                  |                  |          |
| 1                     | Property, plant and equipment                             |                        |               |                            |                                  |                  |          |
| 2                     | Utility plant   | 1,296,538,175          | 0             | 1,427,623                  | (13,472,187)                     | 1,284,493,611    | 1        |
| 3                     | Nonutility plant  | 2,650,968              | 39,697,992    | 31,429,688                 | 0                                | 73,778,648       | 2        |
| 3                     | Construction work in progress                             | 137,108,195            | 0             | 0                          | 0                                | 137,108,195      | 3        |
| 4                     | Less accumulated depreciation and amortization            | 1,436,297,338          | 39,697,992    | 32,857,311                 | (13,472,187)                     | 1,495,380,454    | 4        |
| 5                     |   | 546,670,854            | 15,007,412    | 8,910,878                  | (16,753,197)                     | 553,835,947      | 5        |
| 6                     | Net property, plant and equipment                         | 889,626,484            | 24,690,580    | 23,946,433                 | 3,281,010                        | 941,544,507      | 6        |
| 7                     | Investments in & advances to subsidiaries                 | 8,353,208              | 0             | 0                          | (8,353,208)                      | 0                | 7        |
| <b>Current assets</b> |   |                        |               |                            |                                  |                  |          |
| 8                     | Cash and temporary cash investments                       | 7,787,298              | 2,480,885     | 4,340,618                  | 0                                | 14,608,801       | 8        |
| 9                     | Accounts receivable, less allowance for doubtful accounts | 94,963,709             | 1,699,476     | 2,539,370                  | 1,184,341                        | 100,386,896      | 9        |
| 10                    | Inventories   | 13,270,557             | 1,437,084     | 2,679                      | 0                                | 14,710,320       | 10       |
| 11                    | Gas stored underground                                    | 19,195,792             | 0             | 5,296,964                  | 0                                | 24,492,756       | 11       |
| 12                    | Other current assets                                      | 3,257,160              | (49,991)      | 201,250                    | (400,956)                        | 3,007,463        | 12       |
| 13                    | Intercompany accounts - net                               | (6,247,643)            | 7,643         | 17,773,960                 | (11,533,961)                     | (0)              | 13       |
| 14                    | Total current assets                                      | 132,226,874            | 5,575,097     | 30,154,840                 | (10,750,576)                     | 157,206,235      | 14       |
| 15                    | Deferred charges and other assets                         | 102,386,033            | 4,686,847     | 15,681,312                 | 157,750                          | 122,911,943      | 15       |
| 16                    | Total assets  | 1,132,592,599          | 34,952,524    | 69,782,585                 | (15,665,024)                     | 1,221,662,684    | 16       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEETS (Continued)  
AS OF 03/31/99

| Line No.                                    | Description<br>(a)                            | Atmos Energy Corp.<br>(b) | Atmos Propane | Atmos Other Operations<br>(c) | Eliminations and Adjustments<br>(d) | Consolidated<br>(e) | Line No. |
|---|---|---------------------------|---------------|-------------------------------|-------------------------------------|---------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |   |                           |               |                               |                                     |                     |          |
| 1   | Shareholders' equity                          |                           |               |                               |                                     |                     |          |
| 2   | Common stock                                  | 154,139                   | 1,000         | 1,004,100                     | (1,005,100)                         | 154,139             | 1        |
| 3   | Treasury Stock                                | (90,591)                  | 0             | 0                             | 0                                   | (90,591)            | 2        |
| 4   | Common stock subscribed                       | 0                         | 0             | 0                             | 0                                   | 0                   | 3        |
| 5   | Additional paid-in capital                    | 283,152,565               | 3,708,145     | 3,639,962                     | (7,348,108)                         | 283,152,565         | 4        |
| 6   | Retained earnings                             | 85,065,579                | 5,934,215     | 35,964,538                    | (249,167)                           | 126,715,164         | 5        |
| 7   | Total shareholders' equity                    | 368,281,693               | 9,643,360     | 40,608,600                    | (8,602,375)                         | 409,931,278         | 6        |
| 8   | Long-term debt (including current maturities) | 385,663,308               | 10,425,937    | 9,546,286                     | 0                                   | 405,635,531         | 7        |
| 9   | Total capitalization                          | 753,945,001               | 20,069,297    | 50,154,887                    | (8,602,375)                         | 815,566,810         | 8        |
| 10  | Current liabilities                           |                           |               |                               |                                     |                     |          |
| 11  | Notes payable                                 | 112,147,281               | 0             | 0                             | 0                                   | 112,147,281         | 9        |
| 12  | Accounts payable                              | 65,956,696                | 356,239       | 5,380,277                     | 0                                   | 71,693,211          | 10       |
| 13  | Accrued taxes                                 | 7,973,434                 | 108,461       | 79,021                        | 0                                   | 8,160,916           | 11       |
| 14  | Income taxes payable                          | 942,189                   | 643,365       | 8,337,406                     | 0                                   | 9,922,959           | 12       |
| 15  | Dividends declared                            | 0                         | 0             | 0                             | 0                                   | 0                   | 13       |
| 16  | Customers' deposits                           | 10,746,455                | 0             | 459,838                       | (400,956)                           | 10,805,337          | 14       |
| 17  | Other current liabilities                     | 33,719,384                | 747,195       | 364,826                       | 0                                   | 34,831,405          | 15       |
| 18  | Intercompany accounts - net                   | 0                         | 11,265,934    | (916,314)                     | (10,349,620)                        | (0)                 | 16       |
| 19  | Total current liabilities                     | 231,485,438               | 13,121,193    | 13,705,054                    | (10,750,576)                        | 247,561,109         | 17       |
| 20  | Deferred income taxes                         | 78,769,776                | 111,398       | 5,612,620                     | 0                                   | 84,493,794          | 18       |
| 21  | Deferred credits and other liabilities        | 68,392,384                | 1,650,636     | 310,025                       | 3,687,927                           | 74,040,972          | 19       |
| 22  | Total liabilities and shareholders' equity    | 1,132,592,599             | 34,952,524    | 69,782,585                    | (15,665,024)                        | 1,221,662,684       | 20       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
ELIMINATIONS TO CONSOLIDATING BALANCE SHEET

AS OF 03/31/99

|   |                      |                      |
|---|----------------------|----------------------|
| <b>ELIMINATIONS</b>                           |                      |                      |
| 1. Common Stock                               | 1,005,100.00         | 1,005,100.00         |
| Investment in and advances to subs            |                      |                      |
| To eliminate common stock of subs             |                      |                      |
| 2. Paid-in Capital                            |                      |                      |
| Trans La Industrial                           | 2,292,947.39         |                      |
| WKG Resources                                 | 1,603,833.12         |                      |
| United Cities Storage                         | 3,451,327.00         |                      |
| Investment in and advances to subs            |                      |                      |
| To eliminate paid-in capital of subs          |                      |                      |
| 3. Atmos Utility Plant                        | 3,281,009.96         |                      |
| Atmos Deferred Debit                          | 406,917.51           |                      |
| Atmos Deferred Credit                         |                      |                      |
| To adjust for capital leases associated       |                      |                      |
| with the sale/lease back transaction          |                      |                      |
| with the Gililand Group                       |                      |                      |
| 4. Intercompany Accounts- UCGC                |                      |                      |
| Customer Deposits                             | 400,956.00           |                      |
| Prepays                                       |                      |                      |
| To eliminate UCGS deposit from UCGC           |                      |                      |
| 5. Intercompany Accounts UCGC                 |                      |                      |
| Misc. Deferred Debits                         | 0.00                 |                      |
| Misc. Current Liabilities                     | 0.00                 |                      |
| Intercompany Accounts                         | 1,184,341.00         |                      |
| To eliminate intercompany accounts            |                      |                      |
| 6. Retained earnings                          |                      |                      |
| Deferred credits & other assets               | 249,167.21           |                      |
| To eliminate inter division profit in between |                      |                      |
| Amarillo Distribution Division and            |                      |                      |
| Amarillo Transmission Division-Atmos          |                      |                      |
| 7. Intercompany Accounts Payable - Egasco     |                      |                      |
| - Services                                    | 0.00                 |                      |
| - United Cities Gas                           | 0.00                 |                      |
| - United Cities Energy                        | 7,866,708.00         |                      |
| - United Cities Storage                       | 2,482,912.00         |                      |
| - United Cities Propane                       | 0.00                 |                      |
| Intercompany Accounts Receivable              | 0.00                 |                      |
| To eliminate Intercompany - Net               |                      |                      |
| Total Eliminations                            | <u>24,225,219.19</u> | <u>24,225,219.19</u> |
| <b>ADJUSTMENTS</b>                            |                      |                      |
| 7. WKG Accumulated Provision                  | 12,673,185.32        | 12,673,185.32        |
| WKG Division Utility Plant                    |                      |                      |
| To adjust 11-30-1987 depreciation on          |                      |                      |
| WKG Division - amortization Month             | 280,000.00           |                      |
| To date                                       | 7,336,000.00         |                      |
| 8. Trans La Accumulated Provision             |                      |                      |
| Trans La Division Utility Plant               |                      |                      |
| To adjust 12-31-85 depreciation on            |                      |                      |
| Trans La Division - amortization Month        | 48,202.00            |                      |
| To date                                       | 7,647,958.00         |                      |
| 9. Trans La Industrial Accumulated Provision  |                      |                      |
| Trans La Industrial Utility Plant             |                      |                      |
| To adjust 12-31-85 depreciation on            |                      |                      |
| Trans La Industrial - amortization Month      | 550.00               |                      |
| To date                                       | 87,450.00            |                      |
|   |                      | 35,188.92            |
|   |                      | 4,044,822.51         |
|   |                      | 11,533,961.00        |

ATMOS ENERGY CORPORATION, INC.  
CONSOLIDATING STATEMENTS OF INCOME  
FOR THE MONTH ENDED 3/31/99

| Line No. | Description (a)                   | Atmos Energy Corporation (b) | UCG Propane (c) | Other Operations (d) | Eliminations (e) | Total Atmos Energy Corporation (f) | Line No. |
|----------|-----------------------------------|------------------------------|-----------------|----------------------|------------------|------------------------------------|----------|
|          | Operating revenues                |                              |                 |                      |                  |                                    |          |
| 1        | Gas                               | \$70,660,183                 | \$0             | \$5,030,164          | \$0              | \$75,690,347                       | 1        |
| 2        | Transportation                    | 2,790,536                    | 0               | 7,751                | (597,896)        | 2,200,391                          | 2        |
| 3        | Other                             | 270,942                      | 0               | 0                    | 0                | 270,942                            | 3        |
| 4        | Non Utility                       | 0                            | 2,772,501       | 1,247,639            | 0                | 4,020,140                          | 4        |
| 5        | Total operating revenues          | 73,721,662                   | 2,772,501       | 6,285,553            | (597,896)        | 82,181,819                         | 5        |
| 6        | Purchased gas cost                | 39,923,870                   | 1,304,386       | 4,742,511            | (122,141)        | 45,848,625                         | 6        |
| 7        | Gross profit                      | 33,797,792                   | 1,468,115       | 1,543,042            | (475,755)        | 36,333,194                         | 7        |
|          | Operating expenses                |                              |                 |                      |                  |                                    |          |
| 8        | Operation                         | 13,555,754                   | 538,511         | (1,204,944)          | 1,095,250        | 13,984,571                         | 8        |
| 9        | Maintenance                       | (781,720)                    | 29,639          | 1,926                | 0                | (750,155)                          | 9        |
| 10       | Depreciation                      | 4,226,864                    | 222,744         | 116,843              | 0                | 4,566,451                          | 10       |
| 11       | Taxes - other than income taxes   | 2,806,722                    | 166,555         | 33,558               | 0                | 3,006,835                          | 11       |
| 12       | Shared Services                   | 603                          | 53,525          | (54,129)             | 0                | (0)                                | 12       |
| 13       | Total operating expenses          | 19,808,223                   | 1,010,975       | (1,106,745)          | 1,095,250        | 20,807,703                         | 13       |
| 14       | Operating income (loss)           | 13,989,569                   | 457,141         | 2,649,787            | (1,571,006)      | 15,525,491                         | 14       |
|          | Other income (expenses)           |                              |                 |                      |                  |                                    |          |
| 15       | Interest expenses                 | (2,541,400)                  | (109,542)       | (101,440)            | 77,366           | (2,675,016)                        | 15       |
| 16       | Merchandise                       | 8,712                        | 0               | 17,679               | 0                | 26,392                             | 16       |
| 17       | Interest income                   | 39,969                       | 40,181          | 98,260               | (77,366)         | 101,044                            | 17       |
| 18       | Other nonoperating income         | (1,431,640)                  | 410             | (179,593)            | 1,525,279        | (85,543)                           | 18       |
| 19       | Equity in earnings - Woodward     | 0                            | 0               | 199,581              | 0                | 199,581                            | 19       |
| 20       | Total other income (expenses)     | (3,924,358)                  | (68,951)        | 34,488               | 1,525,279        | (2,433,543)                        | 20       |
| 21       | Income (loss) before income taxes | 10,065,211                   | 388,189         | 2,684,275            | (45,726)         | 13,091,949                         | 21       |
| 22       | Provision for income taxes        | 3,387,864                    | 142,800         | 929,403              | 0                | 4,460,067                          | 22       |
| 23       | Net income (loss)                 | \$6,677,346                  | \$245,389       | \$1,754,872          | (\$45,726)       | \$8,631,882                        | 23       |

ATMOS ENERGY CORPORATION, INC.  
CONSOLIDATING STATEMENTS OF INCOME  
FOR THE QUARTER ENDED 3/31/99

| Line No. | Description (a)                   | Atmos Energy Corporation (b) | UCG Propane (c) | Other Operations (d) | Eliminations (e) | Total Atmos Energy Corporation (f) | Line No. |
|----------|-----------------------------------|------------------------------|-----------------|----------------------|------------------|------------------------------------|----------|
| 1        | Operating revenues                |                              |                 |                      |                  |                                    | 1        |
| 2        | Gas                               | \$232,441,166                | \$0             | \$9,177,838          | \$0              | \$241,619,003                      | 2        |
| 3        | Transportation                    | 6,589,655                    | 0               | 17,789               | (962,186)        | 5,645,258                          | 3        |
| 4        | Other                             | 680,051                      | 0               | 0                    | 0                | 680,051                            | 4        |
| 5        | Non Utility                       | 0                            | 10,026,236      | 3,475,260            | 0                | 13,501,497                         | 5        |
| 6        | Total operating revenues          | 239,710,872                  | 10,026,236      | 12,670,887           | (962,186)        | 261,445,809                        | 6        |
| 7        | Purchased gas cost                | 134,561,150                  | 4,728,204       | 10,025,942           | (282,486)        | 149,032,811                        | 7        |
| 8        | Gross profit                      | 105,149,722                  | 5,298,032       | 2,644,945            | (679,701)        | 112,412,998                        | 8        |
| 9        | Operating expenses                |                              |                 |                      |                  |                                    | 9        |
| 10       | Operation                         | 35,516,504                   | 1,914,375       | (373,172)            | 508,819          | 37,566,527                         | 10       |
| 11       | Maintenance                       | 1,004,064                    | 112,317         | 4,161                | 0                | 1,120,543                          | 11       |
| 12       | Depreciation                      | 12,744,324                   | 705,857         | 350,428              | 0                | 13,800,609                         | 12       |
| 13       | Taxes - other than income taxes   | 8,663,968                    | 264,397         | 104,816              | 0                | 9,033,181                          | 13       |
| 14       | Shared Services                   | (103,646)                    | 133,645         | 1,465                | 0                | 31,464                             | 14       |
| 15       | Total operating expenses          | 57,825,214                   | 3,130,592       | 87,699               | 508,819          | 61,552,323                         | 15       |
| 16       | Operating income (loss)           | 47,324,508                   | 2,167,441       | 2,557,246            | (1,188,519)      | 50,860,675                         | 16       |
| 17       | Other income (expenses)           |                              |                 |                      |                  |                                    | 17       |
| 18       | Interest expenses                 | (7,804,138)                  | (319,138)       | (278,684)            | 236,175          | (8,165,785)                        | 18       |
| 19       | Merchandise                       | 20,178                       | 0               | 55,405               | 0                | 75,583                             | 19       |
| 20       | Interest income                   | 160,938                      | 99,553          | 266,759              | (236,175)        | 291,075                            | 20       |
| 21       | Other nonoperating income         | (371,041)                    | 70,989          | (116,507)            | 939,351          | 522,793                            | 21       |
| 22       | Equity in earnings - Woodward     | 0                            | 0               | 1,447,444            | 0                | 1,447,444                          | 22       |
| 23       | Total other income (expenses)     | (7,994,062)                  | (148,597)       | 1,374,418            | 939,351          | (5,828,890)                        | 23       |
| 24       | Income (loss) before income taxes | 39,330,446                   | 2,018,844       | 3,931,664            | (249,168)        | 45,031,786                         | 24       |
| 25       | Provision for income taxes        | 14,176,216                   | 713,014         | 1,347,953            | 0                | 16,237,183                         | 25       |
| 26       | Net income (loss)                 | \$25,154,230                 | \$1,305,830     | \$2,583,711          | (\$249,168)      | \$28,794,603                       | 26       |

ATMOS ENERGY CORPORATION, INC.  
CONSOLIDATING STATEMENTS OF INCOME  
FOR THE YEAR TO DATE ENDED 3/31/99

| Line No. | Description (a)                   | Atmos Energy Corporation (b) | UCG Propane (c) | Other Operations (d) | Eliminations (e) | Total Atmos Energy Corporation (f) | Line No. |
|----------|-----------------------------------|------------------------------|-----------------|----------------------|------------------|------------------------------------|----------|
| 1        | Operating revenues                |                              |                 |                      |                  |                                    |          |
| 2        | Gas                               | \$421,147,467                | \$0             | \$14,054,130         | \$0              | \$435,201,597                      | 1        |
| 3        | Transportation                    | 13,910,088                   | 0               | 38,934               | (1,499,139)      | 12,449,883                         | 2        |
| 4        | Other                             | 1,707,626                    | 0               | 0                    | 0                | 1,707,626                          | 3        |
| 5        | Non Utility                       | 0                            | 17,321,169      | 4,973,124            | 0                | 22,294,293                         | 4        |
| 6        | Total operating revenues          | 436,765,180                  | 17,321,169      | 19,066,189           | (1,499,139)      | 471,653,399                        | 5        |
| 7        | Purchased gas cost                | 246,238,783                  | 7,849,766       | 14,780,360           | (818,485)        | 268,050,423                        | 6        |
| 8        | Gross profit                      | 190,526,397                  | 9,471,403       | 4,285,829            | (680,653)        | 203,602,976                        | 7        |
| 9        | Operating expenses                |                              |                 |                      |                  |                                    |          |
| 10       | Operation                         | 68,993,786                   | 4,133,016       | 743,088              | (429,717)        | 73,440,173                         | 8        |
| 11       | Maintenance                       | 3,591,858                    | 193,669         | 41,199               | 0                | 3,826,726                          | 9        |
| 12       | Depreciation                      | 25,277,578                   | 1,420,476       | 702,408              | 0                | 27,400,462                         | 10       |
| 13       | Taxes - other than income taxes   | 15,811,874                   | 350,450         | 242,614              | 0                | 16,404,938                         | 11       |
| 14       | Shared Services                   | (251,754)                    | 249,589         | 2,165                | 0                | 0                                  | 12       |
| 15       | Total operating expenses          | 113,423,342                  | 6,347,201       | 1,731,473            | (429,717)        | 121,072,299                        | 13       |
| 16       | Operating income (loss)           | 77,103,056                   | 3,124,203       | 2,554,355            | (250,936)        | 82,530,677                         | 14       |
| 17       | Other income (expenses)           |                              |                 |                      |                  |                                    |          |
| 18       | Interest expenses                 | (16,465,272)                 | (666,939)       | (622,747)            | 516,264          | (17,238,695)                       | 15       |
| 19       | Merchandise                       | 110,270                      | 0               | (609)                | 0                | 109,660                            | 16       |
| 20       | Interest income                   | 349,668                      | 156,180         | 501,029              | (516,264)        | 490,613                            | 17       |
| 21       | Other nonoperating income         | 810,721                      | 100,998         | (99,294)             | 1,768            | 814,192                            | 18       |
| 22       | Equity in earnings - Woodward     | 0                            | 0               | 2,660,631            | 0                | 2,660,631                          | 19       |
| 23       | Total other income (expenses)     | (15,194,614)                 | (409,762)       | 2,439,009            | 1,768            | (13,163,599)                       | 20       |
| 24       | Income (loss) before income taxes | 61,908,442                   | 2,714,441       | 4,993,364            | (249,168)        | 69,367,079                         | 21       |
| 25       | Provision for income taxes        | 22,382,316                   | 998,500         | 1,811,754            | 0                | 25,192,571                         | 22       |
| 26       | Net income (loss)                 | \$39,526,125                 | \$1,715,941     | \$3,181,610          | (\$249,168)      | \$44,174,508                       | 23       |



ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
ELIMINATIONS TO CONSOLIDATING INCOME STATEMENT

03/31/99

|   | Current Month |            | YEAR TO DATE |            |
|---|---------------|------------|--------------|------------|
|   | Dr            | Cr         | Dr           | Cr         |
| 1. Gas Revenue  |               |            |              |            |
| Purchased Gas Cost  | 0.00          |            |              |            |
| To eliminate gas sales to Atmos from Trans La Industrial  |               | 0.00       | 0.00         | 0.00       |
| 2. Transportation Revenue   |               |            |              |            |
| Purchased Gas Cost  | 92,397.39     |            | 648,069.71   | 648,069.71 |
| To eliminate transportation charges to Enermart Trust from Atmos  |               | 92,397.39  |              |            |
| 3. Transportation Revenue   |               |            |              |            |
| Purchased Gas Cost  | 29,743.59     |            | 170,415.59   | 170,415.59 |
| To eliminate transportation charges to Trans La Industrial from Atmos   |               | 29,743.59  |              |            |
| 4. Transportation Revenue   |               |            |              |            |
| Def Charges & Other Assets  | 45,726.23     |            | 249,168.21   | 249,168.21 |
| To eliminate inter division profit in between Amarillo Distribution Division and Amarillo Transmission Division-Atmos |               | 45,726.23  |              |            |
| 5. Transportation Revenue   |               |            |              |            |
| Other Nonoperating Income   | 324.31        |            | 1,780.32     | 1,780.32   |
| To eliminate transportation charges for CNG sales at public fill stations from Atmos                                  |               | 324.31     |              |            |
| 6. Operation Expense  |               |            |              |            |
| Other Nonoperating Income   | (49.00)       |            | (89.13)      | (89.13)    |
| To eliminate allocation of Corporate Division expenses to WKGR from Atmos   |               | (49.00)    |              |            |
| 7. Transportation Revenue   |               |            |              |            |
| Operating Expense   | 20,027.69     |            | 20,027.69    | 20,027.69  |
| To eliminate irrigation allocation to Egasco from Atmos   |               | 20,027.69  |              |            |
| 8. Transportation Revenue   |               |            |              |            |
| Operating Expense   | 409,677.04    |            | 409,677.04   | 409,677.04 |
| To eliminate irrigation allocation to Enermart Trust from Atmos   |               | 409,677.04 |              |            |
| 9. Interest Income  |               |            |              |            |
| Interest Expense  | 18,612.20     |            | 149,675.34   | 149,675.34 |
| To eliminate interest charges to Nonutility divisions for natural gas billings.                                       |               | 18,612.20  |              |            |
| 10. Interest Income   |               |            |              |            |
| Interest Expense  | 58,753.60     |            | 366,588.66   | 366,588.66 |
| To eliminate interest charges in between Nonutility divisions.  |               | 58,753.60  |              |            |

ATMOS ENERGY CORPORATION  
COMBINED STATEMENT OF INCOME  
FOR THE MONTH ENDED 3/31/99

| Line No. | Description (a)                   | Utility Business Units |              |               |              |              |             | WKG (f)      | Shared Services (g) | Total Atmos Energy Corp (h) | Line No. |
|----------|-----------------------------------|------------------------|--------------|---------------|--------------|--------------|-------------|--------------|---------------------|-----------------------------|----------|
|          |                                   | Energas (b)            | GGC (c)      | Trans La (d)  | UCG (e)      |              |             |              |                     |                             |          |
| 1        | Operating revenues                |                        |              |               |              |              |             |              |                     |                             |          |
| 1        | Gas                               | \$11,967,545           | \$16,789,583 | \$4,051,026   | \$26,406,308 | \$11,445,722 | \$0         | \$70,660,183 | 1                   |                             |          |
| 2        | Transportation                    | 649,397                | 418,735      | 34,570        | 844,796      | 843,039      | 0           | 2,790,536    | 2                   |                             |          |
| 3        | Other                             | 114,395                | 31,152       | 20,505        | 30,343       | 74,548       | 0           | 270,942      | 3                   |                             |          |
| 4        | Total operating revenues          | 12,731,337             | 17,239,470   | 4,106,100     | 27,281,446   | 12,363,308   | 0           | 73,721,662   | 4                   |                             |          |
| 5        | Purchased gas cost                | 7,121,679              | 9,464,493    | 1,804,174     | 13,770,799   | 7,762,725    | 0           | 39,923,870   | 5                   |                             |          |
| 6        | Gross profit                      | 5,609,658              | 7,774,977    | 2,301,926     | 13,510,647   | 4,600,584    | 0           | 33,797,792   | 6                   |                             |          |
| 7        | Operating expenses                |                        |              |               |              |              |             |              |                     |                             |          |
| 7        | Operation                         | 1,632,863              | 1,732,771    | 485,526       | 1,957,400    | 989,777      | 6,757,417   | 13,555,754   | 7                   |                             |          |
| 8        | Maintenance                       | 66,888                 | 119,787      | 47,284        | (1,128,289)  | 75,441       | 37,168      | (781,720)    | 8                   |                             |          |
| 9        | Depreciation and amortization     | 536,226                | 700,706      | 297,865       | 1,308,355    | 575,067      | 808,645     | 4,226,864    | 9                   |                             |          |
| 10       | Taxes - other than income taxes   | 856,687                | 423,931      | 213,510       | 781,480      | 219,153      | 311,961     | 2,806,722    | 10                  |                             |          |
| 11       | Shared services                   | 1,074,572              | 929,105      | 3,642,881     | 1,851,681    | 653,810      | (8,151,445) | 603          | 11                  |                             |          |
| 12       | Total operating expenses          | 4,167,236              | 3,906,300    | 4,687,067     | 4,770,627    | 2,513,248    | (236,254)   | 19,808,223   | 12                  |                             |          |
| 13       | Operating income (loss)           | 1,442,422              | 3,868,677    | (2,385,140)   | 8,740,020    | 2,087,336    | 236,254     | 13,989,569   | 13                  |                             |          |
| 14       | Other income (expenses)           |                        |              |               |              |              |             |              |                     |                             |          |
| 14       | Interest expenses                 | (617,465)              | (332,780)    | (270,544)     | (869,281)    | (451,326)    | 0           | (2,541,400)  | 14                  |                             |          |
| 15       | Merchandise                       | (9,534)                | 245          | 0             | (3,985)      | 21,987       | 0           | 8,712        | 15                  |                             |          |
| 16       | Interest income                   | 15,523                 | 2,639        | 1,043         | 16,225       | 4,539        | 0           | 39,969       | 16                  |                             |          |
| 17       | Other nonoperating income         | (1,473,592)            | 11,680       | (5,426)       | (74,192)     | 109,890      | 0           | (1,431,640)  | 17                  |                             |          |
| 18       | Total other income (expenses)     | (2,085,072)            | (318,216)    | (274,927)     | (931,234)    | (314,910)    | 0           | (3,924,358)  | 18                  |                             |          |
| 19       | Income (loss) before income taxes | (642,650)              | 3,550,461    | (2,660,067)   | 7,808,786    | 1,772,426    | 236,254     | 10,065,211   | 19                  |                             |          |
| 20       | Provision for income taxes        | (391,751)              | 1,438,399    | (938,736)     | 2,598,562    | 616,330      | 65,061      | 3,387,864    | 20                  |                             |          |
| 21       | Net income (loss)                 | (\$250,899)            | \$2,112,063  | (\$1,721,331) | \$5,210,224  | \$1,156,097  | \$171,193   | \$6,677,346  | 21                  |                             |          |

ATMOS ENERGY CORPORATION  
COMBINED STATEMENT OF INCOME  
FOR THE QUARTER ENDED 3/31/99

| Line No. | Description (a)                   | Utility Business Units |              |              |              |              | WKG (f)      | Shared Services (g) | Total Atmos Energy Corp (h) | Line No. |
|----------|-----------------------------------|------------------------|--------------|--------------|--------------|--------------|--------------|---------------------|-----------------------------|----------|
|          |                                   | Energas (b)            | GGC (c)      | Trans La (d) | UCG (e)      |              |              |                     |                             |          |
| 1        | Operating revenues                |                        |              |              |              |              |              |                     |                             |          |
| 2        | Gas                               | \$41,262,464           | \$52,469,846 | \$11,924,458 | \$88,705,888 | \$38,078,509 | \$0          | \$232,441,166       | 1                           |          |
| 3        | Transportation                    | 1,098,757              | 887,434      | 102,018      | 2,063,879    | 2,437,568    | 0            | 6,589,655           | 2                           |          |
| 3        | Other                             | 298,931                | 80,250       | 51,418       | 43,901       | 205,551      | 0            | 680,051             | 3                           |          |
| 4        | Total operating revenues          | 42,660,152             | 53,437,530   | 12,077,894   | 90,813,668   | 40,721,628   | 0            | 239,710,872         | 4                           |          |
| 5        | Purchased gas cost                | 22,273,639             | 32,880,452   | 4,099,481    | 49,612,297   | 25,695,282   | 0            | 134,561,150         | 5                           |          |
| 6        | Gross profit                      | 20,386,514             | 20,557,078   | 7,978,413    | 41,201,371   | 15,026,346   | 0            | 105,149,722         | 6                           |          |
| 7        | Operating expenses                |                        |              |              |              |              |              |                     |                             |          |
| 7        | Operation                         | 4,620,307              | 4,630,215    | 1,332,812    | 6,099,528    | 2,927,773    | 15,905,870   | 35,516,504          | 7                           |          |
| 8        | Maintenance                       | 188,173                | 469,414      | 132,755      | (105,864)    | 199,068      | 120,519      | 1,004,064           | 8                           |          |
| 9        | Depreciation and amortization     | 1,608,678              | 2,094,725    | 893,595      | 3,910,889    | 1,810,501    | 2,425,935    | 12,744,324          | 9                           |          |
| 10       | Taxes - other than income taxes   | 3,040,279              | 1,287,831    | 641,724      | 2,440,439    | 738,110      | 515,583      | 8,663,968           | 10                          |          |
| 11       | Shared services                   | 3,839,889              | 3,003,065    | 4,796,524    | 5,358,300    | 2,629,031    | (19,730,456) | (103,646)           | 12                          |          |
| 12       | Total operating expenses          | 13,297,326             | 11,485,250   | 7,797,410    | 17,703,292   | 8,304,483    | (762,548)    | 57,825,214          | 13                          |          |
| 13       | Operating income (loss)           | 7,089,187              | 9,071,828    | 181,003      | 23,498,079   | 6,721,863    | 762,548      | 47,324,508          | 14                          |          |
| 14       | Other income                      |                        |              |              |              |              |              |                     |                             |          |
| 14       | Interest charges                  | (1,811,975)            | (985,369)    | (816,898)    | (2,854,912)  | (1,334,985)  | 0            | (7,804,138)         | 15                          |          |
| 15       | Merchandise                       | (7,606)                | (768)        | (94)         | (15,359)     | 44,005       | 0            | 20,178              | 16                          |          |
| 16       | Interest income                   | 48,796                 | 9,325        | 3,496        | 83,769       | 15,552       | 0            | 160,938             | 17                          |          |
| 17       | Other nonoperating income         | (887,348)              | 59,689       | (13,485)     | (84,857)     | 554,960      | 0            | (371,041)           | 18                          |          |
| 18       | Total other income (expenses)     | (2,658,134)            | (917,123)    | (826,980)    | (2,871,358)  | (720,468)    | 0            | (7,994,062)         | 19                          |          |
| 19       | Income (loss) before income taxes | 4,431,054              | 8,154,705    | (645,977)    | 20,626,721   | 6,001,395    | 762,548      | 39,330,446          | 20                          |          |
| 20       | Provision for income taxes        | 1,184,364              | 3,220,601    | (127,113)    | 7,529,171    | 2,455,621    | (86,429)     | 14,176,216          | 21                          |          |
| 21       | Net income (loss)                 | \$3,246,690            | \$4,934,104  | (\$518,864)  | \$13,097,550 | \$3,545,773  | \$848,977    | \$25,154,230        | 22                          |          |

ATMOS ENERGY CORPORATION  
COMBINED STATEMENT OF INCOME  
FOR THE YEAR TO DATE ENDED 3/31/99

| Line No. | Description (a)                   | Utility Business Units |              |              |               | WKG (i)      | Shared Services (g) | Total Atmos Energy Corp (h) | Line No. |
|----------|-----------------------------------|------------------------|--------------|--------------|---------------|--------------|---------------------|-----------------------------|----------|
|          |                                   | Energas (b)            | GGC (c)      | Trans La (d) | UCG (e)       |              |                     |                             |          |
| 1        | Operating revenues                |                        |              |              |               |              |                     |                             |          |
| 2        | Gas                               | \$84,236,461           | \$90,503,877 | \$23,337,685 | \$156,988,270 | \$66,081,173 | \$0                 | \$421,147,467               | 1        |
| 3        | Transportation                    | 1,773,340              | 3,213,518    | 213,030      | 4,070,536     | 4,639,663    | 0                   | 13,910,088                  | 2        |
| 3        | Other                             | 661,034                | 372,345      | 89,703       | 135,762       | 448,782      | 0                   | 1,707,626                   | 3        |
| 4        | Total operating revenues          | 86,670,835             | 94,089,741   | 23,640,419   | 161,194,568   | 71,169,618   | 0                   | 436,765,180                 | 4        |
| 5        | Purchased gas cost                | 49,790,699             | 54,758,393   | 8,798,914    | 88,442,878    | 44,447,899   | 0                   | 246,238,783                 | 5        |
| 6        | Gross profit                      | 36,880,136             | 39,331,348   | 14,841,504   | 72,751,691    | 26,721,718   | 0                   | 190,526,397                 | 6        |
| 7        | Operating expenses                |                        |              |              |               |              |                     |                             |          |
| 8        | Operation                         | 9,779,312              | 9,141,464    | 2,989,976    | 13,196,931    | 6,298,277    | 27,587,825          | 68,993,786                  | 7        |
| 8        | Maintenance                       | 329,260                | 971,436      | 249,821      | 1,300,012     | 378,767      | 362,562             | 3,591,858                   | 8        |
| 9        | Depreciation and amortization     | 3,217,356              | 4,184,749    | 1,787,191    | 7,787,771     | 3,518,641    | 4,781,870           | 25,277,578                  | 9        |
| 10       | Taxes - other than income taxes   | 5,421,560              | 2,457,714    | 1,189,046    | 4,670,274     | 1,267,173    | 806,108             | 15,811,874                  | 10       |
| 11       | Shared services                   | 7,532,928              | 7,237,923    | 6,288,791    | 15,055,263    | 5,330,609    | (41,697,268)        | (251,754)                   | 12       |
| 12       | Total operating expenses          | 26,280,416             | 23,993,286   | 12,504,824   | 42,010,252    | 16,793,467   | (8,158,903)         | 113,423,342                 | 13       |
| 13       | Operating income (loss)           | 10,599,720             | 15,338,062   | 2,336,680    | 30,741,439    | 9,928,251    | 8,158,903           | 77,103,056                  | 14       |
| 14       | Other income                      |                        |              |              |               |              |                     |                             |          |
| 14       | Interest charges                  | (3,912,702)            | (2,106,697)  | (1,804,434)  | (5,776,268)   | (2,865,172)  | 0                   | (16,465,272)                | 15       |
| 15       | Merchandise                       | (14,750)               | (1,992)      | (248)        | (39,989)      | 167,248      | 0                   | 110,270                     | 16       |
| 16       | Interest income                   | 107,158                | 21,940       | 7,998        | 176,011       | 36,562       | 0                   | 349,668                     | 17       |
| 17       | Other nonoperating income         | (77,803)               | 120,503      | (42,042)     | (203,004)     | 1,013,067    | 0                   | 810,721                     | 18       |
| 18       | Total other income (expenses)     | (3,898,097)            | (1,966,246)  | (1,838,726)  | (5,843,251)   | (1,648,295)  | 0                   | (15,194,614)                | 19       |
| 19       | Income (loss) before income taxes | 6,701,624              | 13,371,816   | 497,955      | 24,898,188    | 8,279,956    | 8,158,903           | 61,908,442                  | 20       |
| 20       | Provision for income taxes        | 1,843,901              | 5,473,676    | 271,908      | 9,517,392     | 3,347,114    | 1,928,325           | 22,382,316                  | 21       |
| 21       | Net income (loss)                 | \$4,857,722            | \$7,898,140  | \$226,047    | \$15,380,796  | \$4,932,843  | \$6,230,578         | \$39,526,125                | 22       |

( THIS PAGE LEFT BLANK INTENTIONALLY )

WESTERN KENTUCKY GAS COMPANY  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 3/31/99

| Line No. | Description (a)                 | Current Month |              |                                | Year to Date    |                                |                 | Prior Year Actual (j) | Actual Over (Under) Prior Year (k) | Line No. |
|----------|---------------------------------|---------------|--------------|--------------------------------|-----------------|--------------------------------|-----------------|-----------------------|------------------------------------|----------|
|          |                                 | Actual (b)    | Budget (c)   | Actual Over (Under) Budget (d) | Year Actual (e) | Actual Over (Under) Budget (f) | Year Actual (g) |                       |                                    |          |
| 1        | Operating revenues              |               |              |                                |                 |                                |                 |                       |                                    | 1        |
| 2        | Gas                             | \$11,445,722  | \$14,189,000 | (\$2,743,278)                  | \$10,204,751    | \$1,240,971                    | \$96,654,000    | \$84,051,961          | (\$17,970,788)                     | 2        |
| 3        | Transportation                  | 843,039       | 781,000      | 62,039                         | 865,293         | (22,254)                       | 4,918,000       | 4,683,627             | (43,964)                           | 3        |
| 4        | Other                           | 74,548        | 65,000       | 9,548                          | 0               | 74,548                         | 475,000         | 0                     | 448,782                            | 4        |
| 5        | Total operating revenues        | 12,363,308    | 15,035,000   | (2,671,692)                    | 11,070,044      | 1,293,265                      | 102,047,000     | 88,735,588            | (17,565,970)                       | 5        |
| 6        | Purchased gas cost              | 7,762,725     | 10,174,000   | (2,411,275)                    | 5,992,659       | 1,770,065                      | 70,935,000      | 58,845,737            | (14,397,838)                       | 6        |
| 7        | Gross profit                    | 4,600,584     | 4,861,000    | (260,416)                      | 5,077,384       | (476,801)                      | 31,112,000      | 29,889,851            | (3,168,133)                        | 7        |
| 8        | Operating expenses              |               |              |                                |                 |                                |                 |                       |                                    | 8        |
| 9        | Operation                       | 989,777       | 1,178,000    | (188,223)                      | 1,115,448       | (125,670)                      | 7,000,000       | 7,418,811             | (1,120,534)                        | 9        |
| 10       | Maintenance                     | 75,441        | 90,000       | (14,559)                       | 68,569          | 6,872                          | 540,000         | 449,617               | (70,850)                           | 10       |
| 11       | Depreciation                    | 575,067       | 572,000      | 3,067                          | 545,335         | 29,731                         | 3,432,000       | 3,271,984             | 246,657                            | 11       |
| 12       | Taxes - other than income taxes | 219,153       | 159,000      | 60,153                         | 165,286         | 53,867                         | 954,000         | 996,941               | 270,232                            | 12       |
| 13       | Shared Services                 | 653,810       | 808,000      | (154,190)                      | 870,116         | (216,306)                      | 4,985,000       | 3,303,140             | 2,027,469                          | 13       |
| 14       | Total operating expenses        | 2,513,248     | 2,807,000    | (293,752)                      | 2,764,754       | (251,506)                      | 16,911,000      | 15,440,493            | 1,352,974                          | 14       |
| 15       | Operating income (loss)         | 2,087,336     | 2,054,000    | 33,336                         | 2,312,631       | (225,295)                      | 14,201,000      | 14,449,358            | (4,521,107)                        | 15       |
| 16       | Other income and (expense)      |               |              |                                |                 |                                |                 |                       |                                    | 16       |
| 17       | Interest expense                | (451,326)     | (475,000)    | 23,674                         | (393,594)       | (57,732)                       | (2,850,000)     | (2,585,294)           | (279,878)                          | 17       |
| 18       | Merchandise                     | 21,987        | 31,000       | (9,013)                        | 22,361          | (734)                          | 185,000         | 158,168               | 9,080                              | 18       |
| 19       | Interest income                 | 4,539         | 3,000        | 1,539                          | 1,516           | 3,023                          | 36,562          | 12,774                | 23,788                             | 19       |
| 20       | Other nonoperating income       | 109,890       | 137,000      | (27,110)                       | (4,486)         | 114,376                        | 773,000         | (35,213)              | 1,048,281                          | 20       |
| 21       | Total other income (loss)       | (314,910)     | (304,000)    | (10,910)                       | (374,202)       | 59,292                         | (1,874,000)     | (2,449,566)           | 801,271                            | 21       |
| 22       | Income (loss) before income tax | 1,772,426     | 1,750,000    | 22,426                         | 1,938,428       | (166,002)                      | 12,327,000      | 11,999,792            | (3,719,836)                        | 22       |
| 23       | Provision for income taxes      | 616,330       | 669,000      | (52,670)                       | 801,491         | (185,162)                      | 4,713,000       | 4,877,961             | (1,530,847)                        | 23       |
| 24       | Net income (loss)               | \$1,156,097   | \$1,081,000  | \$75,097                       | \$1,136,937     | \$19,159                       | \$7,614,000     | \$7,121,831           | (\$2,188,989)                      | 24       |

WESTERN KENTUCKY GAS COMPANY  
STATEMENTS OF INCOME  
FOR QUARTERS ENDED 12/31/98 AND 3/31/99

| Line No. | Description (a)                 | First Quarter |              |                                | Second Quarter        |                                    |              | Actual Over (Under) Prior Year (k) | Line No.     |                                |
|----------|---------------------------------|---------------|--------------|--------------------------------|-----------------------|------------------------------------|--------------|------------------------------------|--------------|--------------------------------|
|          |                                 | Actual (b)    | Budget (c)   | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Prior Year (f) | Budget (h)   |                                    |              | Actual Over (Under) Budget (i) |
| 1        | Operating revenues              |               |              |                                |                       |                                    |              |                                    |              |                                |
| 2        | Gas                             | \$28,002,664  | \$41,079,000 | (\$13,076,336)                 | \$51,191,582          | \$38,078,509                       | \$55,575,000 | (\$17,496,491)                     | \$32,860,379 | \$5,218,130                    |
| 3        | Transportation                  | 2,202,095     | 2,375,000    | (172,905)                      | 2,219,189             | 2,437,568                          | 2,543,000    | (105,432)                          | 2,464,438    | (26,870)                       |
| 3        | Other                           | 243,231       | 260,000      | (16,769)                       | 0                     | 205,551                            | 215,000      | (9,449)                            | 0            | 205,551                        |
| 4        | Total operating revenues        | 30,447,989    | 43,714,000   | (13,266,011)                   | 53,410,771            | 40,721,628                         | 58,333,000   | (17,611,372)                       | 35,324,817   | 5,396,811                      |
| 5        | Purchased gas cost (1)          | 18,752,617    | 29,941,000   | (11,188,383)                   | 39,297,755            | 25,695,282                         | 40,994,000   | (15,298,718)                       | 19,547,982   | 6,147,300                      |
| 6        | Gross profit                    | 11,695,372    | 13,773,000   | (2,077,628)                    | 14,113,016            | 15,026,346                         | 17,339,000   | (2,312,654)                        | 15,776,835   | (750,489)                      |
| 7        | Operating expenses              |               |              |                                |                       |                                    |              |                                    |              |                                |
| 8        | Operation                       | 3,370,504     | 3,383,000    | (12,496)                       | 3,605,474             | 2,927,773                          | 3,617,000    | (689,227)                          | 3,813,387    | (885,614)                      |
| 9        | Maintenance                     | 179,699       | 270,000      | (90,301)                       | 218,046               | 199,068                            | 270,000      | (70,932)                           | 231,571      | (32,504)                       |
| 10       | Depreciation                    | 1,708,139     | 1,716,000    | (7,861)                        | 1,635,978             | 72,162                             | 1,716,000    | 94,501                             | 1,636,006    | 174,495                        |
| 11       | Taxes - other than income taxes | 529,063       | 477,000      | 52,063                         | 511,237               | 738,110                            | 477,000      | 261,110                            | 485,704      | 252,406                        |
| 11       | Shared Services                 | 2,701,578     | 2,531,000    | 170,578                        | 1,705,312             | 2,629,031                          | 2,454,000    | 175,031                            | 1,597,828    | 1,031,203                      |
| 12       | Total operating expenses        | 8,488,984     | 8,377,000    | 111,984                        | 7,675,996             | 8,304,483                          | 8,534,000    | (229,517)                          | 7,764,497    | 539,987                        |
| 13       | Operating income (loss)         | 3,206,388     | 5,396,000    | (2,189,612)                    | 6,437,019             | 6,721,863                          | 8,805,000    | (2,083,137)                        | 8,012,339    | (1,290,476)                    |
| 14       | Other income and (expense)      |               |              |                                |                       |                                    |              |                                    |              |                                |
| 15       | Interest expense                | (1,530,187)   | (1,425,000)  | (105,187)                      | (1,348,372)           | (1,334,985)                        | (1,425,000)  | 90,015                             | (1,236,922)  | (98,063)                       |
| 16       | Merchandise                     | 123,243       | 93,000       | 30,243                         | 80,198                | 44,005                             | 92,000       | (47,995)                           | 77,970       | (33,965)                       |
| 17       | Interest income                 | 21,010        | 9,000        | 12,010                         | 5,759                 | 15,552                             | 9,000        | 6,552                              | 7,015        | 8,537                          |
| 17       | Other nonoperating income       | 458,107       | 327,000      | 131,107                        | (17,086)              | 554,960                            | 446,000      | 108,960                            | (18,127)     | 573,087                        |
| 18       | Total other income (loss)       | (927,826)     | (996,000)    | 68,174                         | (1,279,502)           | (720,468)                          | (878,000)    | 157,532                            | (1,170,064)  | 449,595                        |
| 19       | Income (loss) before income tax | 2,278,562     | 4,400,000    | (2,121,438)                    | 5,157,517             | 6,001,395                          | 7,927,000    | (1,925,605)                        | 6,842,275    | (840,880)                      |
| 20       | Provision for income taxes      | 891,493       | 1,682,000    | (790,507)                      | 2,068,072             | 2,455,621                          | 3,031,000    | (575,379)                          | 2,809,889    | (354,268)                      |
| 21       | Net income (loss)               | \$1,387,069   | \$2,718,000  | (\$1,330,931)                  | \$3,089,446           | \$3,545,773                        | \$4,896,000  | (\$1,350,227)                      | \$4,032,386  | (\$486,612)                    |

SHARED SERVICES  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 3/31/99

| Line No. | Description (a)                 | Current Month |            |                                | Year to Date          |                                    |              | Actual Over (Under) Prior Year (k) | Line No.     |
|----------|---------------------------------|---------------|------------|--------------------------------|-----------------------|------------------------------------|--------------|------------------------------------|--------------|
|          |                                 | Actual (b)    | Budget (c) | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Prior Year (f) | Budget (g)   |                                    |              |
| 1        | Operating revenues              |               |            |                                |                       |                                    |              |                                    |              |
| 2        | Gas                             | \$0           | \$0        | \$0                            | \$0                   | \$0                                | \$0          | \$0                                | \$0          |
| 3        | Transportation                  | 0             | 0          | 0                              | 0                     | 0                                  | 0            | 0                                  | 0            |
| 4        | Other                           | 0             | 0          | 0                              | 0                     | 0                                  | 0            | 0                                  | 0            |
| 4        | Total operating revenues        | 0             | 0          | 0                              | 0                     | 0                                  | 0            | 0                                  | 0            |
| 5        | Purchased gas cost              | 0             | 0          | 0                              | 0                     | 0                                  | 0            | 0                                  | 0            |
| 6        | Gross profit                    | 0             | 0          | 0                              | 0                     | 0                                  | 0            | 0                                  | 0            |
| 7        | Operating expenses              |               |            |                                |                       |                                    |              |                                    |              |
| 7        | Operation                       | 6,757,417     | 0          | 6,757,417                      | 0                     | 6,757,417                          | 27,587,825   | 0                                  | 27,587,825   |
| 8        | Maintenance                     | 37,168        | 0          | 37,168                         | 0                     | 37,168                             | 362,562      | 0                                  | 362,562      |
| 9        | Depreciation                    | 808,645       | 0          | 808,645                        | 0                     | 808,645                            | 4,781,870    | 0                                  | 4,781,870    |
| 10       | Taxes - other than income taxes | 311,961       | 0          | 311,961                        | 0                     | 311,961                            | 806,108      | 0                                  | 806,108      |
| 11       | Shared Services                 | (8,151,445)   | (242,000)  | (7,909,445)                    | 0                     | (8,151,445)                        | (41,697,268) | (1,452,000)                        | (40,245,268) |
| 12       | Total operating expenses        | (236,254)     | (242,000)  | 5,746                          | 0                     | (236,254)                          | (8,158,903)  | (1,452,000)                        | (6,706,903)  |
| 13       | Operating income (loss)         | 236,254       | 242,000    | (5,746)                        | 0                     | 236,254                            | 8,158,903    | 1,452,000                          | 6,706,903    |
| 14       | Other income and (expense)      |               |            |                                |                       |                                    |              |                                    |              |
| 14       | Interest expense                | 0             | 36,000     | (36,000)                       | 0                     | 0                                  | 0            | 216,000                            | (216,000)    |
| 15       | Merchandise                     | 0             | 0          | 0                              | 0                     | 0                                  | 0            | 0                                  | 0            |
| 16       | Interest income                 | 0             | 0          | 0                              | 0                     | 0                                  | 0            | 0                                  | 0            |
| 17       | Other nonoperating income       | 0             | 0          | 0                              | 0                     | 0                                  | 0            | 0                                  | 0            |
| 18       | Total other income (loss)       | 0             | 36,000     | (36,000)                       | 0                     | 0                                  | 0            | 216,000                            | (216,000)    |
| 19       | Income (loss) before income tax | 236,254       | 278,000    | (41,746)                       | 0                     | 236,254                            | 8,158,903    | 1,668,000                          | 6,490,903    |
| 20       | Provision for income taxes      | 65,061        | 128,000    | (62,939)                       | 0                     | 65,061                             | 1,928,325    | 768,000                            | 1,160,325    |
| 21       | Net income (loss)               | \$171,193     | \$150,000  | \$21,193                       | \$0                   | \$171,193                          | \$6,230,578  | \$900,000                          | \$5,330,578  |



SHARED SERVICES  
STATEMENTS OF INCOME  
FOR QUARTERS ENDED 12/31/98 AND 3/31/99

| Line No. | Description (a)                 | First Quarter |            |                                | Second Quarter        |                                    |              | Actual Over (Under) Prior Year (k) | Line No.     |
|----------|---------------------------------|---------------|------------|--------------------------------|-----------------------|------------------------------------|--------------|------------------------------------|--------------|
|          |                                 | Actual (b)    | Budget (c) | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Prior Year (f) | Budget (h)   |                                    |              |
| 1        | Operating revenues              |               |            |                                |                       |                                    |              |                                    |              |
| 2        | Gas                             | \$0           | \$0        | \$0                            | \$0                   | \$0                                | \$0          | \$0                                | \$0          |
| 3        | Transportation                  | 0             | 0          | 0                              | 0                     | 0                                  | 0            | 0                                  | 0            |
| 3        | Other                           | 0             | 0          | 0                              | 0                     | 0                                  | 0            | 0                                  | 0            |
| 4        | Total operating revenues        | 0             | 0          | 0                              | 0                     | 0                                  | 0            | 0                                  | 0            |
| 5        | Purchased gas cost (1)          | 0             | 0          | 0                              | 0                     | 0                                  | 0            | 0                                  | 0            |
| 6        | Gross profit                    | 0             | 0          | 0                              | 0                     | 0                                  | 0            | 0                                  | 0            |
| 7        | Operating expenses              |               |            |                                |                       |                                    |              |                                    |              |
| 8        | Operation                       | 11,681,955    | 0          | 11,681,955                     | 0                     | 11,681,955                         | 15,905,870   | 15,905,870                         | 15,905,870   |
| 8        | Maintenance                     | 242,043       | 0          | 242,043                        | 0                     | 242,043                            | 120,519      | 120,519                            | 120,519      |
| 9        | Depreciation                    | 2,355,935     | 0          | 2,355,935                      | 0                     | 2,355,935                          | 2,425,935    | 2,425,935                          | 2,425,935    |
| 10       | Taxes - other than income taxes | 290,525       | 0          | 290,525                        | 0                     | 290,525                            | 515,583      | 515,583                            | 515,583      |
| 11       | Shared Services                 | (21,966,812)  | (726,000)  | (21,240,812)                   | 0                     | (21,966,812)                       | (19,730,456) | (19,004,456)                       | (19,730,456) |
| 12       | Total operating expenses        | (7,396,355)   | (726,000)  | (6,670,355)                    | 0                     | (7,396,355)                        | (762,548)    | (36,548)                           | (762,548)    |
| 13       | Operating income (loss)         | 7,396,355     | 726,000    | 6,670,355                      | 0                     | 7,396,355                          | 762,548      | 36,548                             | 762,548      |
|          | Other income and (expense)      |               |            |                                |                       |                                    |              |                                    |              |
| 14       | Interest expense                | 0             | 108,000    | (108,000)                      | 0                     | 0                                  | 108,000      | (108,000)                          | 0            |
| 15       | Merchandise                     | 0             | 0          | 0                              | 0                     | 0                                  | 0            | 0                                  | 0            |
| 16       | Interest income                 | 0             | 0          | 0                              | 0                     | 0                                  | 0            | 0                                  | 0            |
| 17       | Other nonoperating income       | 0             | 0          | 0                              | 0                     | 0                                  | 0            | 0                                  | 0            |
| 18       | Total other income (loss)       | 0             | 108,000    | (108,000)                      | 0                     | 0                                  | 108,000      | (108,000)                          | 0            |
| 19       | Income (loss) before income tax | 7,396,355     | 834,000    | 6,562,355                      | 0                     | 7,396,355                          | 762,548      | (71,452)                           | 762,548      |
| 20       | Provision for income taxes      | 2,014,753     | 384,000    | 1,630,753                      | 0                     | 2,014,753                          | (86,429)     | (470,429)                          | (86,429)     |
| 21       | Net income (loss)               | \$5,381,601   | \$450,000  | \$4,931,601                    | \$0                   | \$5,381,601                        | \$848,977    | \$398,977                          | \$848,977    |

OTHER OPERATING COMPANIES  
COMBINED STATEMENT OF OPERATIONS  
FOR THE MONTH ENDED 3/31/99

| Line No. | Description (a)                   | Egasco Inc. (b) | Enermart Trust and Inc. (c) | Trans La Industrial (d) | WKG Resources (e) | UCG Leasing (f) | UCG Rental (g) | UCG Utility (h) | Almos Energy Services (i) | UCG Storage (j) | Total Other Operations (k) | Line No. |
|----------|-----------------------------------|-----------------|-----------------------------|-------------------------|-------------------|-----------------|----------------|-----------------|---------------------------|-----------------|----------------------------|----------|
|          | Operating revenues                |                 |                             |                         |                   |                 |                |                 |                           |                 |                            |          |
| 1        | Gas                               | \$349,555       | \$4,249,337                 | \$531,271               | \$0               | \$0             | \$0            | \$0             | \$0                       | \$0             | \$5,030,164                | 1        |
| 2        | Transportation                    | 0               | 0                           | 7,751                   | 0                 | 0               | 0              | 0               | 0                         | 0               | 7,751                      | 2        |
| 3        | Non Utility                       | 0               | 0                           | 0                       | 0                 | 80,452          | 77,765         | 4,218           | 0                         | 1,085,203       | 1,247,639                  | 3        |
| 4        | Total operating revenues          | 249,555         | 4,249,337                   | 539,021                 | 0                 | 80,452          | 77,765         | 4,218           | 0                         | 1,085,203       | 6,285,553                  | 4        |
| 5        | Purchased gas cost                | 250,323         | 3,275,193                   | 474,160                 | 0                 | 0               | 0              | 0               | 0                         | 742,835         | 4,742,511                  | 5        |
| 6        | Gross profit                      | (768)           | 974,145                     | 64,862                  | 0                 | 80,452          | 77,765         | 4,218           | 0                         | 342,369         | 1,543,042                  | 6        |
|          | Operating expenses                |                 |                             |                         |                   |                 |                |                 |                           |                 |                            |          |
| 7        | Operation                         | (149,322)       | (1,233,721)                 | 21,064                  | (49)              | 12,818          | 67,457         | 2,514           | 41,659                    | 32,637          | (1,204,044)                | 7        |
| 8        | Maintenance                       | 0               | 0                           | 43                      | 0                 | 0               | 0              | 0               | 0                         | 1,883           | 1,926                      | 8        |
| 9        | Depreciation and amortization     | 0               | 0                           | 2,865                   | 0                 | 29,094          | 13,838         | 37,293          | 0                         | 33,752          | 116,843                    | 9        |
| 10       | Taxes - other than income taxes   | 0               | 3,070                       | 4,510                   | 0                 | 27              | 3,666          | 27              | 0                         | 22,258          | 33,558                     | 10       |
| 11       | Shared services                   | 179             | 766                         | 177                     | 49                | (12,568)        | (40,218)       | (2,514)         | 0                         | 0               | (51,129)                   | 11       |
| 12       | Total operating expenses          | (149,143)       | (1,229,885)                 | 28,659                  | 0                 | 29,371          | 44,743         | 37,320          | 41,659                    | 90,531          | (1,106,745)                | 12       |
| 13       | Operating income (loss)           | 148,375         | 2,204,030                   | 36,203                  | 0                 | 51,081          | 33,022         | (33,102)        | (41,659)                  | 251,838         | 2,649,787                  | 13       |
|          | Other income and (expenses)       |                 |                             |                         |                   |                 |                |                 |                           |                 |                            |          |
| 14       | Interest expenses                 | 0               | 0                           | (245)                   | 0                 | (12,501)        | 0              | (23,514)        | 0                         | (65,180)        | (101,440)                  | 14       |
| 15       | Merchandise                       | 0               | 0                           | 0                       | 0                 | 0               | 17,679         | 0               | 0                         | 0               | 17,679                     | 15       |
| 16       | Interest income                   | 0               | 0                           | 0                       | 0                 | 5,838           | 78,019         | 3,971           | 0                         | 10,432          | 98,260                     | 16       |
| 17       | Other nonoperating income         | (2,202)         | 0                           | 0                       | (34,799)          | 0               | (145,605)      | 3,012           | 0                         | 0               | (179,593)                  | 17       |
| 18       | Equity in earnings - Woodward     |                 |                             |                         |                   | 0               | 0              | 199,581         | 0                         | 0               | 199,581                    | 18       |
| 19       | Total other income (expenses)     | (2,202)         | 0                           | (245)                   | (34,799)          | (6,662)         | (49,907)       | 183,050         | 0                         | (54,747)        | 34,488                     | 19       |
| 20       | Income (loss) before income taxes | 146,173         | 2,204,030                   | 35,957                  | (34,799)          | 44,419          | (16,885)       | 149,948         | (41,659)                  | 197,091         | 2,684,275                  | 20       |
| 21       | Provision for income taxes        | 53,772          | 807,624                     | 11,927                  | (12,853)          | 15,054          | (8,914)        | 43,378          | (44,271)                  | 63,686          | 929,403                    | 21       |
| 22       | Net income (loss)                 | \$92,401        | \$1,396,406                 | \$24,030                | (\$21,945)        | \$29,365        | (\$7,971)      | \$106,570       | \$2,612                   | \$133,405       | \$1,754,872                | 22       |

OTHER OPERATING COMPANIES  
COMBINED STATEMENT OF OPERATIONS  
FOR THE QUARTER ENDED 3/31/99

| Line No. | Description (a)                   | Egaso Inc. (b) | Enemart Trust and Inc. (c) | Trans La Industrial (d) | WKG Resources (e) | UCG Leasing (f) | UCG Rental (g) | UCG Utility (h) | Atmos Energy Services (i) | UCG Storage (j) | Total Other Operations (k) | Line No. |
|----------|-----------------------------------|----------------|----------------------------|-------------------------|-------------------|-----------------|----------------|-----------------|---------------------------|-----------------|----------------------------|----------|
|          | Operating revenues                |                |                            |                         |                   |                 |                |                 |                           |                 |                            |          |
| 1        | Gas                               | \$446,218      | \$7,163,632                | \$1,567,987             | \$0               | \$0             | \$0            | \$0             | \$0                       | \$0             | \$9,177,838                | 1        |
| 2        | Transportation                    | 0              | 0                          | 17,789                  | 0                 | 0               | 0              | 0               | 0                         | 0               | 17,789                     | 2        |
| 3        | Non Utility                       | 0              | 0                          | 0                       | 0                 | 241,357         | 236,357        | 13,698          | 0                         | 2,983,849       | 3,475,260                  | 3        |
| 4        | Total operating revenues          | 446,218        | 7,163,632                  | 1,585,776               | 0                 | 241,357         | 236,357        | 13,698          | 0                         | 2,983,849       | 12,670,887                 | 4        |
| 5        | Purchased gas cost                | 410,099        | 6,215,645                  | 1,376,516               | 0                 | 0               | 0              | 0               | 0                         | 2,023,683       | 10,025,942                 | 5        |
| 6        | Gross profit                      | 36,119         | 947,987                    | 209,261                 | 0                 | 241,357         | 236,357        | 13,698          | 0                         | 960,166         | 2,644,945                  | 6        |
|          | Operating expenses                |                |                            |                         |                   |                 |                |                 |                           |                 |                            |          |
| 7        | Operation                         | (71,490)       | (642,960)                  | 105,685                 | (60)              | 5,042           | 8,708          | 193             | 125,231                   | 96,479          | (373,172)                  | 7        |
| 8        | Maintenance                       | 0              | 0                          | 317                     | 0                 | 0               | 0              | 0               | 0                         | 3,843           | 4,161                      | 8        |
| 9        | Depreciation and amortization     | 0              | 0                          | 8,595                   | 0                 | 87,282          | 41,415         | 111,879         | 0                         | 101,256         | 330,428                    | 9        |
| 10       | Taxes - other than income taxes   | 0              | 8,705                      | 18,066                  | 0                 | 27              | 11,550         | (306)           | 0                         | 66,775          | 104,816                    | 10       |
| 11       | Shared services                   | 232            | 946                        | 226                     | 60                | 0               | 0              | 0               | 0                         | 0               | 1,465                      | 11       |
| 12       | Total operating expenses          | (71,258)       | (633,309)                  | 132,890                 | 0                 | 92,351          | 61,673         | 111,767         | 125,231                   | 268,354         | 87,699                     | 12       |
| 13       | Operating income (loss)           | 107,377        | 1,581,297                  | 76,370                  | 0                 | 149,006         | 174,684        | (98,069)        | (125,231)                 | 691,812         | 2,557,246                  | 13       |
|          | Other income and (expenses)       |                |                            |                         |                   |                 |                |                 |                           |                 |                            |          |
| 14       | Interest expenses                 | 0              | 0                          | (736)                   | 0                 | (37,548)        | 0              | (65,137)        | 0                         | (175,263)       | (278,684)                  | 14       |
| 15       | Merchandise                       | 0              | 0                          | 0                       | 0                 | 0               | 55,405         | 0               | 0                         | 0               | 55,405                     | 15       |
| 16       | Interest income                   | 0              | 0                          | 0                       | 0                 | 17,808          | 173,492        | 16,058          | 0                         | 59,401          | 266,759                    | 16       |
| 17       | Other nonoperating income         | 0              | 0                          | 0                       | (34,444)          | 0               | (145,568)      | 7,836           | 0                         | 55,670          | (116,507)                  | 17       |
| 18       | Equity in earnings - Woodward     | 0              | 0                          | 0                       | 0                 | 0               | 0              | 1,447,444       | 0                         | 0               | 1,447,444                  | 18       |
| 19       | Total other income (expenses)     | 0              | 0                          | (736)                   | (34,444)          | (19,740)        | 83,329         | 1,406,201       | 0                         | (60,192)        | 1,374,418                  | 19       |
| 20       | Income (loss) before income taxes | 107,377        | 1,581,297                  | 75,634                  | (34,444)          | 129,266         | 258,013        | 1,308,132       | (125,231)                 | 631,620         | 3,931,664                  | 20       |
| 21       | Provision for income taxes        | 41,652         | 597,177                    | 24,261                  | (12,853)          | 5,356           | 84,468         | 456,685         | (44,271)                  | 195,479         | 1,347,953                  | 21       |
| 22       | Net income (loss)                 | \$65,725       | \$984,120                  | \$51,374                | (\$21,591)        | \$123,911       | \$173,546      | \$851,447       | (\$80,960)                | \$436,140       | \$3,583,711                | 22       |

OTHER OPERATING COMPANIES  
COMBINED STATEMENT OF OPERATIONS  
FOR THE YEAR TO DATE ENDED 3/31/99

| Line No. | Description (a)                    | Egasco Inc. (b) | Enemart Trust and Inc. (c) | Trans La Industrial (d) | WKG Resources (e) | UCG Leasing (f) | UCG Rental (g) | UCG Utility (h) | Atmos Energy Services (i) | UCG Storage (j) | Total Other Operations (k) | Line No. |
|----------|------------------------------------|-----------------|----------------------------|-------------------------|-------------------|-----------------|----------------|-----------------|---------------------------|-----------------|----------------------------|----------|
|          | <b>Operating revenues</b>          |                 |                            |                         |                   |                 |                |                 |                           |                 |                            |          |
| 1        | Gas                                | \$250,853       | \$10,741,394               | \$3,061,883             | \$0               | \$0             | \$0            | \$0             | \$0                       | \$0             | \$14,054,130               | 1        |
| 2        | Transportation                     | 0               | 0                          | 38,934                  | 0                 | 0               | 0              | 0               | 0                         | 0               | 38,934                     | 2        |
| 3        | Non Utility                        | 0               | 0                          | 0                       | 0                 | 483,213         | 547,369        | 27,174          | 10,035                    | 3,905,333       | 4,973,124                  | 3        |
| 4        | Total operating revenues           | 250,853         | 10,741,394                 | 3,100,817               | 0                 | 483,213         | 547,369        | 27,174          | 10,035                    | 3,905,333       | 19,066,189                 | 4        |
| 5        | Purchased gas cost                 | 219,233         | 9,877,072                  | 2,626,808               | 0                 | 0               | 0              | 0               | 8,035                     | 2,049,212       | 14,780,360                 | 5        |
| 6        | Gross profit                       | 31,621          | 864,322                    | 474,009                 | 0                 | 483,213         | 547,369        | 27,174          | 2,000                     | 1,856,121       | 4,285,829                  | 6        |
|          | <b>Operating expenses</b>          |                 |                            |                         |                   |                 |                |                 |                           |                 |                            |          |
| 7        | Operation                          | 27,356          | 153,945                    | 158,147                 | (89)              | 13,224          | 55,194         | 1,680           | 125,341                   | 208,290         | 743,088                    | 7        |
| 8        | Maintenance                        | 0               | 0                          | 317                     | 0                 | 0               | 35,645         | 0               | 0                         | 5,236           | 41,199                     | 8        |
| 9        | Depreciation and amortization      | 0               | 0                          | 17,190                  | 0                 | 175,063         | 83,883         | 223,759         | 0                         | 202,513         | 702,408                    | 9        |
| 10       | Taxes - other than income taxes    | 0               | 16,944                     | 31,362                  | 10                | 27              | 18,724         | 1,012           | 0                         | 174,535         | 242,614                    | 10       |
| 11       | Shared services                    | 347             | 1,392                      | 337                     | 89                | 0               | 0              | 0               | 0                         | 0               | 2,165                      | 11       |
| 12       | Total operating expenses           | 27,703          | 172,280                    | 207,353                 | 10                | 188,314         | 193,447        | 226,451         | 125,341                   | 590,574         | 1,731,473                  | 12       |
| 13       | Operating income (loss)            | 3,918           | 692,042                    | 2,66,655                | (10)              | 294,899         | 353,922        | (199,276)       | (123,341)                 | 1,265,547       | 2,554,355                  | 13       |
|          | <b>Other income and (expenses)</b> |                 |                            |                         |                   |                 |                |                 |                           |                 |                            |          |
| 14       | Interest expenses                  | 0               | (300)                      | (1,472)                 | 0                 | (76,342)        | (1,260)        | (142,445)       | 0                         | (400,929)       | (622,747)                  | 14       |
| 15       | Merchandise                        | 0               | 0                          | 0                       | 0                 | 0               | (1,992)        | 0               | 1,383                     | 0               | (609)                      | 15       |
| 16       | Interest income                    | 0               | 0                          | 0                       | 0                 | 39,769          | 334,806        | 29,694          | 0                         | 96,761          | 501,029                    | 16       |
| 17       | Other nonoperating income          | 0               | 0                          | (4,094)                 | (33,044)          | 0               | (115,486)      | 12,000          | 0                         | 71,329          | (99,294)                   | 17       |
| 18       | Equity in earnings - Woodward      | 0               | 0                          | 0                       | 0                 | 0               | 0              | 2,660,631       | 0                         | 0               | 2,660,631                  | 18       |
| 19       | Total other income (expenses)      | 0               | (300)                      | (5,566)                 | (33,044)          | (36,573)        | 186,068        | 2,599,880       | 1,383                     | (232,839)       | 2,419,009                  | 19       |
| 20       | Income (loss) before income taxes  | 3,918           | 691,742                    | 2,61,090                | (33,054)          | 258,325         | 539,989        | 2,360,604       | (121,959)                 | 1,032,708       | 4,993,364                  | 20       |
| 21       | Provision for income taxes         | 1,422           | 251,121                    | 94,776                  | (12,853)          | 93,772          | 196,016        | 856,899         | (44,271)                  | 374,873         | 1,811,754                  | 21       |
| 22       | Net income (loss)                  | \$2,496         | \$440,621                  | \$166,314               | (\$20,201)        | \$164,553       | \$343,973      | \$1,503,705     | (\$77,687)                | \$657,835       | \$3,181,610                | 22       |

WESTERN KENTUCKY GAS RESOURCES, INC.  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 3/31/99

| Line No. | Description (a)                 | Current Month |            |                                |                       | Year to Date                   |                                |            |                                | Line No.   |                       |                                    |
|----------|---------------------------------|---------------|------------|--------------------------------|-----------------------|--------------------------------|--------------------------------|------------|--------------------------------|------------|-----------------------|------------------------------------|
|          |                                 | Actual (b)    | Budget (c) | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Budget (f) | Actual Over (Under) Budget (g) | Budget (h) | Actual Over (Under) Budget (i) |            | Prior Year Actual (j) | Actual Over (Under) Prior Year (k) |
| 1        | Operating revenues              |               |            |                                |                       |                                |                                |            |                                |            |                       |                                    |
| 2        | Gas                             | \$0           | \$0        | \$0                            | \$0                   | \$0                            | \$0                            | \$0        | \$0                            | \$0        | \$0                   | \$0                                |
| 3        | Transportation                  | 0             | 0          | 0                              | 0                     | 0                              | 0                              | 0          | 0                              | 0          | 0                     | 0                                  |
| 4        | Other                           | 0             | 0          | 0                              | 0                     | 0                              | 0                              | 0          | 0                              | 0          | 0                     | 0                                  |
| 5        | Total operating revenues        | 0             | 0          | 0                              | 0                     | 0                              | 0                              | 0          | 0                              | 0          | 0                     | 0                                  |
| 6        | Purchased gas cost              | 0             | 0          | 0                              | 0                     | 0                              | 0                              | 0          | 0                              | 0          | 0                     | 0                                  |
| 7        | Gross profit                    | 0             | 0          | 0                              | 0                     | 0                              | 0                              | 0          | 0                              | 0          | 0                     | 0                                  |
| 8        | Operating expenses              |               |            |                                |                       |                                |                                |            |                                |            |                       |                                    |
| 9        | Operation                       | (49)          | 0          | (49)                           | 0                     | (49)                           | 0                              | (89)       | 0                              | (89)       | 0                     | (89)                               |
| 10       | Maintenance                     | 0             | 0          | 0                              | 0                     | 0                              | 0                              | 0          | 0                              | 0          | 0                     | 0                                  |
| 11       | Depreciation                    | 0             | 0          | 0                              | 0                     | 0                              | 0                              | 0          | 0                              | 0          | 0                     | 0                                  |
| 12       | Taxes - other than income taxes | 0             | 0          | 0                              | 0                     | 0                              | 0                              | 0          | 0                              | 0          | 0                     | 0                                  |
| 13       | Shared Services                 | 49            | 0          | 49                             | 387                   | (318)                          | 89                             | 2,177      | 2,177                          | (2,088)    | 0                     | 0                                  |
| 14       | Total operating expenses        | 0             | 0          | 0                              | 387                   | (387)                          | 10                             | 2,187      | 2,187                          | (2,177)    | 0                     | 0                                  |
| 15       | Operating income (loss)         | 0             | 0          | 0                              | (387)                 | 387                            | (10)                           | (2,187)    | (2,187)                        | 2,177      | 0                     | 0                                  |
| 16       | Other income and (expense)      |               |            |                                |                       |                                |                                |            |                                |            |                       |                                    |
| 17       | Interest expense                | 0             | 0          | 0                              | 0                     | 0                              | 0                              | 0          | 0                              | 0          | 0                     | 0                                  |
| 18       | Merchandise                     | 0             | 0          | 0                              | 0                     | 0                              | 0                              | 0          | 0                              | 0          | 0                     | 0                                  |
| 19       | Interest income                 | 0             | 0          | 0                              | 0                     | 0                              | 0                              | 0          | 0                              | 0          | 0                     | 0                                  |
| 20       | Other nonoperating income       | (34,799)      | 0          | (34,799)                       | 576                   | (35,375)                       | (33,044)                       | 2,192      | 2,192                          | (35,216)   | 0                     | 0                                  |
| 21       | Total other income (loss)       | (34,799)      | 0          | (34,799)                       | 576                   | (35,375)                       | (33,044)                       | 2,192      | 2,192                          | (35,216)   | 0                     | 0                                  |
| 22       | Income (loss) before income tax | (34,799)      | 0          | (34,799)                       | 189                   | (34,988)                       | (33,054)                       | 5          | 5                              | (33,059)   | 0                     | 0                                  |
| 23       | Provision for income taxes      | (12,853)      | 0          | (12,853)                       | 0                     | (12,853)                       | (12,853)                       | 0          | 0                              | (12,853)   | 0                     | 0                                  |
| 24       | Net income (loss)               | (\$21,945)    | \$0        | (\$21,945)                     | \$189                 | (\$22,135)                     | (\$20,201)                     | \$5        | \$5                            | (\$20,206) | 0                     | 0                                  |

WESTERN KENTUCKY GAS RESOURCES, INC.  
STATEMENTS OF INCOME  
FOR QUARTERS ENDED 12/31/98 AND 3/31/99

| Line No. | Description (a)                 | First Quarter |            |                                | Second Quarter        |                                |            | Line No. |                                |                       |                                |                                    |            |
|----------|---------------------------------|---------------|------------|--------------------------------|-----------------------|--------------------------------|------------|----------|--------------------------------|-----------------------|--------------------------------|------------------------------------|------------|
|          |                                 | Actual (b)    | Budget (c) | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Budget (f) | Budget (g) |          | Actual Over (Under) Budget (h) | Prior Year Actual (i) | Actual Over (Under) Budget (j) | Actual Over (Under) Prior Year (k) |            |
| 1        | Operating revenues              |               |            |                                |                       |                                |            |          |                                |                       |                                |                                    |            |
| 2        | Gas                             | \$0           | \$0        | \$0                            | \$0                   | \$0                            | \$0        | \$0      | \$0                            | \$0                   | \$0                            | \$0                                | \$0        |
| 3        | Transportation                  | 0             | 0          | 0                              | 0                     | 0                              | 0          | 0        | 0                              | 0                     | 0                              | 0                                  | 0          |
| 4        | Other                           | 0             | 0          | 0                              | 0                     | 0                              | 0          | 0        | 0                              | 0                     | 0                              | 0                                  | 0          |
| 5        | Total operating revenues        | 0             | 0          | 0                              | 0                     | 0                              | 0          | 0        | 0                              | 0                     | 0                              | 0                                  | 0          |
| 6        | Purchased gas cost (1)          | 0             | 0          | 0                              | 0                     | 0                              | 0          | 0        | 0                              | 0                     | 0                              | 0                                  | 0          |
| 7        | Gross profit                    | 0             | 0          | 0                              | 0                     | 0                              | 0          | 0        | 0                              | 0                     | 0                              | 0                                  | 0          |
| 8        | Operating expenses              |               |            |                                |                       |                                |            |          |                                |                       |                                |                                    |            |
| 9        | Operation                       | (29)          | 0          | (29)                           | 0                     | (29)                           | (60)       | 0        | 0                              | (60)                  | 0                              | 0                                  | (60)       |
| 10       | Maintenance                     | 0             | 0          | 0                              | 0                     | 0                              | 0          | 0        | 0                              | 0                     | 0                              | 0                                  | 0          |
| 11       | Depreciation                    | 0             | 0          | 0                              | 0                     | 0                              | 0          | 0        | 0                              | 0                     | 0                              | 0                                  | 0          |
| 12       | Taxes - other than income taxes | 10            | 0          | 10                             | 0                     | 10                             | 0          | 0        | 0                              | 0                     | 10                             | 10                                 | (10)       |
| 13       | Shared Services                 | 29            | 0          | 29                             | 1,164                 | (1,136)                        | 60         | 0        | 60                             | 0                     | 1,013                          | 1,013                              | (952)      |
| 14       | Total operating expenses        | 10            | 0          | 10                             | 1,164                 | (1,154)                        | 0          | 0        | 0                              | 0                     | 1,023                          | 1,023                              | (1,023)    |
| 15       | Operating income (loss)         | (10)          | 0          | (10)                           | (1,164)               | 1,154                          | 0          | 0        | 0                              | 0                     | (1,023)                        | 1,023                              | 0          |
| 16       | Other income and (expense)      |               |            |                                |                       |                                |            |          |                                |                       |                                |                                    |            |
| 17       | Interest expense                | 0             | 0          | 0                              | 0                     | 0                              | 0          | 0        | 0                              | 0                     | 0                              | 0                                  | 0          |
| 18       | Merchandise                     | 0             | 0          | 0                              | 0                     | 0                              | 0          | 0        | 0                              | 0                     | 0                              | 0                                  | 0          |
| 19       | Interest income                 | 0             | 0          | 0                              | 0                     | 0                              | 0          | 0        | 0                              | 0                     | 0                              | 0                                  | 0          |
| 20       | Other nonoperating income       | 1,400         | 0          | 1,400                          | (150)                 | 1,550                          | (34,444)   | 0        | 0                              | (34,444)              | 2,342                          | 2,342                              | (36,787)   |
| 21       | Total other income (loss)       | 1,400         | 0          | 1,400                          | (150)                 | 1,550                          | (34,444)   | 0        | 0                              | (34,444)              | 2,342                          | 2,342                              | (36,787)   |
| 22       | Income (loss) before income tax | 1,390         | 0          | 1,390                          | (1,315)               | 2,705                          | (34,444)   | 0        | 0                              | (34,444)              | 1,320                          | 1,320                              | (35,764)   |
| 23       | Provision for income taxes      | 0             | 0          | 0                              | 0                     | 0                              | (12,853)   | 0        | 0                              | (12,853)              | 0                              | 0                                  | (12,853)   |
| 24       | Net income (loss)               | \$1,390       | \$0        | \$1,390                        | (\$1,315)             | \$2,705                        | (\$21,591) | \$0      | 0                              | (\$21,591)            | \$1,320                        | \$1,320                            | (\$22,911) |

ATMOS ENERGY SERVICES, INC.  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 3/31/69

| Line No. | Description (a)                 | Current Month |            |                                | Year to Date |                       |                                | Line No. |                       |                                    |
|----------|---------------------------------|---------------|------------|--------------------------------|--------------|-----------------------|--------------------------------|----------|-----------------------|------------------------------------|
|          |                                 | Actual (b)    | Budget (c) | Actual Over (Under) Budget (d) | Actual (e)   | Prior Year Actual (f) | Actual Over (Under) Budget (g) |          | Prior Year Actual (h) | Actual Over (Under) Prior Year (k) |
| 1        | Operating revenues              |               |            |                                |              |                       |                                |          |                       |                                    |
| 2        | Gas                             | \$0           | \$48,000   | (\$48,000)                     | \$0          | \$0                   | \$144,000                      | \$0      | \$0                   | 1                                  |
| 3        | Transportation                  | 0             | 153,000    | (153,000)                      | 0            | 0                     | 459,000                        | 0        | 0                     | 2                                  |
| 3        | Other                           | 0             | 68,000     | (68,000)                       | 0            | 0                     | 204,000                        | 0        | 0                     | 3                                  |
| 4        | Total operating revenues        | 0             | 269,000    | (269,000)                      | 0            | 0                     | 807,000                        | 0        | 0                     | 4                                  |
| 5        | Purchased gas cost              | 0             | 147,000    | (147,000)                      | 0            | 0                     | 441,000                        | 0        | 0                     | 5                                  |
| 6        | Gross profit                    | 0             | 122,000    | (122,000)                      | 0            | 0                     | 366,000                        | 0        | 0                     | 6                                  |
| 7        | Operating expenses              |               |            |                                |              |                       |                                |          |                       |                                    |
| 8        | Operation                       | 41,659        | 92,000     | (50,341)                       | 0            | 41,659                | 552,000                        | 160      | 125,181               | 7                                  |
| 8        | Maintenance                     | 0             | 0          | 0                              | 0            | 0                     | 0                              | 0        | 0                     | 8                                  |
| 9        | Depreciation                    | 0             | 0          | 0                              | 0            | 0                     | 0                              | 0        | 0                     | 9                                  |
| 10       | Taxes - other than income taxes | 0             | 0          | 0                              | 0            | 0                     | 0                              | 0        | 0                     | 10                                 |
| 11       | Shared Services                 | 0             | 0          | 0                              | 0            | 0                     | 0                              | 0        | 0                     | 11                                 |
| 12       | Total operating expenses        | 41,659        | 92,000     | (50,341)                       | 0            | 41,659                | 552,000                        | 160      | 125,181               | 12                                 |
| 13       | Operating income (loss)         | (41,659)      | 30,000     | (71,659)                       | (41,659)     | (41,659)              | (186,000)                      | (160)    | (123,181)             | 13                                 |
| 14       | Other income and (expense)      |               |            |                                |              |                       |                                |          |                       |                                    |
| 14       | Interest expense                | 0             | 1,000      | (1,000)                        | 0            | 0                     | 2,000                          | 0        | 0                     | 14                                 |
| 15       | Merchandise                     | 0             | 0          | 0                              | 0            | 0                     | 0                              | 0        | 0                     | 15                                 |
| 16       | Interest income                 | 0             | 0          | 0                              | 0            | 0                     | 1,383                          | 0        | 1,383                 | 16                                 |
| 17       | Other nonoperating income       | 0             | 0          | 0                              | 0            | 0                     | 0                              | 0        | 0                     | 17                                 |
| 18       | Total other income (loss)       | 0             | 1,000      | (1,000)                        | 0            | 0                     | 2,000                          | 0        | 1,383                 | 18                                 |
| 19       | Income (loss) before income tax | (41,659)      | 31,000     | (72,659)                       | (41,659)     | (41,659)              | (184,000)                      | (160)    | (121,799)             | 19                                 |
| 20       | Provision for income taxes      | (44,271)      | 12,000     | (56,271)                       | (44,271)     | (44,271)              | (70,000)                       | 0        | (44,271)              | 20                                 |
| 21       | Net income (loss)               | \$2,612       | \$19,000   | (\$16,388)                     | \$0          | \$2,612               | (\$14,000)                     | (\$160)  | (\$77,527)            | 21                                 |

ATMOS ENERGY SERVICES, INC.  
STATEMENTS OF INCOME  
FOR QUARTERS ENDED 12/31/98 AND 3/31/99

| Line No. | Description (a)                 | First Quarter |             |                                | Second Quarter        |                                    |            | Line No.  |             |                                |                       |
|----------|---------------------------------|---------------|-------------|--------------------------------|-----------------------|------------------------------------|------------|-----------|-------------|--------------------------------|-----------------------|
|          |                                 | Actual (b)    | Budget (c)  | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Prior Year (f) | Actual (g) |           | Budget (h)  | Actual Over (Under) Budget (i) | Prior Year Actual (j) |
| 1        | Operating revenues              |               |             |                                |                       |                                    |            |           |             |                                |                       |
| 2        | Gas                             | \$0           | \$0         | \$0                            | \$0                   | \$0                                | \$0        | \$144,000 | (\$144,000) | \$0                            | \$0                   |
| 3        | Transportation                  | 0             | 0           | 0                              | 0                     | 0                                  | 0          | 459,000   | (459,000)   | 0                              | 0                     |
| 3        | Other                           | 10,035        | 0           | 10,035                         | 0                     | 10,035                             | 0          | 204,000   | (204,000)   | 0                              | 0                     |
| 4        | Total operating revenues        | 10,035        | 0           | 10,035                         | 0                     | 10,035                             | 0          | 807,000   | (807,000)   | 0                              | 0                     |
| 5        | Purchased gas cost (1)          | 8,035         | 0           | 8,035                          | 0                     | 8,035                              | 0          | 441,000   | (441,000)   | 0                              | 0                     |
| 6        | Gross profit                    | 2,000         | 0           | 2,000                          | 0                     | 2,000                              | 0          | 366,000   | (366,000)   | 0                              | 0                     |
| 7        | Operating expenses              |               |             |                                |                       |                                    |            |           |             |                                |                       |
| 8        | Operation                       | 110           | 276,000     | (275,890)                      | 70                    | 40                                 | 125,231    | 276,000   | (150,769)   | 90                             | 125,141               |
| 9        | Maintenance                     | 0             | 0           | 0                              | 0                     | 0                                  | 0          | 0         | 0           | 0                              | 0                     |
| 9        | Depreciation                    | 0             | 0           | 0                              | 0                     | 0                                  | 0          | 0         | 0           | 0                              | 0                     |
| 10       | Taxes - other than income taxes | 0             | 0           | 0                              | 0                     | 0                                  | 0          | 0         | 0           | 0                              | 0                     |
| 11       | Shared Services                 | 0             | 0           | 0                              | 0                     | 0                                  | 0          | 0         | 0           | 0                              | 0                     |
| 12       | Total operating expenses        | 110           | 276,000     | (275,890)                      | 70                    | 40                                 | 125,231    | 276,000   | (150,769)   | 90                             | 125,141               |
| 13       | Operating income (loss)         | 1,890         | (276,000)   | 277,890                        | (70)                  | 1,960                              | (125,231)  | 90,000    | (215,231)   | (90)                           | (125,141)             |
| 14       | Other income and (expense)      |               |             |                                |                       |                                    |            |           |             |                                |                       |
| 15       | Interest expense                | 0             | 0           | 0                              | 0                     | 0                                  | 0          | 2,000     | (2,000)     | 0                              | 0                     |
| 15       | Merchandise                     | 1,383         | 0           | 1,383                          | 0                     | 1,383                              | 0          | 0         | 0           | 0                              | 0                     |
| 16       | Interest income                 | 0             | 0           | 0                              | 0                     | 0                                  | 0          | 0         | 0           | 0                              | 0                     |
| 17       | Other nonoperating income       | 0             | 0           | 0                              | 0                     | 0                                  | 0          | 0         | 0           | 0                              | 0                     |
| 18       | Total other income (loss)       | 1,383         | 0           | 1,383                          | 0                     | 1,383                              | 0          | 2,000     | (2,000)     | 0                              | 0                     |
| 19       | Income (loss) before income tax | 3,273         | (276,000)   | 279,273                        | (70)                  | 3,343                              | (125,231)  | 92,000    | (217,231)   | (90)                           | (125,141)             |
| 20       | Provision for income taxes      | 0             | (105,000)   | 105,000                        | 0                     | 0                                  | (44,271)   | 35,000    | (79,271)    | 0                              | (44,271)              |
| 21       | Net income (loss)               | \$3,273       | (\$171,000) | \$174,273                      | (\$70)                | \$3,343                            | (\$80,960) | \$57,000  | (\$137,960) | (\$90)                         | (\$80,870)            |



ATMOS ENERGY CORPORATION  
Shared Services  
For The Month Ended 3/31/99

COMBINED DIRECT & BILLED

| DEPARTMENT                     | Total     | Energas   | GCC       | Trans La  | UCG       | WKG       | Egasco | Emertart | TLJG  | Propane | WKOR  |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|--------|----------|-------|---------|-------|
| ACCOUNTING:                    | 708,824   | 166,647   | 124,597   | 52,850    | 265,014   | 97,160    | 0      | 0        | 0     | 2,556   | 0     |
| BUSINESS DEVELOPMENT:          | 12,227    | 3,037     | 1,477     | 1,033     | 4,647     | 2,032     | 0      | 0        | 0     | 0       | 0     |
| CALL CENTER:                   | 532,378   | 166,102   | 105,943   | 42,590    | 124,576   | 93,166    | 0      | 0        | 0     | 0       | 0     |
| EXECUTIVE:                     | 385,688   | 105,789   | 63,044    | 32,976    | 116,996   | 63,409    | 0      | 0        | 0     | 3,474   | 0     |
| GAS CONTROL:                   | 53,246    | 6,634     | 8,955     | 2,796     | 23,157    | 11,704    | 0      | 0        | 0     | 0       | 0     |
| GAS SUPPLY:                    | 114,346   | 16,008    | 21,611    | 6,746     | 41,736    | 28,243    | 0      | 0        | 0     | 0       | 0     |
| HUMAN RESOURCES:               | 30,316    | (41,181)  | 29,851    | (5,724)   | (6,664)   | 17,127    | 0      | 0        | 0     | 36,908  | 0     |
| INFORMATION TECHNOLOGY:        | 432,219   | 126,521   | 84,316    | 35,456    | 109,394   | 76,533    | 0      | 0        | 0     | 0       | 0     |
| INTERNAL AUDIT:                | 46,427    | 13,841    | 8,948     | 3,728     | 11,231    | 8,062     | 0      | 0        | 0     | 618     | 0     |
| INVESTOR RELATIONS:            | 122,922   | 25,361    | 23,505    | 11,381    | 40,949    | 18,928    | 0      | 0        | 0     | 2,798   | 0     |
| LEGAL:                         | 3,649,411 | 108,501   | 60,364    | 3,353,928 | 128,706   | (6,066)   | 0      | 0        | 0     | 3,977   | 0     |
| NEW BUSINESS VENTURES:         | 7,730     | 1,252     | 873       | 442       | 4,381     | 702       | 0      | 0        | 0     | 81      | 0     |
| PLANNING & BUDGETING:          | 94,512    | 22,878    | 15,948    | 8,069     | 33,320    | 12,815    | 0      | 0        | 0     | 1,481   | 0     |
| PRICE POLICY & ADMINISTRATION: | 70,875    | 6,749     | 7,047     | 3,007     | 48,997    | 5,074     | 0      | 0        | 0     | 0       | 0     |
| REGULATORY AFFAIRS:            | 26,838    | 2,979     | 4,026     | 1,718     | 15,217    | 2,899     | 0      | 0        | 0     | 0       | 0     |
| TECHNICAL SERVICES:            | 19,141    | 4,353     | 2,645     | 1,725     | 7,385     | 2,976     | 13     | 31       | 11    | 0       | 2     |
| TREASURY:                      | 667,160   | 209,100   | 133,208   | 56,410    | 134,957   | 132,191   | 0      | 0        | 0     | 1,294   | 0     |
| A&G CAPITALIZED:               | (900,000) | (222,480) | (108,270) | (75,690)  | (340,560) | (148,770) | (630)  | (2,790)  | (630) | 0       | (180) |
| CONTROLLER MISCELLANEOUS:      | 134,295   | 22,382    | 17,283    | 7,518     | 73,638    | 13,135    | 0      | 0        | 0     | 337     | 0     |
| MERGER & INTEGRATION           | 834,582   | 40,738    | 181,667   | 4,171     | 578,117   | 29,889    | 0      | 0        | 0     | 0       | 0     |
| TOTAL OPERATIONS:              | 7,043,137 | 785,212   | 787,039   | 3,545,130 | 1,415,196 | 461,209   | (617)  | (2,759)  | (619) | 53,524  | (178) |
| MAINTENANCE                    | 35,978    | 8,894     | 4,328     | 3,026     | 13,614    | 5,947     | 25     | 112      | 25    | 0       | 7     |
| DEPRECIATION                   | 808,645   | 199,897   | 97,280    | 68,007    | 305,991   | 133,669   | 566    | 2,507    | 566   | 0       | 162   |
| TAXES - OTHER                  | 318,984   | 80,569    | 40,458    | 26,718    | 116,880   | 52,985    | 205    | 907      | 205   | 0       | 59    |
| TOTAL                          | 8,206,744 | 1,074,572 | 929,105   | 3,642,881 | 1,851,681 | 653,810   | 179    | 766      | 177   | 53,524  | 49    |

ATMOS ENERGY CORPORATION  
Shared Services  
For The Year-To-Date 3/31/99

| DEPARTMENT                     | Total       | Encompass   | GGC       | Trans La  | UCG         | WKG       | Egasco  | Encomart | TLJG    | Propane | WKGR    |
|--------------------------------|-------------|-------------|-----------|-----------|-------------|-----------|---------|----------|---------|---------|---------|
| ACCOUNTING:                    | 3,143,386   | 772,910     | 603,680   | 269,941   | 1,013,219   | 471,298   | 0       | 0        | 0       | 12,339  | 0       |
| BUSINESS DEVELOPMENT:          | 86,266      | 21,428      | 10,421    | 7,289     | 32,790      | 14,337    | 0       | 0        | 0       | 0       | 0       |
| CALL CENTER:                   | 3,264,664   | 1,018,575   | 649,668   | 261,173   | 763,931     | 571,316   | 0       | 0        | 0       | 0       | 0       |
| EXECUTIVE:                     | 3,165,645   | 858,297     | 538,093   | 277,330   | 939,166     | 522,670   | 0       | 0        | 0       | 30,090  | 0       |
| GAS CONTROL:                   | 250,993     | 30,893      | 42,134    | 13,019    | 109,848     | 55,098    | 0       | 0        | 0       | 0       | 0       |
| GAS SUPPLY:                    | 703,725     | 98,267      | 135,256   | 41,650    | 254,970     | 173,583   | 0       | 0        | 0       | 0       | 0       |
| HUMAN RESOURCES:               | 4,800,587   | 1,175,532   | 1,080,625 | 469,582   | 928,336     | 986,190   | 0       | 0        | 0       | 160,318 | 0       |
| INFORMATION TECHNOLOGY:        | 2,642,380   | 775,053     | 515,135   | 217,016   | 667,907     | 467,271   | 0       | 0        | 0       | 0       | 0       |
| INTERNAL AUDIT:                | 288,534     | 86,016      | 55,607    | 23,169    | 69,798      | 50,104    | 0       | 0        | 0       | 3,840   | 0       |
| INVESTOR RELATIONS:            | 761,248     | 157,058     | 145,566   | 70,485    | 253,591     | 117,219   | 0       | 0        | 0       | 17,330  | 0       |
| LEGAL:                         | 6,162,131   | 556,043     | 380,086   | 4,101,113 | 596,932     | 517,343   | 0       | 0        | 0       | 10,614  | 0       |
| NEW BUSINESS VENTURES:         | 129,664     | 28,100      | 19,588    | 9,911     | 54,505      | 15,741    | 0       | 0        | 0       | 1,819   | 0       |
| PLANNING & BUDGETING:          | 353,309     | 85,524      | 59,618    | 30,164    | 124,559     | 47,907    | 0       | 0        | 0       | 5,536   | 0       |
| PRICE POLICY & ADMINISTRATION: | 489,433     | 56,569      | 88,549    | 27,203    | 263,902     | 53,210    | 0       | 0        | 0       | 0       | 0       |
| REGULATORY AFFAIRS:            | 172,101     | 18,768      | 23,362    | 10,821    | 98,889      | 18,261    | 0       | 0        | 0       | 0       | 0       |
| TECHNICAL SERVICES:            | 97,021      | 22,063      | 13,408    | 8,742     | 37,431      | 15,087    | 68      | 155      | 58      | 0       | 10      |
| TREASURY:                      | 4,230,582   | 1,339,293   | 823,495   | 387,084   | 854,562     | 818,902   | 0       | 0        | 0       | 7,244   | 0       |
| CONTROLLER MISCELLANEOUS:      | (397,272)   | (240,302)   | (67,991)  | (36,344)  | 10,670      | (63,763)  | 0       | 0        | 0       | 457     | 0       |
| A&G CAPITALIZED:               | (5,400,000) | (1,334,880) | (649,620) | (454,140) | (2,043,360) | (892,620) | (3,780) | (16,740) | (3,780) | 0       | (1,080) |
| MERGER & INTEGRATION           | 10,805,597  | 527,934     | 2,042,102 | 54,025    | 7,794,605   | 386,932   | 0       | 0        | 0       | 0       | 0       |
| TOTAL OPERATIONS:              | 35,749,993  | 6,053,141   | 6,510,781 | 5,789,234 | 12,826,250  | 4,346,084 | (3,712) | (16,585) | (3,722) | 249,588 | (1,070) |
| MAINTENANCE                    | 359,301     | 88,819      | 43,224    | 30,217    | 135,960     | 59,393    | 252     | 1,114    | 252     | 0       | 72      |
| DEPRECIATION                   | 4,781,870   | 1,182,078   | 575,259   | 402,155   | 1,809,460   | 790,443   | 3,347   | 14,824   | 3,347   | 0       | 956     |
| TAXES - OTHER                  | 806,108     | 208,890     | 108,658   | 67,185    | 283,594     | 134,690   | 460     | 2,039    | 460     | 0       | 132     |
| TOTAL                          | 41,697,272  | 7,532,928   | 7,237,923 | 6,288,791 | 15,055,263  | 5,330,609 | 347     | 1,392    | 337     | 249,588 | 89      |

ATMOS ENERGY CORPORATION  
Shared Services  
For The Month Ended 3/31/99

COMBINED DIRECT & BILLED

| DEPARTMENT                                  | Total     | Energias  | GCC       | Trans La | UCG       | WKG      | Ergasco | Enertmart | TLIG | Propane | WKGR |
|---|-----------|-----------|-----------|----------|-----------|----------|---------|-----------|------|---------|------|
| 0112900 VP & Controller                     | 39,236    | 10,062    | 8,156     | 3,048    | 12,112    | 5,699    | 0       | 0         | 0    | 159     | 0    |
| 0113000 Director, Utility Accounting        | 20,435    | 5,299     | 4,092     | 1,780    | 6,076     | 3,110    | 0       | 0         | 0    | 80      | 0    |
| 0113100 General Accounting                  | 84,067    | 21,797    | 16,832    | 7,322    | 24,995    | 12,792   | 0       | 0         | 0    | 328     | 0    |
| 0113200 Payroll Accounting                  | 52,066    | 13,500    | 10,425    | 4,535    | 15,481    | 7,923    | 0       | 0         | 0    | 203     | 0    |
| 0113300 Accounts Payable                    | 61,398    | 14,661    | 13,340    | 3,189    | 19,810    | 10,138   | 0       | 0         | 0    | 260     | 0    |
| 0113400 Accounting Systems                  | 1,265     | 328       | 253       | 110      | 376       | 192      | 0       | 0         | 0    | 5       | 0    |
| 0113500 Assistant Controller, Utility Acctg | 43,503    | 11,280    | 8,710     | 3,789    | 12,935    | 6,620    | 0       | 0         | 0    | 170     | 0    |
| 0113600 Plant Accounting                    | 52,629    | 13,646    | 10,537    | 4,584    | 15,648    | 8,008    | 0       | 0         | 0    | 205     | 0    |
| 0113700 Gas Accounting                      | 129,188   | 33,496    | 25,866    | 11,252   | 38,411    | 19,658   | 0       | 0         | 0    | 504     | 0    |
| 0113800 Customer Billing                    | 3,439     | 892       | 689       | 300      | 1,023     | 523      | 0       | 0         | 0    | 13      | 0    |
| 0113900 Financial Reporting                 | 87,413    | 22,665    | 17,502    | 7,613    | 25,990    | 13,301   | 0       | 0         | 0    | 341     | 0    |
| 0114600 Dallas Taxation                     | 137,747   | 19,945    | 8,908     | 5,639    | 93,217    | 9,737    | 0       | 0         | 0    | 300     | 0    |
| 0118300 Dallas Stores                       | (3,562)   | (923)     | (713)     | (310)    | (1,059)   | (542)    | 0       | 0         | 0    | (14)    | 0    |
| ACCOUNTING:                                 | 708,824   | 166,647   | 124,597   | 52,850   | 265,014   | 97,160   | 0       | 0         | 0    | 2,556   | 0    |
| 0056000 Business Development                | 12,227    | 3,037     | 1,477     | 1,033    | 4,647     | 2,032    | 0       | 0         | 0    | 0       | 0    |
| BUSINESS DEVELOPMENT:                       | 12,227    | 3,037     | 1,477     | 1,033    | 4,647     | 2,032    | 0       | 0         | 0    | 0       | 0    |
| 0120100 Amarillo Call Center                | 532,378   | 166,102   | 105,943   | 42,590   | 124,576   | 93,166   | 0       | 0         | 0    | 0       | 0    |
| CALL CENTER:                                | 532,378   | 166,102   | 105,943   | 42,590   | 124,576   | 93,166   | 0       | 0         | 0    | 0       | 0    |
| 0050500 Chairman, President & CEO           | 147,261   | 38,078    | 26,179    | 12,884   | 43,826    | 24,910   | 0       | 0         | 0    | 1,385   | 0    |
| 0050600 Business Process Initiative         | 133,350   | 39,991    | 17,049    | 10,395   | 44,079    | 20,897   | 0       | 0         | 0    | 938     | 0    |
| 0052100 Dallas Operations                   | 32,009    | 8,444     | 6,036     | 2,954    | 8,862     | 5,362    | 0       | 0         | 0    | 351     | 0    |
| 0052500 Utility Services                    | 286       | 75        | 54        | 26       | 79        | 48       | 0       | 0         | 0    | 3       | 0    |
| 0054700 Chief Financial Officer             | 72,783    | 19,201    | 13,725    | 6,717    | 20,150    | 12,192   | 0       | 0         | 0    | 797     | 0    |
| EXECUTIVE:                                  | 385,688   | 105,789   | 63,044    | 32,976   | 116,996   | 63,409   | 0       | 0         | 0    | 3,474   | 0    |
| 0051700 Corporate Gas Control               | 53,246    | 6,634     | 8,955     | 2,796    | 23,157    | 11,704   | 0       | 0         | 0    | 0       | 0    |
| GAS CONTROL:                                | 53,246    | 6,634     | 8,955     | 2,796    | 23,157    | 11,704   | 0       | 0         | 0    | 0       | 0    |
| 0051500 Interstate Gas Supply               | 49,851    | 6,979     | 9,422     | 2,941    | 18,196    | 12,313   | 0       | 0         | 0    | 0       | 0    |
| 0051600 Intrastate Gas Supply               | 37,283    | 5,220     | 7,046     | 2,200    | 13,608    | 9,209    | 0       | 0         | 0    | 0       | 0    |
| 0051900 Gas Supply                          | 27,212    | 3,810     | 5,143     | 1,606    | 9,932     | 6,721    | 0       | 0         | 0    | 0       | 0    |
| GAS SUPPLY:                                 | 114,346   | 16,008    | 21,611    | 6,746    | 41,736    | 28,243   | 0       | 0         | 0    | 0       | 0    |
| 0056100 Professional Development            | 11,282    | 2,104     | 1,603     | 676      | 5,201     | 1,327    | 0       | 0         | 0    | 371     | 0    |
| 0116900 Executive Compensation              | 190,478   | 32,979    | 49,555    | 34,892   | 22,168    | 47,078   | 0       | 0         | 0    | 3,805   | 0    |
| 0117000 Dallas EAPC                         | 1,204     | 307       | 234       | 99       | 316       | 194      | 0       | 0         | 0    | 54      | 0    |
| 0117100 Corporate Services                  | (6,271)   | (1,600)   | (1,219)   | (514)    | (1,645)   | (1,010)  | 0       | 0         | 0    | (282)   | 0    |
| 0117200 Compensation & Employment           | 23,090    | 5,937     | 4,478     | 1,889    | 6,041     | 3,708    | 0       | 0         | 0    | 1,037   | 0    |
| 0117300 Human Resources - VP                | 18,194    | 4,643     | 3,538     | 1,492    | 4,772     | 2,930    | 0       | 0         | 0    | 819     | 0    |
| 0117400 Employee & Labor Relations          | 4,093     | 1,044     | 796       | 336      | 1,073     | 659      | 0       | 0         | 0    | 184     | 0    |
| 0117500 Employee Benefits                   | (153,466) | (21,294)  | (46,322)  | (25,756) | (16,666)  | (39,162) | 0       | 0         | 0    | (4,268) | 0    |
| 0117800 Employee Communications             | 20,794    | 5,307     | 4,043     | 1,706    | 5,454     | 3,348    | 0       | 0         | 0    | 936     | 0    |
| 0117900 Facilities                          | 17,421    | 4,446     | 3,387     | 1,429    | 4,569     | 2,805    | 0       | 0         | 0    | 784     | 0    |
| 0118100 Employee Development                | 30,459    | 7,931     | 5,914     | 2,476    | 7,918     | 4,861    | 0       | 0         | 0    | 1,359   | 0    |
| 0119000 Employee Relocation Expense         | 215,652   | 51,789    | 91,730    | 1,364    | 15,782    | 54,238   | 0       | 0         | 0    | 749     | 0    |
| 0119210 Management Incentive/Variable Pay   | (453,169) | (132,018) | (100,585) | (42,434) | (135,685) | (83,297) | 0       | 0         | 0    | 40,849  | 0    |

ATMOS ENERGY CORPORATION  
Shared Services  
For The Month Ended 3/31/99

COMBINED DIRECT & BILLED

| DEPARTMENT   | Total     | Energas  | GGC      | Trans La  | UCG      | WKG       | Egasso | Enemart | TLJG | Propane  | WKGR |
|--|-----------|----------|----------|-----------|----------|-----------|--------|---------|------|----------|------|
| 0119400 Treasury - Worker's Comp                       | 6,295     | 1,858    | 1,431    | 604       | 885      | 1,185     | 0      | 0       | 0    | 331      | 0    |
| 0119500 Human Resources - Benefits                     | (219,211) | (75,905) | (57,491) | (24,300)  | (675)    | (47,501)  | 0      | 0       | 0    | (13,338) | 0    |
| 0119600 Retirement Costs                               | 323,472   | 71,291   | 68,757   | 40,318    | 73,827   | 65,762    | 0      | 0       | 0    | 3,517    | 0    |
| HUMAN RESOURCES:                                       | 30,316    | (41,181) | 29,851   | (5,724)   | (6,664)  | 17,127    | 0      | 0       | 0    | 36,908   | 0    |
| 0115000 Information Services                           | 18,650    | 5,464    | 3,637    | 1,529     | 4,718    | 3,301     | 0      | 0       | 0    | 0        | 0    |
| 0115100 Production Services                            | 188,389   | 55,198   | 36,736   | 15,448    | 47,662   | 33,345    | 0      | 0       | 0    | 0        | 0    |
| 0115300 Information Systems                            | 87,356    | 25,595   | 17,034   | 7,163     | 22,101   | 15,462    | 0      | 0       | 0    | 0        | 0    |
| 0115400 Information Support                            | 87,000    | 24,675   | 17,339   | 6,751     | 22,497   | 15,739    | 0      | 0       | 0    | 0        | 0    |
| 0115500 Office Equipment                               | 30,256    | 9,562    | 5,559    | 2,278     | 7,212    | 5,046     | 0      | 0       | 0    | 0        | 0    |
| 0115600 Telecommunication Services                     | 20,569    | 6,027    | 4,011    | 1,687     | 5,204    | 3,641     | 0      | 0       | 0    | 0        | 0    |
| INFORMATION TECHNOLOGY:                                | 432,219   | 126,521  | 84,316   | 35,456    | 109,394  | 76,533    | 0      | 0       | 0    | 0        | 0    |
| 0116400 Internal Audit                                 | 46,427    | 13,841   | 8,948    | 3,728     | 11,231   | 8,062     | 0      | 0       | 0    | 618      | 0    |
| INTERNAL AUDIT:  | 46,427    | 13,841   | 8,948    | 3,728     | 11,231   | 8,062     | 0      | 0       | 0    | 618      | 0    |
| 0054900 Investor Relations                             | 79,881    | 16,440   | 15,237   | 7,378     | 26,544   | 12,269    | 0      | 0       | 0    | 1,814    | 0    |
| 0117700 Corporate Communications                       | 43,151    | 8,903    | 8,251    | 3,995     | 14,375   | 6,644     | 0      | 0       | 0    | 982      | 0    |
| 0052400 Public Affairs                                 | 91        | 19       | 17       | 8         | 30       | 14        | 0      | 0       | 0    | 2        | 0    |
| INVESTOR RELATIONS:                                    | 122,922   | 25,361   | 23,505   | 11,381    | 40,949   | 18,928    | 0      | 0       | 0    | 2,798    | 0    |
| 0052000 Legal  | (300,374) | (25,340) | 9,369    | (85,315)  | 47,720   | (247,052) | 0      | 0       | 0    | 244      | 0    |
| 0052050 General Liability                              | 3,569,675 | 31,833   | (20,000) | 3,396,232 | (13,500) | 175,110   | 0      | 0       | 0    | 0        | 0    |
| 0051400 Contract Administration                        | 26,491    | 6,416    | 4,083    | 7,159     | 5,091    | 3,659     | 0      | 0       | 0    | 83       | 0    |
| 0052200 Governmental Affairs                           | 13,819    | 3,937    | 1,899    | 2,869     | 2,162    | 2,800     | 0      | 0       | 0    | 151      | 0    |
| 0057900 Corporate Secretary                            | 104,570   | 31,217   | 20,322   | 8,380     | 25,665   | 18,332    | 0      | 0       | 0    | 654      | 0    |
| 0119300 Outside Directors Retirement Cost              | 219,226   | 55,660   | 41,580   | 23,320    | 57,640   | 38,280    | 0      | 0       | 0    | 2,746    | 0    |
| 0118200 Central Records                                | 16,004    | 4,778    | 3,110    | 1,283     | 3,928    | 2,806     | 0      | 0       | 0    | 100      | 0    |
| LEGAL:   | 3,649,411 | 108,501  | 60,364   | 3,353,928 | 128,706  | (6,066)   | 0      | 0       | 0    | 3,977    | 0    |
| 0054600 New Business Ventures                          | 7,730     | 1,252    | 873      | 442       | 4,381    | 702       | 0      | 0       | 0    | 81       | 0    |
| NEW BUSINESS VENTURES:                                 | 7,730     | 1,252    | 873      | 442       | 4,381    | 702       | 0      | 0       | 0    | 81       | 0    |
| 0054400 Financial & Strategic Planning                 | 91,321    | 22,106   | 15,410   | 7,797     | 32,195   | 12,383    | 0      | 0       | 0    | 1,431    | 0    |
| 0054500 Business Strategies & Competitive Intelligence | 0         | 0        | 0        | 0         | 0        | 0         | 0      | 0       | 0    | 0        | 0    |
| 0114300 Budget & Planning                              | 3,191     | 772      | 538      | 272       | 1,125    | 433       | 0      | 0       | 0    | 50       | 0    |
| PLANNING & BUDGETING:                                  | 94,512    | 22,878   | 15,948   | 8,069     | 33,320   | 12,815    | 0      | 0       | 0    | 1,481    | 0    |
| 0054000 Price Policy & Administration                  | 70,875    | 6,749    | 7,047    | 3,007     | 48,997   | 5,074     | 0      | 0       | 0    | 0        | 0    |
| PRICE POLICY & ADMINISTRATION:                         | 70,875    | 6,749    | 7,047    | 3,007     | 48,997   | 5,074     | 0      | 0       | 0    | 0        | 0    |
| 0054100 Regulatory Affairs                             | 26,838    | 2,979    | 4,026    | 1,718     | 15,217   | 2,899     | 0      | 0       | 0    | 0        | 0    |
| REGULATORY AFFAIRS:                                    | 26,838    | 2,979    | 4,026    | 1,718     | 15,217   | 2,899     | 0      | 0       | 0    | 0        | 0    |
| 0056200 Technical Services                             | 19,141    | 4,353    | 2,645    | 1,725     | 7,385    | 2,976     | 13     | 31      | 11   | 0        | 2    |
| TECHNICAL SERVICES:                                    | 19,141    | 4,353    | 2,645    | 1,725     | 7,385    | 2,976     | 13     | 31      | 11   | 0        | 2    |
| 0114500 Dallas Treasury                                | 37,333    | 10,409   | 7,149    | 3,027     | 9,852    | 6,493     | 0      | 0       | 0    | 403      | 0    |
| 0114700 Dallas Risk Management                         | 139,636   | 38,626   | 20,844   | 8,669     | 50,945   | 20,032    | 0      | 0       | 0    | 519      | 0    |
| 0114800 Dallas Treasurer                               | 33,939    | 9,600    | 6,570    | 2,792     | 8,783    | 5,821     | 0      | 0       | 0    | 372      | 0    |

ATMOS ENERGY CORPORATION  
Shared Services  
For The Month Ended 3/31/99

COMBINED DIRECT & BILLED

| DEPARTMENT   | Total     | Empire    | GGC       | Trans La  | UCG       | WKG       | Ergasco | Emermart | TLIG  | Propane | WKGR  |
|--|-----------|-----------|-----------|-----------|-----------|-----------|---------|----------|-------|---------|-------|
| 0115200 Mass Mail  | 207,119   | 79,643    | 50,584    | 22,268    | 0         | 54,624    | 0       | 0        | 0     | 0       | 0     |
| 0117600 Purchasing                                       | 16,608    | 4,135     | 2,425     | 1,711     | 5,115     | 3,222     | 0       | 0        | 0     | 0       | 0     |
| 0118000 Remittance Processing                            | 210,255   | 61,027    | 42,339    | 15,608    | 53,580    | 37,701    | 0       | 0        | 0     | 0       | 0     |
| 0118500 Mail & Supply                                    | 11,770    | 3,044     | 1,764     | 1,255     | 3,447     | 2,260     | 0       | 0        | 0     | 0       | 0     |
| 0118909 Fleet Administration                             | (464)     | (116)     | (68)      | (48)      | (143)     | (90)      | 0       | 0        | 0     | 0       | 0     |
| 0118600 Purchasing & Stores                              | 10,964    | 2,730     | 1,601     | 1,129     | 3,377     | 2,127     | 0       | 0        | 0     | 0       | 0     |
| TREASURY:  | 667,160   | 209,100   | 133,208   | 56,410    | 134,957   | 132,191   | 0       | 0        | 0     | 1,294   | 0     |
| 0119800 Atmos - Overhead Capitalized<br>A&G CAPITALIZED: | (900,000) | (22,480)  | (108,270) | (75,690)  | (340,560) | (148,770) | (630)   | (2,790)  | (630) | 0       | (180) |
|  | (900,000) | (22,480)  | (108,270) | (75,690)  | (340,560) | (148,770) | (630)   | (2,790)  | (630) | 0       | (180) |
| 0119200 Controller Miscellaneous                         | 134,295   | 22,382    | 17,283    | 7,518     | 73,638    | 13,135    | 0       | 0        | 0     | 337     | 0     |
| CONTROLLER MISCELLANEOUS:                                | 134,295   | 22,382    | 17,283    | 7,518     | 73,638    | 13,135    | 0       | 0        | 0     | 337     | 0     |
| 0119220 Merger & Integration                             | 834,582   | 40,738    | 181,667   | 4,171     | 578,117   | 29,889    | 0       | 0        | 0     | 0       | 0     |
| MERGER & INTEGRATION                                     | 834,582   | 40,738    | 181,667   | 4,171     | 578,117   | 29,889    | 0       | 0        | 0     | 0       | 0     |
| TOTAL OPERATIONS:  | 7,043,137 | 1,374,572 | 787,039   | 3,545,130 | 1,415,196 | 461,209   | (617)   | (2,759)  | (619) | 53,524  | (178) |
| MAINTENANCE  | 35,978    | 8,894     | 4,328     | 3,026     | 13,614    | 5,947     | 25      | 112      | 25    | 0       | 7     |
| DEPRECIATION   | 808,645   | 199,897   | 97,280    | 68,007    | 305,991   | 133,669   | 566     | 2,507    | 566   | 0       | 162   |
| TAXES - OTHER  | 318,984   | 80,569    | 40,458    | 26,718    | 116,880   | 52,985    | 205     | 907      | 205   | 0       | 59    |
| TOTAL  | 8,206,744 | 1,374,572 | 929,105   | 3,642,881 | 1,851,681 | 653,810   | 179     | 766      | 177   | 53,524  | 49    |

ATMOS ENERGY CORPORATION  
Shared Services  
For The Year-To-Date 3/31/99

COMBINED DIRECT & BILLED

| DEPARTMENT                                  | Total     | Energas   | GGC     | Trans La | UCG       | WKG     | Epasco | Enermart | TLIG | Propane | WKGR |
|---|-----------|-----------|---------|----------|-----------|---------|--------|----------|------|---------|------|
| 0112900 VP & Controller                     | 413,454   | 107,203   | 82,782  | 36,010   | 122,931   | 62,914  | 0      | 0        | 0    | 1,614   | 0    |
| 0113000 Director, Utility Accounting        | 116,260   | 30,144    | 23,278  | 10,126   | 34,567    | 17,691  | 0      | 0        | 0    | 454     | 0    |
| 0113100 General Accounting                  | 330,399   | 85,668    | 66,153  | 28,776   | 98,237    | 50,276  | 0      | 0        | 0    | 1,290   | 0    |
| 0113200 Payroll Accounting                  | 316,185   | 81,976    | 63,255  | 27,536   | 94,064    | 48,123  | 0      | 0        | 0    | 1,232   | 0    |
| 0113300 Accounts Payable                    | 256,318   | 66,460    | 51,320  | 22,324   | 76,210    | 39,003  | 0      | 0        | 0    | 1,001   | 0    |
| 0113400 Accounting Systems                  | 6,641     | 1,722     | 1,330   | 578      | 1,975     | 1,011   | 0      | 0        | 0    | 26      | 0    |
| 0113500 Assistant Controller, Utility Acctg | 162,507   | 42,136    | 32,537  | 14,154   | 48,318    | 24,728  | 0      | 0        | 0    | 634     | 0    |
| 0113600 Plant Accounting                    | 201,771   | 52,316    | 40,399  | 17,573   | 59,992    | 30,703  | 0      | 0        | 0    | 788     | 0    |
| 0113700 Gas Accounting                      | 644,365   | 167,074   | 129,015 | 56,122   | 191,587   | 98,051  | 0      | 0        | 0    | 2,516   | 0    |
| 0113800 Customer Billing                    | 19,982    | 5,181     | 4,001   | 1,740    | 5,941     | 3,041   | 0      | 0        | 0    | 78      | 0    |
| 0113900 Financial Reporting                 | 332,152   | 86,122    | 66,504  | 28,929   | 98,758    | 50,543  | 0      | 0        | 0    | 1,297   | 0    |
| 0114600 Dallas Taxation                     | 346,122   | 47,627    | 43,663  | 26,313   | 181,463   | 45,636  | 0      | 0        | 0    | 1,420   | 0    |
| 0118300 Dallas Stores                       | (2,770)   | (718)     | (555)   | (241)    | (824)     | (422)   | 0      | 0        | 0    | (11)    | 0    |
| ACCOUNTING:                                 | 3,143,386 | 772,910   | 603,680 | 269,941  | 1,013,219 | 471,298 | 0      | 0        | 0    | 12,339  | 0    |
| 0056000 Business Development                | 86,266    | 21,428    | 10,421  | 7,289    | 32,790    | 14,337  | 0      | 0        | 0    | 0       | 0    |
| BUSINESS DEVELOPMENT:                       | 86,266    | 21,428    | 10,421  | 7,289    | 32,790    | 14,337  | 0      | 0        | 0    | 0       | 0    |
| 0120100 Amarillo Call Center                | 3,264,664 | 1,018,575 | 649,668 | 261,173  | 763,931   | 571,316 | 0      | 0        | 0    | 0       | 0    |
| CALL CENTER:                                | 3,264,664 | 1,018,575 | 649,668 | 261,173  | 763,931   | 571,316 | 0      | 0        | 0    | 0       | 0    |
| 0050500 Chairman, President & CEO           | 1,486,679 | 387,629   | 270,850 | 132,982  | 429,776   | 250,524 | 0      | 0        | 0    | 14,917  | 0    |
| 0050600 Business Process Initiative         | 803,764   | 241,044   | 102,764 | 62,657   | 265,688   | 125,958 | 0      | 0        | 0    | 5,654   | 0    |
| 0052100 Dallas Operations                   | 266,335   | 68,997    | 49,658  | 25,502   | 75,135    | 44,192  | 0      | 0        | 0    | 2,849   | 0    |
| 0052500 Utility Services                    | 29,305    | 7,731     | 5,526   | 2,704    | 8,113     | 4,909   | 0      | 0        | 0    | 321     | 0    |
| 0054700 Chief Financial Officer             | 579,562   | 152,896   | 109,294 | 53,484   | 160,453   | 97,086  | 0      | 0        | 0    | 6,348   | 0    |
| EXECUTIVE:                                  | 3,165,645 | 838,297   | 538,093 | 277,330  | 939,166   | 522,670 | 0      | 0        | 0    | 30,090  | 0    |
| 0051700 Corporate Gas Control               | 250,993   | 30,893    | 42,134  | 13,019   | 109,848   | 55,098  | 0      | 0        | 0    | 0       | 0    |
| GAS CONTROL:                                | 250,993   | 30,893    | 42,134  | 13,019   | 109,848   | 55,098  | 0      | 0        | 0    | 0       | 0    |
| 0051500 Interstate Gas Supply               | 348,126   | 48,286    | 67,285  | 20,349   | 125,940   | 86,267  | 0      | 0        | 0    | 0       | 0    |
| 0051600 Intrastate Gas Supply               | 202,203   | 28,214    | 38,762  | 11,890   | 73,558    | 49,778  | 0      | 0        | 0    | 0       | 0    |
| 0051900 Gas Supply                          | 153,396   | 21,767    | 29,209  | 9,411    | 55,471    | 37,538  | 0      | 0        | 0    | 0       | 0    |
| GAS SUPPLY:                                 | 703,725   | 98,267    | 135,256 | 41,650   | 254,970   | 173,583 | 0      | 0        | 0    | 0       | 0    |
| 0056100 Professional Development            | 125,358   | 26,609    | 20,274  | 8,553    | 48,438    | 16,789  | 0      | 0        | 0    | 4,695   | 0    |
| 0116900 Executive Compensation              | 203,702   | 36,354    | 52,127  | 35,976   | 25,637    | 49,207  | 0      | 0        | 0    | 4,401   | 0    |
| 0117000 Dallas EAPC                         | 6,758     | 1,724     | 1,314   | 554      | 1,772     | 1,088   | 0      | 0        | 0    | 304     | 0    |
| 0117100 Corporate Services                  | 396       | 101       | 77      | 33       | 104       | 64      | 0      | 0        | 0    | 18      | 0    |
| 0117200 Compensation & Employment           | 149,367   | 39,176    | 29,549  | 12,472   | 37,199    | 24,585  | 0      | 0        | 0    | 6,386   | 0    |
| 0117300 Human Resources - VP                | 161,036   | 41,096    | 31,311  | 13,210   | 42,238    | 25,930  | 0      | 0        | 0    | 7,251   | 0    |
| 0117400 Employee & Labor Relations          | 45,885    | 11,710    | 8,922   | 3,764    | 12,035    | 7,388   | 0      | 0        | 0    | 2,066   | 0    |
| 0117500 Employee Benefits                   | 452,905   | 164,140   | 66,791  | 35,454   | 95,029    | 78,391  | 0      | 0        | 0    | 13,101  | 0    |
| 0117800 Employee Communications             | 100,530   | 25,655    | 19,547  | 8,246    | 26,368    | 16,187  | 0      | 0        | 0    | 4,526   | 0    |
| 0117900 Facilities                          | 98,012    | 25,013    | 19,057  | 8,040    | 25,708    | 15,782  | 0      | 0        | 0    | 4,413   | 0    |
| 0118100 Employee Development                | 175,181   | 46,611    | 33,608  | 14,260   | 44,432    | 28,643  | 0      | 0        | 0    | 7,627   | 0    |
| 0119000 Employee Relocation Expense         | 561,777   | 111,000   | 151,552 | 61,005   | 55,338    | 234,432 | 0      | 0        | 0    | 3,351   | 0    |
| 0119210 Management Incentive/Variable Pay   | 889,598   | 267,726   | 219,639 | 120,273  | 37,040    | 153,076 | 0      | 0        | 0    | 91,844  | 0    |

ATMOS ENERGY CORPORATION  
Shared Services  
For The Year-To-Date 3/31/99

COMBINED DIRECT & BILLED

| DEPARTMENT   | Total     | Enrgas    | GGC       | Trans La  | UCG     | WKG      | Egasco | Enertart | TLIG | Propane  | WKGR |
|--|-----------|-----------|-----------|-----------|---------|----------|--------|----------|------|----------|------|
| 0119400 Treasury - Worker's Comp                       | 200       | 914       | (10)      | 60        | (1,053) | 291      | 0      | 0        | 0    | 0        | 0    |
| 0119500 Human Resources - Benefits                     | (183,536) | (72,316)  | (50,800)  | (20,190)  | 12,023  | (40,392) | 0      | 0        | 0    | (2)      | 0    |
| 0119600 Retirement Costs                               | 2,013,417 | 450,019   | 477,667   | 222,774   | 466,028 | 374,731  | 0      | 0        | 0    | (11,861) | 0    |
| HUMAN RESOURCES:                                       | 4,800,587 | 1,175,532 | 1,080,625 | 469,582   | 928,336 | 986,190  | 0      | 0        | 0    | 22,199   | 0    |
| 0115000 Information Services                           | 147,372   | 43,180    | 28,738    | 12,085    | 37,285  | 26,085   | 0      | 0        | 0    | 0        | 0    |
| 0115100 Production Services                            | 1,202,895 | 352,448   | 234,564   | 98,637    | 304,332 | 212,912  | 0      | 0        | 0    | 0        | 0    |
| 0115300 Information Systems                            | 498,228   | 145,981   | 97,155    | 40,855    | 126,052 | 88,186   | 0      | 0        | 0    | 0        | 0    |
| 0115400 Information Support                            | 570,577   | 167,179   | 111,263   | 46,787    | 144,356 | 100,992  | 0      | 0        | 0    | 0        | 0    |
| 0115500 Office Equipment                               | 61,554    | 18,876    | 11,858    | 5,390     | 14,963  | 10,468   | 0      | 0        | 0    | 0        | 0    |
| 0115600 Telecommunication Services                     | 161,753   | 47,388    | 31,558    | 13,262    | 40,918  | 28,627   | 0      | 0        | 0    | 0        | 0    |
| INFORMATION TECHNOLOGY:                                | 2,642,380 | 775,053   | 515,135   | 217,016   | 667,907 | 467,271  | 0      | 0        | 0    | 0        | 0    |
| 0116400 Internal Audit                                 | 288,534   | 86,016    | 55,607    | 23,169    | 69,798  | 50,104   | 0      | 0        | 0    | 3,840    | 0    |
| INTERNAL AUDIT:  | 288,534   | 86,016    | 55,607    | 23,169    | 69,798  | 50,104   | 0      | 0        | 0    | 3,840    | 0    |
| 0054900 Investor Relations                             | 562,471   | 116,047   | 107,556   | 52,080    | 187,373 | 86,611   | 0      | 0        | 0    | 12,805   | 0    |
| 0117700 Corporate Communications                       | 195,534   | 40,342    | 37,390    | 18,105    | 65,137  | 30,109   | 0      | 0        | 0    | 4,451    | 0    |
| 0052400 Public Affairs                                 | 3,244     | 669       | 620       | 300       | 1,081   | 500      | 0      | 0        | 0    | 74       | 0    |
| INVESTOR RELATIONS:                                    | 761,248   | 157,058   | 145,566   | 70,485    | 253,591 | 117,219  | 0      | 0        | 0    | 17,330   | 0    |
| 0052000 Legal  | 1,472,804 | 212,478   | 183,145   | 585,339   | 340,088 | 149,867  | 0      | 0        | 0    | 1,887    | 0    |
| 0052050 General Liability                              | 3,635,675 | 48,833    | 0         | 3,401,232 | 1,500   | 184,110  | 0      | 0        | 0    | 0        | 0    |
| 0051400 Contract Administration                        | 73,025    | 17,688    | 11,256    | 19,734    | 14,033  | 10,086   | 0      | 0        | 0    | 228      | 0    |
| 0052200 Governmental Affairs                           | 58,527    | 16,673    | 8,043     | 12,152    | 9,158   | 11,859   | 0      | 0        | 0    | 641      | 0    |
| 0057900 Corporate Secretary                            | 507,173   | 151,404   | 98,565    | 40,645    | 124,477 | 88,912   | 0      | 0        | 0    | 3,170    | 0    |
| 0119300 Outside Directors Retirement Cost              | 333,821   | 84,755    | 63,315    | 35,510    | 87,770  | 58,290   | 0      | 0        | 0    | 4,181    | 0    |
| 0118200 Central Records                                | 81,106    | 24,212    | 15,762    | 6,500     | 19,906  | 14,219   | 0      | 0        | 0    | 507      | 0    |
| LEGAL:   | 6,162,131 | 556,043   | 380,086   | 4,101,113 | 596,932 | 317,343  | 0      | 0        | 0    | 10,614   | 0    |
| 0054600 New Business Ventures                          | 129,664   | 28,100    | 19,588    | 9,911     | 54,505  | 15,741   | 0      | 0        | 0    | 1,819    | 0    |
| NEW BUSINESS VENTURES:                                 | 129,664   | 28,100    | 19,588    | 9,911     | 54,505  | 15,741   | 0      | 0        | 0    | 1,819    | 0    |
| 0054400 Financial & Strategic Planning                 | 334,251   | 80,911    | 56,402    | 28,537    | 117,841 | 45,323   | 0      | 0        | 0    | 5,237    | 0    |
| 0054500 Business Strategies & Competitive Intelligence | 361       | 87        | 61        | 31        | 127     | 49       | 0      | 0        | 0    | 6        | 0    |
| 0114300 Budget & Planning                              | 18,696    | 4,526     | 3,155     | 1,596     | 6,591   | 2,535    | 0      | 0        | 0    | 293      | 0    |
| PLANNING & BUDGETING:                                  | 353,309   | 85,524    | 59,618    | 30,164    | 124,559 | 47,907   | 0      | 0        | 0    | 5,536    | 0    |
| 0054000 Price Policy & Administration                  | 489,433   | 56,569    | 88,549    | 27,203    | 263,902 | 53,210   | 0      | 0        | 0    | 0        | 0    |
| PRICE POLICY & ADMINISTRATION:                         | 489,433   | 56,569    | 88,549    | 27,203    | 263,902 | 53,210   | 0      | 0        | 0    | 0        | 0    |
| 0054100 Regulatory Affairs                             | 172,101   | 18,768    | 25,362    | 10,821    | 98,889  | 18,261   | 0      | 0        | 0    | 0        | 0    |
| REGULATORY AFFAIRS:                                    | 172,101   | 18,768    | 25,362    | 10,821    | 98,889  | 18,261   | 0      | 0        | 0    | 0        | 0    |
| 0056200 Technical Services                             | 97,021    | 22,063    | 13,408    | 8,742     | 37,431  | 15,087   | 68     | 155      | 58   | 0        | 10   |
| TECHNICAL SERVICES:                                    | 97,021    | 22,063    | 13,408    | 8,742     | 37,431  | 15,087   | 68     | 155      | 58   | 0        | 10   |
| 0114500 Dallas Treasury                                | 283,267   | 77,558    | 54,463    | 22,543    | 77,342  | 48,358   | 0      | 0        | 0    | 3,002    | 0    |
| 0114700 Dallas Risk Management                         | 781,039   | 169,744   | 137,669   | 63,058    | 286,553 | 121,293  | 0      | 0        | 0    | 2,722    | 0    |
| 0114800 Dallas Treasurer                               | 138,789   | 39,259    | 26,869    | 11,416    | 35,918  | 23,806   | 0      | 0        | 0    | 1,520    | 0    |

ATMOS ENERGY CORPORATION  
Shared Services  
For The Year-To-Date 3/31/99

| DEPARTMENT                           | Total       | Energas     | GCC       | Trans La  | UCC         | WKG       | Egasco  | Emermat  | TIJG    | Propane | WKGR    |
|--------------------------------------|-------------|-------------|-----------|-----------|-------------|-----------|---------|----------|---------|---------|---------|
| 0115200 Mass Mail                    | 1,208,583   | 477,977     | 306,530   | 132,175   | 0           | 291,900   | 0       | 0        | 0       | 0       | 0       |
| 0117600 Purchasing                   | 116,303     | 28,959      | 16,980    | 11,979    | 35,821      | 22,563    | 0       | 0        | 0       | 0       | 0       |
| 0118000 Remittance Processing        | 1,520,295   | 499,728     | 254,139   | 126,953   | 363,821     | 275,655   | 0       | 0        | 0       | 0       | 0       |
| 0118500 Mail & Supply                | 116,209     | 29,608      | 17,195    | 12,153    | 34,748      | 22,504    | 0       | 0        | 0       | 0       | 0       |
| 0118900 Fleet Administration         | 153         | 38          | 22        | 16        | 47          | 30        | 0       | 0        | 0       | 0       | 0       |
| 0118600 Purchasing & Stores          | 65,944      | 16,420      | 9,628     | 6,792     | 20,311      | 12,793    | 0       | 0        | 0       | 0       | 0       |
| TREASURY:                            | 4,210,582   | 1,339,293   | 823,495   | 387,084   | 854,562     | 818,902   | 0       | 0        | 0       | 7,244   | 0       |
| 0119200 Contoller Miscellaneous      | (397,272)   | (240,302)   | (67,991)  | (36,344)  | 10,670      | (63,763)  | 0       | 0        | 0       | 457     | 0       |
| CONTROLLER MISCELLANEOUS:            | (397,272)   | (240,302)   | (67,991)  | (36,344)  | 10,670      | (63,763)  | 0       | 0        | 0       | 457     | 0       |
| 0119800 Atmos - Overhead Capitalized | (5,400,000) | (1,334,880) | (649,620) | (454,140) | (2,043,360) | (892,620) | (3,780) | (16,740) | (3,780) | 0       | (1,080) |
| A&G CAPITALIZED:                     | (5,400,000) | (1,334,880) | (649,620) | (454,140) | (2,043,360) | (892,620) | (3,780) | (16,740) | (3,780) | 0       | (1,080) |
| 0119220 Merger & Integration         | 10,805,597  | 527,934     | 2,042,102 | 54,025    | 7,794,605   | 386,932   | 0       | 0        | 0       | 0       | 0       |
| MERGER & INTEGRATION                 | 10,805,597  | 527,934     | 2,042,102 | 54,025    | 7,794,605   | 386,932   | 0       | 0        | 0       | 0       | 0       |
| TOTAL OPERATIONS:                    | 35,749,993  | 6,053,141   | 6,510,781 | 5,789,234 | 12,826,250  | 4,346,084 | (3,712) | (16,585) | (3,722) | 249,588 | (1,070) |
| MAINTENANCE                          | 359,301     | 88,819      | 43,224    | 30,217    | 135,960     | 59,393    | 252     | 1,114    | 252     | 0       | 72      |
| DEPRECIATION                         | 4,781,870   | 1,182,078   | 575,259   | 402,155   | 1,809,460   | 790,443   | 3,347   | 14,824   | 3,347   | 0       | 956     |
| TAXES - OTHER                        | 806,108     | 208,890     | 108,658   | 67,185    | 283,594     | 134,690   | 460     | 2,039    | 460     | 0       | 132     |
| TOTAL                                | 41,697,272  | 7,532,928   | 7,237,923 | 6,288,791 | 15,055,263  | 5,310,609 | 347     | 1,392    | 337     | 249,588 | 89      |



**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Month Ended 3/31/99**

| Department Name               | FY '99<br>Actual        | Budget                  | Actual<br>Over (Under)<br>Budget | Prior<br>Year           | Actual<br>Over (Under)<br>Prior |
|-------------------------------|-------------------------|-------------------------|----------------------------------|-------------------------|---------------------------------|
| EXECUTIVE:                    | 385,688                 | 301,903                 | 83,785                           | 274,067                 | 111,621                         |
| FINANCE:                      |                         |                         |                                  |                         |                                 |
| ACCOUNTING                    | 708,824                 | 371,757                 | 337,067                          | 339,548                 | 369,276                         |
| INFORMATION TECHNOLOGY        | 432,219                 | 387,006                 | 45,213                           | 700,736                 | (268,517)                       |
| INTERNAL AUDIT                | 46,427                  | 58,419                  | (11,992)                         | -                       | 46,427                          |
| INVESTOR RELATIONS            | 122,922                 | 185,890                 | (62,968)                         | 142,803                 | (19,881)                        |
| NEW BUSINESS VENTURES         | 7,730                   | -                       | 7,730                            | -                       | 7,730                           |
| PLANNING & BUDGETING          | 94,512                  | 71,043                  | 23,469                           | 69,129                  | 25,383                          |
| PRICE POLICY & ADMINISTRATION | 70,875                  | 164,302                 | (93,427)                         | -                       | 70,875                          |
| REGULATORY AFFAIRS            | 26,838                  | 64,051                  | (37,213)                         | -                       | 26,838                          |
| TREASURY:                     | 667,160                 | 1,108,687               | (441,527)                        | 397,310                 | 269,850                         |
| TOTAL FINANCE:                | <u>2,177,509</u>        | <u>2,411,155</u>        | <u>(233,646)</u>                 | <u>1,649,526</u>        | <u>527,983</u>                  |
| OPERATIONS:                   |                         |                         |                                  |                         |                                 |
| BUSINESS DEVELOPMENT          | 12,227                  | -                       | 12,227                           | 47,788                  | (35,561)                        |
| CALL CENTER                   | 532,378                 | 663,846                 | (131,468)                        | 557                     | 531,821                         |
| GAS SUPPLY & GAS CONTROL      | 167,591                 | 176,270                 | (8,679)                          | 219,195                 | (51,604)                        |
| TECHNICAL SERVICES            | 19,141                  | 13,030                  | 6,111                            | 38,965                  | (19,824)                        |
| TOTAL OPERATIONS:             | <u>731,337</u>          | <u>853,146</u>          | <u>(121,809)</u>                 | <u>306,505</u>          | <u>424,832</u>                  |
| HUMAN RESOURCES:              | 30,317                  | 997,073                 | (966,756)                        | 734,008                 | (703,691)                       |
| LEGAL:                        | 3,649,411               | 310,102                 | 3,339,309                        | 405,424                 | 3,243,987                       |
| CONTROLLER MISCELLANEOUS:     | 134,295                 | -                       | 134,295                          | 686,000                 | (551,705)                       |
| ATMOS OVERHEAD CAPITALIZED:   | (900,000)               | (884,920)               | (15,080)                         | (881,000)               | (19,000)                        |
| MERGER & INTEGRATION:         | 624,074                 | 345,254                 | 278,820                          | -                       | 624,074                         |
| TOTAL O&M                     | <u>6,832,629</u>        | <u>4,333,713</u>        | <u>2,498,916</u>                 | <u>3,174,530</u>        | <u>3,658,099</u>                |
| DEPRECIATION                  | 808,645                 | 639,000                 | 169,645                          | 270,919                 | 537,726                         |
| TAXES - OTHER                 | 318,984                 | 72,500                  | 246,484                          | 102,678                 | 216,306                         |
| TOTAL                         | <u><u>7,960,259</u></u> | <u><u>5,045,213</u></u> | <u><u>2,915,046</u></u>          | <u><u>3,548,127</u></u> | <u><u>4,412,131</u></u>         |
|                               |                         |                         |                                  |                         | <u>(60)</u>                     |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Year-To-Date 3/31/99**

| Department Name               | FY '99<br>Actual  | Budget            | Actual<br>Over (Under)<br>Budget | Prior<br>Year     | Actual<br>Over (Under)<br>Prior |
|-------------------------------|-------------------|-------------------|----------------------------------|-------------------|---------------------------------|
| EXECUTIVE:                    | 3,165,645         | 1,782,390         | 1,383,255                        | 1,601,305         | 1,564,340                       |
| FINANCE:                      |                   |                   |                                  |                   |                                 |
| ACCOUNTING                    | 3,143,386         | 2,240,416         | 902,970                          | 1,873,726         | 1,269,660                       |
| INFORMATION TECHNOLOGY        | 2,642,380         | 2,591,345         | 51,035                           | 3,452,447         | (810,067)                       |
| INTERNAL AUDIT                | 288,534           | 348,855           | (60,321)                         | -                 | 288,534                         |
| INVESTOR RELATIONS            | 761,248           | 1,108,829         | (347,581)                        | 784,142           | (22,894)                        |
| NEW BUSINESS VENTURES         | 129,664           | -                 | 129,664                          | -                 | 129,664                         |
| PLANNING & BUDGETING          | 353,309           | 411,680           | (58,371)                         | 251,029           | 102,280                         |
| PRICE POLICY & ADMINISTRATION | 489,433           | 1,027,459         | (538,026)                        | -                 | 489,433                         |
| REGULATORY AFFAIRS            | 172,101           | 382,716           | (210,615)                        | -                 | 172,101                         |
| TREASURY:                     | 4,230,581         | 6,778,593         | (2,548,012)                      | 1,910,642         | 2,319,939                       |
| TOTAL FINANCE:                | <u>12,210,635</u> | <u>14,889,893</u> | <u>(2,679,258)</u>               | <u>8,271,986</u>  | <u>3,938,649</u>                |
| OPERATIONS:                   |                   |                   |                                  |                   |                                 |
| BUSINESS DEVELOPMENT          | 86,266            | -                 | 86,266                           | 294,033           | (207,767)                       |
| CALL CENTER                   | 3,264,664         | 3,983,076         | (718,412)                        | 34,643            | 3,230,021                       |
| GAS SUPPLY & GAS CONTROL      | 954,718           | 1,047,490         | (92,772)                         | 995,840           | (41,122)                        |
| TECHNICAL SERVICES            | 97,021            | 76,230            | 20,791                           | 228,816           | (131,795)                       |
| TOTAL OPERATIONS:             | <u>4,402,668</u>  | <u>5,106,796</u>  | <u>(704,128)</u>                 | <u>1,553,332</u>  | <u>2,849,336</u>                |
| HUMAN RESOURCES:              | 4,800,584         | 6,062,305         | (1,261,721)                      | 3,252,663         | 1,547,921                       |
| LEGAL:                        | 6,162,131         | 2,207,623         | 3,954,508                        | 3,382,312         | 2,779,819                       |
| CONTROLLER MISCELLANEOUS:     | (397,272)         | -                 | (397,272)                        | (30,426)          | (366,846)                       |
| ATMOS OVERHEAD CAPITALIZED:   | (5,400,000)       | (5,309,520)       | (90,480)                         | (5,286,000)       | (114,000)                       |
| MERGER & INTEGRATION:         | 2,974,074         | 2,071,510         | 902,564                          | -                 | 2,974,074                       |
| TOTAL O&M                     | <u>27,918,466</u> | <u>26,810,997</u> | <u>1,107,469</u>                 | <u>12,745,172</u> | <u>15,173,294</u>               |
| DEPRECIATION                  | 4,781,870         | 3,834,000         | 947,870                          | 1,626,116         | 3,155,754                       |
| TAXES - OTHER                 | 806,108           | 435,000           | 371,108                          | 517,123           | 288,985                         |
| TOTAL                         | <u>33,506,444</u> | <u>31,079,997</u> | <u>2,426,447</u>                 | <u>14,888,411</u> | <u>18,618,033</u>               |
|                               |                   |                   |                                  |                   | <u>(61)</u>                     |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Month Ended 3/31/99**

| Department Name                             | FY '99<br>Actual | Budget         | Actual<br>Over (Under)<br>Budget | Prior<br>Year  | Actual<br>Over (Under)<br>Prior |
|---|------------------|----------------|----------------------------------|----------------|---------------------------------|
| <b>EXECUTIVE:</b>                           |                  |                |                                  |                |                                 |
| 0050500 Chairman, President & CEO           | 147,261          | 144,622        | 2,639                            | 142,068        | 5,193                           |
| 0050600 Business Process Initiative         | 133,350          | -              | 133,350                          | -              | 133,350                         |
| 0052100 Dallas Operations                   | 32,009           | 36,087         | (4,078)                          | 52,450         | (20,441)                        |
| 0052500 Utility Services                    | 286              | -              | 286                              | 5,659          | (5,373)                         |
| 0054700 Chief Financial Officer             | 72,783           | 121,194        | (48,411)                         | 73,890         | (1,107)                         |
|   | <u>385,688</u>   | <u>301,903</u> | <u>83,785</u>                    | <u>274,067</u> | <u>111,621</u>                  |
| <b>EXECUTIVE:</b>                           |                  |                |                                  |                |                                 |
| <b>FINANCE:</b>                             |                  |                |                                  |                |                                 |
| 0112900 VP & Controller                     | 39,236           | -              | 39,236                           | 69,998         | (30,762)                        |
| 0113000 Director, Utility Accounting        | 20,435           | 16,522         | 3,913                            | 11,712         | 8,723                           |
| 0113100 General Accounting                  | 84,067           | 51,614         | 32,453                           | 41,727         | 42,340                          |
| 0113200 Payroll Accounting                  | 52,066           | 57,342         | (5,276)                          | 43,362         | 8,704                           |
| 0113300 Accounts Payable                    | 61,398           | 38,678         | 22,720                           | 21,562         | 39,836                          |
| 0113400 Accounting Systems                  | 1,265            | -              | 1,265                            | 958            | 307                             |
| 0113500 Assistant Controller, Utility Acctg | 43,503           | -              | 43,503                           | 2,314          | 41,189                          |
| 0113600 Plant Accounting                    | 52,629           | 33,073         | 19,556                           | 27,033         | 25,596                          |
| 0113700 Gas Accounting                      | 129,188          | 86,741         | 42,447                           | 64,987         | 64,201                          |
| 0113800 Customer Billing                    | 3,439            | -              | 3,439                            | 6,912          | (3,473)                         |
| 0113900 Financial Reporting                 | 87,413           | 45,703         | 41,710                           | 25,029         | 62,384                          |
| 0114600 Dallas Taxation                     | 137,747          | 42,084         | 95,663                           | 23,932         | 113,815                         |
| 0118300 Dallas Stores                       | (3,562)          | -              | (3,562)                          | 22             | (3,584)                         |
| <b>ACCOUNTING</b>                           | <u>708,824</u>   | <u>371,757</u> | <u>337,067</u>                   | <u>339,548</u> | <u>369,276</u>                  |
| 0115000 Information Services                | 18,650           | 25,071         | (6,421)                          | 210,112        | (191,462)                       |
| 0115100 Production Services                 | 188,389          | 170,406        | 17,983                           | 136,789        | 51,600                          |
| 0115300 Information Systems                 | 87,356           | 85,456         | 1,900                            | 221,598        | (134,242)                       |
| 0115400 Information Support                 | 87,000           | 75,820         | 11,180                           | 97,509         | (10,509)                        |
| 0115500 Office Equipment                    | 30,256           | 4,250          | 26,006                           | 53,805         | (23,549)                        |
| 0115600 Telecommunication Services          | 20,569           | 26,003         | (5,434)                          | (19,077)       | 39,646                          |
| <b>INFORMATION TECHNOLOGY</b>               | <u>432,219</u>   | <u>387,006</u> | <u>45,213</u>                    | <u>700,736</u> | <u>(268,517)</u>                |
| 0116400 Internal Audit                      | 46,427           | 58,419         | (11,992)                         | -              | 46,427                          |
| <b>INTERNAL AUDIT</b>                       | <u>46,427</u>    | <u>58,419</u>  | <u>(11,992)</u>                  | <u>-</u>       | <u>46,427</u>                   |
| 0054900 Investor Relations                  | 79,681           | 127,743        | (48,062)                         | -              | 79,681                          |
| 0052400 Public Affairs                      | 91               | -              | 91                               | 141,765        | (141,674)                       |
| 0117700 Corporate Communications            | 43,151           | 58,147         | (14,996)                         | 1,038          | 42,113 (62)                     |
| <b>INVESTOR RELATIONS</b>                   | <u>122,922</u>   | <u>185,890</u> | <u>(62,968)</u>                  | <u>142,803</u> | <u>(19,881)</u>                 |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Month Ended 3/31/99**

| Department Name  | FY '99<br>Actual | Budget           | Actual<br>Over (Under)<br>Budget | Prior<br>Year    | Actual<br>Over (Under)<br>Prior |
|--|------------------|------------------|----------------------------------|------------------|---------------------------------|
| 0054200 Retail Services                                | -                | -                | -                                | -                | -                               |
| 0054600 New Business Ventures                          | 7,730            | -                | 7,730                            | -                | 7,730                           |
| <b>NEW BUSINESS VENTURES</b>                           | <b>7,730</b>     | <b>-</b>         | <b>7,730</b>                     | <b>-</b>         | <b>7,730</b>                    |
| 0054400 Financial & Strategic Planning                 | 91,321           | 71,043           | 20,278                           | -                | 91,321                          |
| 0054500 Business Strategies & Competitive Intelligence | -                | -                | -                                | 69,129           | (69,129)                        |
| 0114300 Budget & Planning                              | 3,191            | -                | 3,191                            | -                | 3,191                           |
| <b>PLANNING &amp; BUDGETING</b>                        | <b>94,512</b>    | <b>71,043</b>    | <b>23,469</b>                    | <b>69,129</b>    | <b>25,383</b>                   |
| 0054000 Price Policy & Administration                  | 70,875           | 164,302          | (93,427)                         | -                | 70,875                          |
| <b>PRICE POLICY &amp; ADMINISTRATION</b>               | <b>70,875</b>    | <b>164,302</b>   | <b>(93,427)</b>                  | <b>-</b>         | <b>70,875</b>                   |
| 0054100 Regulatory Affairs                             | 26,838           | 64,051           | (37,213)                         | -                | 26,838                          |
| <b>REGULATORY AFFAIRS</b>                              | <b>26,838</b>    | <b>64,051</b>    | <b>(37,213)</b>                  | <b>-</b>         | <b>26,838</b>                   |
| 0114500 Dallas Treasury                                | 37,333           | 46,172           | (8,839)                          | -                | 37,333                          |
| 0114700 Dallas Risk Management                         | 139,636          | 273,027          | (133,391)                        | 23,859           | 115,777                         |
| 0114800 Dallas Treasurer                               | 33,939           | 20,754           | 13,185                           | 206,855          | (172,916)                       |
| 0115200 Mass Mail                                      | 207,119          | -                | 207,119                          | 16,412           | 190,707                         |
| 0117600 Purchasing                                     | 16,608           | 16,732           | (124)                            | 16,833           | (225)                           |
| 0118000 Remittance Processing                          | 210,255          | 710,616          | (500,361)                        | 97,733           | 112,522                         |
| 0118500 Mail & Supply                                  | 11,770           | 19,370           | (7,600)                          | 24,220           | (12,450)                        |
| 0118600 Purchasing & Stores                            | 10,964           | 11,852           | (888)                            | 11,398           | (434)                           |
| 0118909 Fleet Administration                           | (464)            | 10,164           | (10,628)                         | -                | (464)                           |
| <b>TREASURY:</b>                                       | <b>667,160</b>   | <b>1,108,687</b> | <b>(441,527)</b>                 | <b>397,310</b>   | <b>269,850</b>                  |
| <b>TOTAL FINANCE:</b>                                  | <b>2,177,509</b> | <b>2,411,155</b> | <b>(233,646)</b>                 | <b>1,649,526</b> | <b>527,983</b>                  |
| <b>OPERATIONS:</b>                                     |                  |                  |                                  |                  |                                 |
| 0056000 Business Development                           | 12,227           | -                | 12,227                           | 47,788           | (35,561)                        |
| <b>BUSINESS DEVELOPMENT</b>                            | <b>12,227</b>    | <b>-</b>         | <b>12,227</b>                    | <b>47,788</b>    | <b>(35,561)</b>                 |
| 0120100 Amarillo Call Center                           | 532,378          | 663,846          | (131,468)                        | 557              | 531,821                         |
| <b>CALL CENTER</b>                                     | <b>532,378</b>   | <b>663,846</b>   | <b>(131,468)</b>                 | <b>557</b>       | <b>531,821</b>                  |
| 0051500 Interstate Gas Supply                          | 49,851           | 60,215           | (10,364)                         | 97,968           | (48,117)                        |
| 0051600 Intrastate Gas Supply                          | 37,283           | 43,035           | (5,752)                          | 42,749           | (5,466)                         |
| 0051700 Corporate Gas Control                          | 53,246           | 46,075           | 7,171                            | 53,265           | (19)                            |
| 0051900 Gas Supply                                     | 27,212           | 26,945           | 267                              | 25,213           | 1,999                           |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Month Ended 3/31/99**

| Department Name                           | FY '99<br>Actual | Budget         | Actual<br>Over (Under)<br>Budget | Prior<br>Year  | Actual<br>Over (Under)<br>Prior |
|---|------------------|----------------|----------------------------------|----------------|---------------------------------|
| <b>GAS SUPPLY &amp; GAS CONTROL</b>       |                  |                |                                  |                |                                 |
| 0056200 Technical Services                | 167,591          | 176,270        | (8,679)                          | 219,195        | (51,604)                        |
| <b>TECHNICAL SERVICES</b>                 |                  |                |                                  |                |                                 |
|   | 19,141           | 13,030         | 6,111                            | 38,965         | (19,824)                        |
|   | 19,141           | 13,030         | 6,111                            | 38,965         | (19,824)                        |
| <b>TOTAL OPERATIONS:</b>                  | <b>731,337</b>   | <b>853,146</b> | <b>(121,809)</b>                 | <b>306,505</b> | <b>424,832</b>                  |
| <b>HUMAN RESOURCES:</b>                   |                  |                |                                  |                |                                 |
| 0056100 Professional Development          | 11,282           | 23,804         | (12,522)                         | 3,833          | 7,449                           |
| 0116900 Executive Compensation            | 190,478          | 48,623         | 141,855                          | -              | 190,478                         |
| 0117000 Dallas EAPC                       | 1,204            | -              | 1,204                            | -              | 1,204                           |
| 0117100 Corporate Services                | (6,271)          | -              | (6,271)                          | 1,587          | (7,858)                         |
| 0117200 Compensation & Employment         | 23,090           | 40,480         | (17,390)                         | 43,481         | (20,391)                        |
| 0117300 Human Resources - VP              | 18,194           | 24,525         | (6,331)                          | 23,019         | (4,825)                         |
| 0117400 Employee & Labor Relations        | 4,093            | 10,923         | (6,830)                          | 9,579          | (5,486)                         |
| 0117500 Employee Benefits                 | (153,466)        | 63,130         | (216,596)                        | 158,540        | (312,006)                       |
| 0117800 Employee Communications           | 20,794           | 44,530         | (23,736)                         | 31,011         | (10,217)                        |
| 0117900 Facilities                        | 17,421           | 13,691         | 3,730                            | 13,284         | 4,137                           |
| 0118100 Employee Development              | 30,459           | 74,199         | (43,740)                         | 24,857         | 5,602                           |
| 0119000 Employee Relocation Expense       | 215,652          | 67,919         | 147,733                          | (12,135)       | 227,787                         |
| 0119210 Management Incentive/Variable Pay | (453,169)        | 191,666        | (644,835)                        | 116,666        | (569,835)                       |
| 0119400 Treasury - Worker's Comp          | 6,295            | -              | 6,295                            | 105            | 6,190                           |
| 0119500 Human Resources - Benefits        | (219,211)        | -              | (219,211)                        | 4,085          | (223,296)                       |
| 0119600 Retirement Costs                  | 323,472          | 393,583        | (70,111)                         | 316,096        | 7,376                           |
| <b>HUMAN RESOURCES:</b>                   | <b>30,317</b>    | <b>997,073</b> | <b>(966,756)</b>                 | <b>734,008</b> | <b>(703,691)</b>                |
| <b>LEGAL:</b>                             |                  |                |                                  |                |                                 |
| 0052000 Legal                             | (300,374)        | 188,871        | (489,245)                        | 268,632        | (569,006)                       |
| 0052050 General Liability Accrual         | 3,569,675        | -              | 3,569,675                        | -              | 3,569,675                       |
| 0051400 Contract Administration           | 26,491           | 12,877         | 13,614                           | 9,317          | 17,174                          |
| 0052200 Governmental Affairs              | 13,819           | 32,488         | (18,669)                         | 5,738          | 8,081                           |
| 0057900 Corporate Secretary               | 104,570          | 53,965         | 50,605                           | 93,003         | 11,567                          |
| 0119300 Outside Directors Retirement Cost | 219,226          | -              | 219,226                          | 23,000         | 196,226                         |
| 0118200 Central Records                   | 16,004           | 21,901         | (5,897)                          | 5,734          | 10,270                          |
| <b>LEGAL:</b>                             | <b>3,649,411</b> | <b>310,102</b> | <b>3,339,309</b>                 | <b>405,424</b> | <b>3,243,987</b>                |
| 0119200 Controller Miscellaneous          | 134,295          | -              | 134,295                          | 686,000        | (551,705)                       |
| <b>CONTROLLER MISCELLANEOUS:</b>          | <b>134,295</b>   | <b>-</b>       | <b>134,295</b>                   | <b>686,000</b> | <b>(64)</b>                     |

ATMOS ENERGY CORPORATION  
 Analysis of Shared Services - Actual vs. Budget  
 For The Month Ended 3/31/99

| Department Name              | FY '99<br>Actual | Budget           | Actual<br>Over (Under)<br>Budget | Prior<br>Year    | Actual<br>Over (Under)<br>Prior |
|------------------------------|------------------|------------------|----------------------------------|------------------|---------------------------------|
| ATMOS OVERHEAD CAPITALIZED:  |                  |                  |                                  |                  |                                 |
| 0119800 Overhead Capitalized | (900,000)        | (884,920)        | (15,080)                         | (881,000)        | (19,000)                        |
| ATMOS OVERHEAD CAPITALIZED:  | (900,000)        | (884,920)        | (15,080)                         | (881,000)        | (19,000)                        |
| MERGER & INTEGRATION:        |                  |                  |                                  |                  |                                 |
| 0119220 Merger & Integration | 624,074          | 345,254          | 278,820                          | -                | 624,074                         |
| MERGER & INTEGRATION:        | 624,074          | 345,254          | 278,820                          | -                | 624,074                         |
| TOTAL O&M                    | <u>6,832,629</u> | <u>4,333,713</u> | <u>2,498,916</u>                 | <u>3,174,530</u> | <u>3,658,099</u>                |
| DEPRECIATION                 | 808,645          | 639,000          | 169,645                          | 270,919          | 537,726                         |
| TAXES - OTHER                | 318,984          | 72,500           | 246,484                          | 102,678          | 216,306                         |
| TOTAL                        | <u>7,960,259</u> | <u>5,045,213</u> | <u>2,915,046</u>                 | <u>3,548,127</u> | <u>4,412,131</u>                |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Year-To-Date 3/31/99**

| Department Name                             | FY '99<br>Actual | Budget           | Actual<br>Over (Under)<br>Budget | Prior<br>Year    | Actual<br>Over (Under)<br>Prior |
|---|------------------|------------------|----------------------------------|------------------|---------------------------------|
| <b>EXECUTIVE:</b>                           |                  |                  |                                  |                  |                                 |
| 0050500 Chairman, President & CEO           | 1,486,679        | 845,380          | 641,299                          | 783,931          | 702,748                         |
| 0050600 Business Process Initiative         | 803,764          | -                | 803,764                          | -                | 803,764                         |
| 0052100 Dallas Operations                   | 266,335          | 213,750          | 52,585                           | 253,670          | 12,665                          |
| 0052500 Utility Services                    | 29,305           | -                | 29,305                           | 114,251          | (84,946)                        |
| 0054700 Chief Financial Officer             | 579,562          | 723,260          | (143,698)                        | 449,453          | 130,109                         |
|   | <u>3,165,645</u> | <u>1,782,390</u> | <u>1,383,255</u>                 | <u>1,601,305</u> | <u>1,564,340</u>                |
| <b>EXECUTIVE:</b>                           |                  |                  |                                  |                  |                                 |
| <b>FINANCE:</b>                             |                  |                  |                                  |                  |                                 |
| 0112900 VP & Controller                     | 413,454          | -                | 413,454                          | 484,834          | (71,380)                        |
| 0113000 Director, Utility Accounting        | 116,260          | 97,898           | 18,362                           | 70,786           | 45,474                          |
| 0113100 General Accounting                  | 330,399          | 307,091          | 23,308                           | 207,444          | 122,955                         |
| 0113200 Payroll Accounting                  | 316,185          | 344,052          | (27,867)                         | 209,451          | 106,734                         |
| 0113300 Accounts Payable                    | 256,318          | 231,696          | 24,622                           | 130,728          | 125,590                         |
| 0113400 Accounting Systems                  | 6,641            | -                | 6,641                            | 20,605           | (13,964)                        |
| 0113500 Assistant Controller, Utility Acctg | 162,507          | -                | 162,507                          | 20,215           | 142,292                         |
| 0113600 Plant Accounting                    | 201,771          | 196,821          | 4,950                            | 170,741          | 31,030                          |
| 0113700 Gas Accounting                      | 644,365          | 513,050          | 131,315                          | 298,794          | 345,571                         |
| 0113800 Customer Billing                    | 19,982           | -                | 19,982                           | 39,701           | (19,719)                        |
| 0113900 Financial Reporting                 | 332,152          | 272,032          | 60,120                           | 123,801          | 208,351                         |
| 0114600 Dallas Taxation                     | 346,122          | 277,776          | 68,346                           | 96,604           | 249,518                         |
| 0118300 Dallas Stores                       | (2,770)          | -                | (2,770)                          | 22               | (2,792)                         |
| <b>ACCOUNTING</b>                           | <u>3,143,386</u> | <u>2,240,416</u> | <u>902,970</u>                   | <u>1,873,726</u> | <u>1,269,660</u>                |
| 0115000 Information Services                | 147,372          | 159,669          | (12,297)                         | 337,164          | (189,792)                       |
| 0115100 Production Services                 | 1,202,895        | 1,237,451        | (34,556)                         | 875,368          | 327,527                         |
| 0115300 Information Systems                 | 498,228          | 513,233          | (15,005)                         | 1,361,211        | (862,983)                       |
| 0115400 Information Support                 | 570,577          | 499,603          | 70,974                           | 634,196          | (63,619)                        |
| 0115500 Office Equipment                    | 61,554           | 25,500           | 36,054                           | 227,114          | (165,560)                       |
| 0115600 Telecommunication Services          | 161,753          | 155,889          | 5,864                            | 17,394           | 144,359                         |
| <b>INFORMATION TECHNOLOGY</b>               | <u>2,642,380</u> | <u>2,591,345</u> | <u>51,035</u>                    | <u>3,452,447</u> | <u>(810,067)</u>                |
| 0116400 Internal Audit                      | 288,534          | 348,855          | (60,321)                         | -                | 288,534                         |
| <b>INTERNAL AUDIT</b>                       | <u>288,534</u>   | <u>348,855</u>   | <u>(60,321)</u>                  | <u>-</u>         | <u>288,534</u>                  |
| 0054900 Investor Relations                  | 562,471          | 762,618          | (200,147)                        | -                | 562,471                         |
| 0052400 Public Affairs                      | 3,244            | -                | 3,244                            | 653,197          | (649,953)                       |
| 0117700 Corporate Communications            | 195,534          | 346,211          | (150,677)                        | 130,945          | 64,589(66)                      |
| <b>INVESTOR RELATIONS</b>                   | <u>761,248</u>   | <u>1,108,829</u> | <u>(347,581)</u>                 | <u>784,142</u>   | <u>(22,894)</u>                 |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Year-To-Date 3/31/99**

| Department Name  | FY '99<br>Actual  | Budget            | Actual<br>Over (Under)<br>Budget | Prior<br>Year    | Actual<br>Over (Under)<br>Prior |
|--|-------------------|-------------------|----------------------------------|------------------|---------------------------------|
| 0054200 Retail Services                                | -                 | -                 | -                                | -                | -                               |
| 0054600 New Business Ventures                          | 129,664           | -                 | 129,664                          | -                | 129,664                         |
| <b>NEW BUSINESS VENTURES</b>                           | <u>129,664</u>    | <u>-</u>          | <u>129,664</u>                   | <u>-</u>         | <u>129,664</u>                  |
| 0054400 Financial & Strategic Planning                 | 334,251           | 411,680           | (77,429)                         | -                | 334,251                         |
| 0054500 Business Strategies & Competitive Intelligence | 361               | -                 | 361                              | 245,922          | (245,561)                       |
| 0114300 Budget & Planning                              | 18,696            | -                 | 18,696                           | 5,107            | 13,589                          |
| <b>PLANNING &amp; BUDGETING</b>                        | <u>353,309</u>    | <u>411,680</u>    | <u>(58,371)</u>                  | <u>251,029</u>   | <u>102,280</u>                  |
| 0054000 Price Policy & Administration                  | 489,433           | 1,027,459         | (538,026)                        | -                | 489,433                         |
| <b>PRICE POLICY &amp; ADMINISTRATION</b>               | <u>489,433</u>    | <u>1,027,459</u>  | <u>(538,026)</u>                 | <u>-</u>         | <u>489,433</u>                  |
| 0054100 Regulatory Affairs                             | 172,101           | 382,716           | (210,615)                        | -                | 172,101                         |
| <b>REGULATORY AFFAIRS</b>                              | <u>172,101</u>    | <u>382,716</u>    | <u>(210,615)</u>                 | <u>-</u>         | <u>172,101</u>                  |
| 0114500 Dallas Treasury                                | 283,267           | 355,834           | (72,567)                         | -                | 283,267                         |
| 0114700 Dallas Risk Management                         | 781,039           | 1,637,561         | (856,522)                        | 170,570          | 610,469                         |
| 0114800 Dallas Treasurer                               | 138,789           | 150,718           | (11,929)                         | 933,817          | (795,028)                       |
| 0115200 Mass Mail                                      | 1,208,582         | -                 | 1,208,582                        | 108,290          | 1,100,292                       |
| 0117600 Purchasing                                     | 116,303           | 128,574           | (12,271)                         | 91,790           | 24,513                          |
| 0118000 Remittance Processing                          | 1,520,295         | 4,263,696         | (2,743,401)                      | 422,646          | 1,097,649                       |
| 0118500 Mail & Supply                                  | 116,209           | 116,220           | (11)                             | 115,567          | 642                             |
| 0118600 Purchasing & Stores                            | 65,944            | 69,733            | (3,789)                          | 67,957           | (2,013)                         |
| 0118909 Fleet Administration                           | 153               | 56,257            | (56,104)                         | 5                | 148                             |
| <b>TREASURY:</b>                                       | <u>4,230,581</u>  | <u>6,778,593</u>  | <u>(2,548,012)</u>               | <u>1,910,642</u> | <u>2,319,939</u>                |
| <b>TOTAL FINANCE:</b>                                  | <u>12,210,635</u> | <u>14,889,893</u> | <u>(2,679,258)</u>               | <u>8,271,986</u> | <u>3,938,649</u>                |
| <b>OPERATIONS:</b>                                     |                   |                   |                                  |                  |                                 |
| 0056000 Business Development                           | 86,266            | -                 | 86,266                           | 294,033          | (207,767)                       |
| <b>BUSINESS DEVELOPMENT</b>                            | <u>86,266</u>     | <u>-</u>          | <u>86,266</u>                    | <u>294,033</u>   | <u>(207,767)</u>                |
| 0120100 Amarillo Call Center                           | 3,264,664         | 3,983,076         | (718,412)                        | 34,643           | 3,230,021                       |
| <b>CALL CENTER</b>                                     | <u>3,264,664</u>  | <u>3,983,076</u>  | <u>(718,412)</u>                 | <u>34,643</u>    | <u>3,230,021</u>                |
| 0051500 Interstate Gas Supply                          | 348,126           | 357,600           | (9,474)                          | 339,613          | 8,513                           |
| 0051600 Intrastate Gas Supply                          | 202,203           | 256,330           | (54,127)                         | 283,242          | (81,039)                        |
| 0051700 Corporate Gas Control                          | 250,993           | 274,550           | (23,557)                         | 230,845          | 20,148(67)                      |
| 0051900 Gas Supply                                     | 153,396           | 159,010           | (5,614)                          | 142,140          | 11,256                          |



**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Year-To-Date 3/31/99**

| Department Name                           | FY '99<br>Actual | Budget    | Actual<br>Over (Under)<br>Budget | Prior<br>Year | Actual<br>Over (Under)<br>Prior |
|---|------------------|-----------|----------------------------------|---------------|---------------------------------|
| <b>GAS SUPPLY &amp; GAS CONTROL</b>       | 954,718          | 1,047,490 | (92,772)                         | 995,840       | (41,122)                        |
| 0056200 Technical Services                | 97,021           | 76,230    | 20,791                           | 228,816       | (131,795)                       |
| <b>TECHNICAL SERVICES</b>                 | 97,021           | 76,230    | 20,791                           | 228,816       | (131,795)                       |
| <b>TOTAL OPERATIONS:</b>                  | 4,402,668        | 5,106,796 | (704,128)                        | 1,553,332     | 2,849,336                       |
| <b>HUMAN RESOURCES:</b>                   |                  |           |                                  |               |                                 |
| 0056100 Professional Development          | 125,358          | 142,820   | (17,462)                         | 24,900        | 100,458                         |
| 0116900 Executive Compensation            | 203,701          | 309,738   | (106,037)                        | -             | 203,701                         |
| 0117000 Dallas EAPC                       | 6,756            | -         | 6,756                            | -             | 6,756                           |
| 0117100 Corporate Services                | 396              | -         | 396                              | 16,107        | (15,711)                        |
| 0117200 Compensation & Employment         | 149,367          | 240,962   | (91,595)                         | 279,377       | (130,010)                       |
| 0117300 Human Resources - VP              | 161,036          | 179,689   | (18,653)                         | 120,591       | 40,445                          |
| 0117400 Employee & Labor Relations        | 45,885           | 64,298    | (18,413)                         | 57,889        | (12,004)                        |
| 0117500 Employee Benefits                 | 452,905          | 462,828   | (9,923)                          | 728,583       | (275,678)                       |
| 0117800 Employee Communications           | 100,530          | 178,164   | (77,634)                         | 102,180       | (1,650)                         |
| 0117900 Facilities                        | 98,012           | 84,738    | 13,274                           | 77,835        | 20,177                          |
| 0118100 Employee Development              | 175,181          | 480,060   | (304,879)                        | 161,412       | 13,769                          |
| 0119000 Employee Relocation Expense       | 561,777          | 407,514   | 154,263                          | 58,168        | 503,609                         |
| 0119210 Management Incentive/Variable Pay | 889,598          | 1,149,996 | (260,398)                        | 700,000       | 189,598                         |
| 0119400 Treasury - Worker's Comp          | 200              | -         | 200                              | 186           | 14                              |
| 0119500 Human Resources - Benefits        | (183,536)        | -         | (183,536)                        | 5,541         | (189,077)                       |
| 0119600 Retirement Costs                  | 2,013,417        | 2,361,498 | (348,081)                        | 919,894       | 1,093,523                       |
| <b>HUMAN RESOURCES:</b>                   | 4,800,584        | 6,062,305 | (1,261,721)                      | 3,252,663     | 1,547,921                       |
| <b>LEGAL:</b>                             |                  |           |                                  |               |                                 |
| 0052000 Legal                             | 1,472,804        | 1,130,667 | 342,137                          | 2,524,151     | (1,051,347)                     |
| 0052050 General Liability Accrual         | 3,635,675        | -         | 3,635,675                        | -             | 3,635,675                       |
| 0051400 Contract Administration           | 73,025           | 77,111    | (4,086)                          | 23,913        | 49,112                          |
| 0052200 Governmental Affairs              | 58,527           | 194,924   | (136,397)                        | 46,103        | 12,424                          |
| 0057900 Corporate Secretary               | 507,173          | 671,070   | (163,897)                        | 571,517       | (64,344)                        |
| 0119300 Outside Directors Retirement Cost | 333,821          | -         | 333,821                          | 138,000       | 195,821                         |
| 0118200 Central Records                   | 81,106           | 133,851   | (52,745)                         | 78,628        | 2,478                           |
| <b>LEGAL:</b>                             | 6,162,131        | 2,207,623 | 3,954,508                        | 3,382,312     | 2,779,819                       |
| 0119200 Controller Miscellaneous          | (397,272)        | -         | (397,272)                        | (30,426)      | (366,846)                       |
| <b>CONTROLLER MISCELLANEOUS:</b>          | (397,272)        | -         | (397,272)                        | (30,426)      | (446,68)                        |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Year-To-Date 3/31/99**

| Department Name                    | FY '99<br>Actual   | Budget             | Actual<br>Over (Under)<br>Budget | Prior<br>Year      | Actual<br>Over (Under)<br>Prior |
|------------------------------------|--------------------|--------------------|----------------------------------|--------------------|---------------------------------|
| <b>ATMOS OVERHEAD CAPITALIZED:</b> |                    |                    |                                  |                    |                                 |
| 0119800 Overhead Capitalized       | (5,400,000)        | (5,309,520)        | (90,480)                         | (5,286,000)        | (114,000)                       |
| <b>ATMOS OVERHEAD CAPITALIZED:</b> | <u>(5,400,000)</u> | <u>(5,309,520)</u> | <u>(90,480)</u>                  | <u>(5,286,000)</u> | <u>(114,000)</u>                |
| <b>MERGER &amp; INTEGRATION:</b>   |                    |                    |                                  |                    |                                 |
| 0119220 Merger & Integration       | 2,974,074          | 2,071,510          | 902,564                          | -                  | 2,974,074                       |
| <b>MERGER &amp; INTEGRATION:</b>   | <u>2,974,074</u>   | <u>2,071,510</u>   | <u>902,564</u>                   | <u>-</u>           | <u>2,974,074</u>                |
| <b>TOTAL O&amp;M</b>               | <u>27,918,466</u>  | <u>26,810,997</u>  | <u>1,107,469</u>                 | <u>12,745,172</u>  | <u>15,173,294</u>               |
| <b>DEPRECIATION</b>                | 4,781,870          | 3,834,000          | 947,870                          | 1,626,116          | 3,155,754                       |
| <b>TAXES - OTHER</b>               | 806,108            | 435,000            | 371,108                          | 517,123            | 288,985                         |
| <b>TOTAL</b>                       | <u>33,506,444</u>  | <u>31,079,997</u>  | <u>2,426,447</u>                 | <u>14,888,411</u>  | <u>18,618,033</u>               |

(THIS PAGE LEFT BLANK INTENTIONALLY)

ATMOS ENERGY CORPORATION  
PROPERTY, PLANT AND EQUIPMENT  
AS OF MARCH 31, 1999

| GAS PLANT                                | Year to Date    |           |             |           | Balance 03/31/99 |
|--|-----------------|-----------|-------------|-----------|------------------|
|  | Balance 9/30/98 | Additions | Retirements | Transfers |                  |
| Atmos                                    |                 |           |             |           |                  |
| Atmos General Office(2)                  | 39996823        | 0         | 0           | (515)     | 39996309         |
| Total Atmos                              | 39996823        | 0         | 0           | (515)     | 39996309         |
| Energas                                  |                 |           |             |           |                  |
| Amarillo Transmission Div.(1)            | 3209615         | 0         | 0           | 0         | 3209615          |
| Amarillo City Plant Dist. Div.(3)        | 49758424        | 586878    | 31943       | 15414     | 50328773         |
| Fritch & Sanford City Plt. Dist. Div.(4) | 950246          | 0         | 0           | 0         | 950246           |
| West Texas City Plant Dist. Div.(5)      | 164629280       | 1871405   | 371068      | 15438     | 166145055        |
| Dalhart City Plant Dist. Div.(6)         | 2099746         | 928       | 600         | 0         | 2100074          |
| West Texas Rural Irrigation Div.(8)      | 23419084        | 55627     | 19992       | 0         | 23454719         |
| Energas General Office(10)               | 2486258         | 24812     | 33713       | 1929      | 2479286          |
| Fain-Amarillo Creek Transmission(11)     | 71230           | 0         | 0           | 0         | 71230            |
| Amarillo Rural Dist. Div.(13)            | 417041          | 0         | 0           | 0         | 417041           |
| Dalhart Rural Dist. Div.(17)             | 61651           | 0         | 0           | 0         | 61651            |
| Dalhart Rural Irrigation Div.(18)        | 337081          | (15330)   | 0           | 0         | 321751           |
| West Texas Rural Dist. Div.(21)          | 11249646        | 61635     | 1095        | 0         | 11310186         |
| Meter Shop Facilities & Meters(22)       | 0               | 291860    | 25191       | 0         | 266668           |
| Total Energas                            | 258689302       | 2877816   | 483603      | 32782     | 26116297         |
| Trans La                                 |                 |           |             |           |                  |
| Trans La Dist. Div.(7)                   | 11204827        | 3308808   | 965057      | 0         | 114388578        |
| Total Trans La                           | 11204827        | 3308808   | 965057      | 0         | 114388578        |
| Western Kentucky Gas                     |                 |           |             |           |                  |
| Western Kentucky Gas Div.(9)             | 198172612       | 2772744   | 572444      | 0         | 200372912        |
| Total Western Kentucky Gas               | 198172612       | 2772744   | 572444      | 0         | 200372912        |

**ATMOS ENERGY CORPORATION**  
**PROPERTY, PLANT AND EQUIPMENT**  
**AS OF MARCH 31, 1999**

|                                    | Year to Date     |                 |                |                | Balance 03/31/99 |
|------------------------------------|------------------|-----------------|----------------|----------------|------------------|
|                                    | Balance 9/30/98  | Additions       | Retirements    | Transfers      |                  |
| <b>GAS PLANT</b>                   |                  |                 |                |                |                  |
| <b>Greeley</b>                     |                  |                 |                |                |                  |
| Meter Shop Facilities & Meters(24) | 11648252         | 309945          | 0              | 0              | 11958197         |
| Missouri Dist. Div.(29)            | 715945           | 30672           | 1738           | 0              | 744879           |
| Denver Company Office(30)          | 1836483          | 188285          | 57995          | 0              | 1966773          |
| Greeley Dist. Div.(33)             | 26682374         | 2028119         | 32303          | 0              | 28678191         |
| Northwest Colorado Dist. Div.(34)  | 17603011         | 132157          | 1518           | 0              | 17733650         |
| Fremont County Dist. Div.(35)      | 23354817         | 22671           | 5194           | 0              | 23372294         |
| Durango Dist. Div.(36)             | 15615195         | 46665           | 4326           | 0              | 15657534         |
| Kansas Dist. Div.(81)              | 96679986         | 2044827         | 159303         | 0              | 98565511         |
| Kaw Valley Dist. Div.(82)          | 14864620         | 802496          | 72404          | 0              | 15594712         |
| Central Kansas Dist. Div.(83)      | 8169114          | 34351           | 73545          | 0              | 8129920          |
| Cane Dist. Div.(84)                | 5355032          | 2848            | 0              | 25399          | 5383280          |
| Eastern Kansas Dist. Div.(85)      | 3719249          | 966             | 0              | 0              | 3720216          |
| Southwest Kansas Dist. Div.(86)    | 13171974         | 250042          | 34366          | 0              | 13387650         |
| <b>Total Greeley Gas</b>           | <b>239416054</b> | <b>5894045</b>  | <b>442692</b>  | <b>25399</b>   | <b>244892806</b> |
|                                    | (96679986)       |                 |                |                |                  |
| <b>United Cities Gas</b>           | <b>142736068</b> |                 |                |                |                  |
| <b>Kansas Dist. Div.(81)</b>       | 0                | 0               | 0              | 0              | 0                |
| UCG - Western Region Amin.(87)     | 0                | 0               | 0              | 0              | 0                |
| UCG - Central Region Amin.(88)     | 0                | 0               | 0              | 0              | 0                |
| UCG - Southern Region Amin.(89)    | 0                | 0               | 0              | 0              | 0                |
| UCG - Eastern Region Amin.(90)     | 0                | 0               | 0              | 0              | 0                |
| General Office Div. (91)           | 17278492         | 507797          | 56936          | 0              | 17729353         |
| Illinois Div. (92)                 | 31679358         | 1267712         | 46434          | (22616)        | 32878021         |
| Tennessee Div. (93)                | 202519108        | 5572227         | 1124386        | 0              | 206966949        |
| So. Carolina Div. (94)             | 9182761          | 275012          | 26713          | 0              | 9431060          |
| Georgia Div. (95)                  | 78516945         | 2596273         | 902312         | 0              | 80210906         |
| Virginia Div. (96)                 | 34522610         | 1493178         | 126550         | 0              | 35889238         |
| Missouri Div. (97)                 | 27146436         | 595789          | 258794         | 0              | 27483431         |
| Iowa Div. (98)                     | 10155386         | 391454          | 67165          | 0              | 10479675         |
| United Cities Storage Gas          | 587316           | 0               | 0              | 0              | 587316           |
| <b>Total United Cities Gas</b>     | <b>411588413</b> | <b>12699442</b> | <b>2609291</b> | <b>(22616)</b> | <b>421655948</b> |
|                                    | 1259908030       | 27552856        | 5073086        | 35050          | 1282422850       |

ATMOS ENERGY CORPORATION  
PROPERTY, PLANT AND EQUIPMENT  
AS OF MARCH 31, 1999

|   | Year to Date    |           |             |           | Balance 03/31/99 |
|---|-----------------|-----------|-------------|-----------|------------------|
|   | Balance 9/30/98 | Additions | Retirements | Transfers |                  |
| <b>OTHER GAS PLANT &amp;<br/>NON-UTILITY PROPERTY</b> |                 |           |             |           |                  |
| Atmos   |                 |           |             |           |                  |
| Atmos General Office                                  |                 |           |             |           |                  |
| Construction Work In Progress                         | 89928683        | 24378068  | 0           | 0         | 114306751        |
| Non-utility Plant                                     | 1007264         | 197217    | 0           | 0         | 1204481          |
| Total Atmos   | 90935947        | 24575285  | 0           | 0         | 115511232        |
| Energas   |                 |           |             |           |                  |
| Construction Work In Progress                         | 4118173         | 1887427   | 0           | 0         | 6005600          |
| Non-utility Plant                                     | 517520          | 0         | 0           | 0         | 517520           |
| Total Energas   | 4635693         | 1887427   | 0           | 0         | 6523120          |
| Trans La  |                 |           |             |           |                  |
| Construction Work In Progress                         | 3017037         | (1367951) | 0           | 0         | 1649086          |
| Acquisition Adj. - Trans La                           | 2048887         | 0         | 0           | 0         | 2048887          |
| Non-utility Plant                                     | 215891          | 0         | 0           | 0         | 215891           |
| Total Trans La  | 5281816         | (1367951) | 0           | 0         | 3913865          |
| Western Kentucky Gas                                  |                 |           |             |           |                  |
| Construction Work In Progress                         | 2196907         | 317898    | 0           | 0         | 2514805          |
| Acquisition Adj. - W.K.G.                             | 3336784         | 0         | 0           | 0         | 3336784          |
| Total Western Kentucky Gas                            | 5533690         | 317898    | 0           | 0         | 5851588          |
| Greeley   |                 |           |             |           |                  |
| Construction Work In Progress                         | 3286084         | 1207156   | 0           | 0         | 4493240          |
| Acquisition Adj. - G.G.C. Prior                       | 1446406         | 0         | 0           | 0         | 1446406          |
| Non-utility Plant                                     | 713076          | 0         | 0           | 0         | 713076           |
| Total Greeley Gas                                     | 5445566         | 1207156   | 0           | 0         | 6652722          |
| United Cities   |                 |           |             |           |                  |
| Construction Work In Progress                         | 11309786        | (3818893) | 0           | 0         | 7490894          |
| Capital Policy Adj.                                   | 0               | 1624500   | 0           | 0         | 1624500          |
| CIA Reclass Contribution-Acct. 2710                   | (976679)        | 0         | 0           | 0         | (976679)         |
| Acquisition Adj. - U.C.G.C. - Prior                   | 7283287         | 0         | 0           | 0         | 7283287          |
| Total United Cities Gas                               | 17616395        | (2194393) | 0           | 0         | 15422002         |
| Total Other Gas Plt & Non-utility Prop                | 129449106       | 24425422  | 0           | 0         | 153874528        |
| Total Property, Plt. and Equipment                    | 1389357136      | 51978278  | 5073086     | 35050     | 1436297378       |

ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF MARCH 31, 1999

|  | Year to Date    |           |            | Balance 03/31/99 |
|--|-----------------|-----------|------------|------------------|
|  | Balance 9/30/98 | Provision | Adjustment |                  |
| <b>GAS PLANT</b>                         |                 |           |            |                  |
| <b>Atmos</b>                             |                 |           |            |                  |
| Retirement work in progress              | 11229           | 0         | 4800       | 16029            |
| Atmos General Office(2)                  | 1754893         | 4528292   | 36         | 22077221         |
| Total accum. prov. for depr. - Atmos     | 17560122        | 4528292   | 4836       | 22093251         |
| <b>Energas</b>                           |                 |           |            |                  |
| Retirement work in progress              | (452505)        | 0         | (117426)   | (569931)         |
| Amarillo Transmission Div.(1)            | 2371750         | 34440     | 0          | 2406190          |
| Amarillo City Plant Dist. Div.(3)        | 19573097        | 759414    | (30574)    | 20301937         |
| Fritch & Sanford City Plt. Dist. Div.(4) | 404045          | 10482     | 0          | 414527           |
| West Texas City Plant Dist. Div.(5)      | 65252934        | 2181492   | (376224)   | 67058201         |
| Dalhart City Plant Dist. Div.(6)         | 1054203         | 32496     | (1016)     | 1085683          |
| West Texas Rural Irrigation Div.(8)      | 10408386        | 240648    | (27228)    | 10621807         |
| Energas General Office(10)               | 1279087         | 159672    | (26177)    | 1412582          |
| Fain-Amarillo Creek Transmission(11)     | 71230           | 0         | 0          | 71230            |
| Amarillo Rural Dist. Div.(13)            | 162963          | 4776      | 0          | 167739           |
| Dalhart Rural Dist. Div.(17)             | 55431           | 846       | 0          | 56277            |
| Dalhart Rural Irrigation Div.(18)        | 267984          | 3438      | 0          | 271422           |
| West Texas Rural Dist. Div.(21)          | 3338396         | 143052    | (1175)     | 3480273          |
| Total accum. prov. for depr. - Energas   | 103787000       | 3570756   | (579820)   | 106777937        |
| <b>Trans La Gas(7)</b>                   |                 |           |            |                  |
| Retirement work in progress              | (48986)         | 0         | 112        | (48874)          |
| Trans La Dist. Div.                      | 33870788        | 1923474   | (1096157)  | 34698104         |
| Total accum. prov. for depr. - Trans La  | 33821802        | 1923474   | (1096045)  | 34649230         |
| <b>Western Kentucky Gas(9)</b>           |                 |           |            |                  |
| Retirement work in progress              | (437573)        | 0         | 276509     | (161064)         |
| Western Kentucky Gas Div.                | 91450170        | 3561540   | (791730)   | 94219980         |
| WKG Plnt-Amort-U/G Strg.                 | 543             | 24        | 0          | 567              |
| Total accum. prov. for depr. - WKG       | 91013140        | 3561564   | (515221)   | 94059484         |

ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF MARCH 31, 1999

|  | Year to Date    |           |            | Balance 03/31/99 |
|--|-----------------|-----------|------------|------------------|
|  | Balance 9/30/98 | Provision | Adjustment |                  |
| <b>GAS PLANT</b>                                     |                 |           |            |                  |
| Greeley Gas  |                 |           |            |                  |
| Retirement work in progress                          | (9347)          | 0         | 92730      | 83383            |
| Meter Shop Facilities & Meters(24)                   | 2225243         | 207466    | 0          | 2432709          |
| Missouri Dist. Div.(29)                              | 185745          | 11776     | (4608)     | 192913           |
| Denver Company Office(30)                            | 723490          | 147868    | (42883)    | 828475           |
| Greeley Dist. Div.(33)                               | 9079189         | 502496    | (50480)    | 9531205          |
| Northwest Colorado Dist. Div.(34)                    | 6069987         | 355968    | 243        | 6426198          |
| Fremont County Dist. Div.(35)                        | 14108277        | 508305    | (2957)     | 14613625         |
| Durango Dist. Div.(36)                               | 6099786         | 316089    | (5580)     | 6410295          |
| Central Colorado Dist. Div.(37)                      | 0               | 0         | 0          | 0                |
| Cortez Dist. Div.(38)                                | 0               | 0         | 0          | 0                |
| Southeast Colorado Dist. Div.(39)                    | 0               | 0         | 0          | 0                |
| Kansas Dist. Div.(81)                                | 35400750        | 1988744   | (437308)   | 36952185         |
| Kaw Valley Dist. Div.(82)                            | 4130170         | 276793    | (104383)   | 4302579          |
| Central Kansas Dist. Div.(83)                        | 3430323         | 163079    | (64888)    | 3528514          |
| Cane Dist. Div.(84)                                  | 2797006         | 103598    | 25399      | 2926004          |
| Eastern Kansas Dist. Div.(85)                        | 1004513         | 74797     | 0          | 1079311          |
| Southwest Kansas Dist. Div.(86)                      | 7960975         | 270146    | (28299)    | 8202822          |
| Total accum. prov. for depr. - GGC                   | 93206108        | 4927122   | (623014)   | 97510216         |
| United Cities Gas                                    |                 |           |            |                  |
| Retirement work in progress                          | 1941874         | 0         | (1643622)  | 298252           |
| General Office Div. (91)                             | 8736020         | 841618    | (47153)    | 9530484          |
| Illinois Div. (92)                                   | 14550690        | 568034    | (72618)    | 15046106         |
| Tennessee Div. (93)                                  | 73707095        | 3985047   | (847418)   | 76844725         |
| So. Carolina Div. (94)                               | 3592491         | 155234    | (14895)    | 3732830          |
| Georgia Div. (95)                                    | 34265079        | 1267132   | 393684     | 35925895         |
| Virginia Div. (96)                                   | 12235652        | 599381    | (112669)   | 12722364         |
| Missouri Div. (97)                                   | 9370170         | 537320    | (222374)   | 9685116          |
| Iowa Div. (98)                                       | 5642871         | 250530    | (67251)    | 5826150          |
| Total United Cities Gas                              | 164041944       | 8204295   | (2634316)  | 169611923        |
| Total accumulated prov. for depreciation.- Gas Plant | 503430116       | 26715503  | (5443579)  | 524702040        |



ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF MARCH 31, 1999

|   | Year to Date    |           |            | Balance 03/31/99 |
|---|-----------------|-----------|------------|------------------|
|   | Balance 9/30/98 | Provision | Adjustment |                  |
| <b>OTHER GAS PLANT IN SERVICE</b>         |                 |           |            |                  |
| Atmos                                     |                 |           |            |                  |
| Atmos General Office Division(2)          | 1277784         | 256182    | 0          | 1533966          |
| Total Atmos                               | 1277784         | 256182    | 0          | 1533966          |
| Energas                                   |                 |           |            |                  |
| Amarillo City Plant Dist. Div.(3)         | 201699          | 22698     | 0          | 224397           |
| Fritch & Sanford City Plant Dist. Div.(4) | 5841            | 0         | 0          | 5841             |
| West Texas City Plant Dist. Div.(5)       | 1262649         | 88866     | 0          | 1351515          |
| Dalhart Div.(6)                           | 9417            | 0         | 0          | 9417             |
| West Texas Irrigation Div.(8)             | 7934            | 0         | 0          | 7934             |
| Energas General Office(10)                | 3804            | 966       | 0          | 4770             |
| Amarillo Rural Div.(13)                   | 550             | 18        | 0          | 568              |
| Dalhart Irrigation Div.(18)               | 364             | 24        | 0          | 388              |
| West Texas Rural Div.(21)                 | 38152           | 3102      | 0          | 41254            |
| Total Energas                             | 1530410         | 115674    | 0          | 1646084          |
| Trans La Gas                              |                 |           |            |                  |
| Trans La Distribution Division(7)         | 281718          | 30912     | (461)      | 312169           |
| Total Trans La                            | 281718          | 30912     | (461)      | 312169           |
| Western Kentucky Gas                      |                 |           |            |                  |
| Western Kentucky Gas Division(9)          | 564100          | 0         | 0          | 564100           |
| Total WKG                                 | 564100          | 0         | 0          | 564100           |
| Greeley Gas                               |                 |           |            |                  |
| Greeley Dist. Div.(33)                    | 60233           | 0         | 0          | 60233            |
| Northwest Colorado Dist. Div.(34)         | 66925           | 0         | 0          | 66925            |
| Fremont County Dist. Div.(35)             | 94719           | 0         | 0          | 94719            |
| Durango Dist. Div.(36)                    | 23494           | 0         | 0          | 23494            |
| Kansas Dist. Div.(81)                     | 51751           | 30739     | 0          | 82490            |
| Cortez Dist. Div.(38)                     | 0               | 0         | 0          | 0                |
| Southeast Colorado Dist. Div.(39)         | 0               | 0         | 0          | 0                |
| Kaw Valley Dist. Div.(82)                 | 85625           | 417       | 0          | 86042            |
| Central Kansas Dist. Div.(83)             | 10902           | 0         | 0          | 10902            |
| Cane Dist. Div.(84)                       | 3676            | 285       | 0          | 3961             |
| Southwest Kansas(86)                      | 264             | 88        | 0          | 352              |
| Total Greeley Gas                         | 345836          | 31529     | 0          | 429116           |

ATMOS ENERGY CORPORATION  
 ACCUMULATED PROVISION  
 FOR DEPRECIATION AND AMORTIZATION  
 AS OF MARCH 31, 1999

|   | Year to Date    |               |                 |
|---|-----------------|---------------|-----------------|
|   | Balance 9/30/98 | Provision     | Adjustment      |
| <b>OTHER GAS PLANT IN SERVICE</b>             |                 |               |                 |
| United Cities Gas                             |                 |               |                 |
| Western Region Admin. Div. (87)               | 0               | 0             | 0               |
| Central Region Admin. Div. (88)               | 0               | 0             | 0               |
| Southern Region Admin. Div. (89)              | 0               | 0             | 0               |
| Eastern Region Admin. Div. (90)               | 0               | 0             | 0               |
| General Office Div. (91)                      | 6694374         | 2709          | 0               |
| Illinois Div. (92)                            | 4114            | 4105          | 0               |
| Tennessee Div. (93)                           | 291775          | 239737        | 0               |
| So. Carolina Div. (94)                        | 519             | 250           | 0               |
| Georgia Div. (95)                             | 7991            | 3861          | 0               |
| Virginia Div. (96)                            | 1763            | 1233          | 0               |
| Missouri Div. (97)                            | 1519            | 1357          | 0               |
| Iowa Div. (98)                                | 411             | 137           | 0               |
| <b>Total United Cities Gas</b>                | <b>7002465</b>  | <b>253389</b> | <b>0</b>        |
| <b>Total accumulated provision for amort.</b> | <b>11054064</b> | <b>687686</b> | <b>(461)</b>    |
| <b>of other gas plant in service</b>          |                 |               | <b>11741289</b> |
|   |                 |               | <b>7255854</b>  |

ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF MARCH 31, 1999

|   | Year to Date    |           |            | Balance 03/31/99 |
|---|-----------------|-----------|------------|------------------|
|   | Balance 9/30/98 | Provision | Adjustment |                  |
| <b>NON-UTILITY PLANT IN SERVICE (CNG)</b>                                     |                 |           |            |                  |
| Texas   |                 |           |            |                  |
| Energas   | 336388          | 25876     | 0          | 362263           |
| Total Texas   | 336388          | 25876     | 0          | 362263           |
| Louisiana   |                 |           |            |                  |
| Trans La  | 140330          | 10795     | 0          | 151124           |
| Total Louisiana   | 140330          | 10795     | 0          | 151124           |
| Greeley   |                 |           |            |                  |
| Greeley Gas   | 481864          | 23788     | 0          | 505652           |
| Total Greeley Gas   | 481864          | 23788     | 0          | 505652           |
| Total accumulated provision for amort.<br>of non-utility plant in service     | 958581          | 60459     | 0          | 1019040          |
| <b>UTILITY PLANT ACQUISITION ADJUSTMENT</b>                                   |                 |           |            |                  |
| Louisiana   |                 |           |            |                  |
| Trans La  | 3579715         | (91151)   | 0          | 3488564          |
| Total Louisiana   | 3579715         | (91151)   | 0          | 3488564          |
| Kentucky  |                 |           |            |                  |
| W.K.G.  | 2482695         | 102491    | 0          | 2585186          |
| Total Kentucky  | 2482695         | 102491    | 0          | 2585186          |
| Greeley   |                 |           |            |                  |
| G.G.C.  | 1354869         | 6870      | 0          | 1361739          |
| Total Greeley Gas   | 1354869         | 6870      | 0          | 1361739          |
| United Cities   |                 |           |            |                  |
| U.C.G.C.  | 387492          | 0         | 0          | 387492           |
| U.C.G.C. Prior  | 1305056         | 80448     | 0          | 1385504          |
| Total United Cities Gas   | 1692548         | 80448     | 0          | 1772996          |
| Total Accumulated Prov. for Amort. of Utility Plant<br>Acquisition Adjustment | 9109827         | 98657     | 0          | 9208485          |
| Total accumulated provision for depreciation<br>& amortization                | 52452589        | 27562305  | (544040)   | 546670854        |

WKG RESOURCES  
PROPERTY, PLANT AND EQUIPMENT  
AND RELATED ACCUMULATED PROVISION  
AS OF MARCH 31, 1999

|   | Year to Date    |           |             |           | Balance 03/31/99 |
|---|-----------------|-----------|-------------|-----------|------------------|
|   | Balance 9/30/98 | Additions | Retirements | Transfers |                  |
| Property, Plant and Equipment           |                 |           |             |           |                  |
| Well Construction 3300000               | 106939          | 0         | 0           | 0         | 106939           |
| Mineral Deeds                           | 446865          | 0         | 0           | 0         | 446865           |
| Construction Work in Progress           | 0               | 0         | 0           | 0         | 0                |
| <b>Total Property, Plant and Equip.</b> | <b>553804</b>   | <b>0</b>  | <b>0</b>    | <b>0</b>  | <b>553804</b>    |

|  | Year to Date    |              | Balance 03/31/99 |
|--|-----------------|--------------|------------------|
|  | Balance 9/30/98 | Provision    |                  |
| Accumulated Provision for Depreciation       |                 |              |                  |
| Accumulated Provision for Depreciation       | 106939          | 0            | 106939           |
| Retirement Work in Progress                  | 0               | 58500        | 58600            |
| <b>Total Accumulated Provision for Depr.</b> | <b>106939</b>   | <b>58600</b> | <b>165539</b>    |

**ATMOS ENERGY CORPORATION**  
**BALANCE SHEET ACCOUNTS**  
As of March 31, 1999

| Line No. | Acct. No. | Description  | Current Month | Prior Month  | Current Change | December 31, 1998 | September 30, 1998 |
|----------|-----------|--|---------------|--------------|----------------|-------------------|--------------------|
| 6        |           | <u>NET PROPERTY, PLANT, AND EQUIPMENT</u>                        | 889,626,484   | 884,332,554  | 5,293,931      | 871,165,480       | 864,804,548        |
| 7        |           | Total Investments in & Advances to Subsidiaries                  | 8,353,208     | 8,353,208    | 0              | 8,353,208         | 8,353,208          |
| 8        |           | <u>CASH AND TEMPORARY CASH INVESTMENTS</u>                       | 7,787,298     | (258,180)    | 8,045,478      | 6,383,090         | (1,740,416)        |
|          |           | <u>ACCOUNTS RECEIVABLE, LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS</u> |               |              |                |                   |                    |
|          | 1410      | Notes Receivable   |               |              |                |                   |                    |
|          |           | (Main Extension Notes)   |               |              |                |                   |                    |
|          |           | Tom King & Dr. Thomas Fields                                     | 2,680         | 2,680        | 0              | 2,680             | 2,680              |
|          |           | Bowers, Michael and Melissa                                      | 1,785         | 1,785        | 0              | 1,785             | 1,785              |
|          |           | Ida Road   | 230           | 230          | 0              | 230               | 230                |
|          |           | Noncurrent Notes Receivable                                      | 471,996       | 407,904      | 64,092         | 407,904           | 424,436            |
|          |           | Total Notes Receivable   | 476,691       | 412,599      | 64,092         | 412,599           | 412,599            |
|          | 1420      | Customer Accounts Receivable                                     |               |              |                |                   |                    |
|          |           | 1420 1,2 - Gas Ledger  |               |              |                |                   |                    |
|          |           | General Office   |               |              |                |                   |                    |
|          |           | Unbilled revenue - Energas                                       | 4,015,000     | 4,178,000    | (163,000)      | 9,247,000         | 1,657,000          |
|          |           | Unbilled revenue - GGC   | 3,648,000     | 3,572,000    | 76,000         | 7,057,000         | 1,237,000          |
|          |           | Unbilled revenue - Trans La                                      | 1,127,000     | 1,116,000    | 11,000         | 3,492,000         | 822,000            |
|          |           | Unbilled revenue - WKG   | 3,254,000     | 4,552,000    | (1,298,000)    | 8,091,000         | 1,171,000          |
|          |           | Unbilled revenue - UCG   | 19,825,000    | 21,138,000   | (1,313,000)    | 25,419,000        | 4,330,000          |
|          |           | Handbilled Industrial Accounts - Energas                         | 225,226       | 228,995      | (3,770)        | 173,516           | 192,630            |
|          |           | Handbilled Industrial Accounts - Trans La                        | 205,632       | 240,759      | (35,127)       | 208,585           | 58,056             |
|          |           | Handbilled Industrial Accounts - WKG                             | 2,743,531     | 2,327,141    | 416,390        | 2,952,837         | 2,107,916          |
|          |           | Handbilled Industrial Accounts - GGC                             | 31,715        | 47,226       | (15,511)       | 35,566            | 20,968             |
|          |           | Handbilled Industrial Accounts - UCG                             | (396,603)     | 0            | (396,603)      | 0                 | 0                  |
|          |           | Energas Div - Amarillo System (City and Rural)                   | 2,347,522     | 3,064,654    | (717,132)      | 2,489,663         | 360,272            |
|          |           | Dalhart City Plant System (City and Rural)                       | 123,517       | 221,735      | (98,218)       | 145,332           | 145,063            |
|          |           | Fritch & Sanford System  | 43,796        | 70,513       | (26,716)       | 62,986            | 8,062              |
|          |           | West Texas City Plant System (City and Rural)                    | 14,079,946    | 13,675,763   | 404,184        | 15,264,673        | 15,103,601         |
|          |           | Over/undercollected gas costs GL-186                             | (12,846,877)  | (13,520,076) | 673,199        | (11,033,461)      | (17,035,514)       |
|          |           | Greeley Gas Company Division                                     | 10,467,723    | 11,137,334   | (669,611)      | 8,727,165         | 4,739,400          |
|          |           | Trans La Division  | 3,918,680     | 4,034,554    | (115,874)      | 3,641,333         | 1,567,868          |
|          |           | Western Kentucky Gas Division                                    | 5,902,484     | 6,143,082    | (240,598)      | 3,152,436         | 974,992            |
|          |           | United Cities Gas Division                                       | 32,903,631    | 27,083,089   | 5,820,542      | 29,308,168        | 9,084,281          |
|          |           | Total Gas Ledger Receivables                                     | 91,618,922    | 89,310,768   | 2,308,154      | 108,374,799       | 26,544,594         |
|          |           | 1420 3 - Merchandise Ledger                                      | 1,419,098     | 1,526,211    | (107,114)      | 1,713,850         | 1,959,285          |
|          |           | 1420 4 - Service Ledger  | 1,522,734     | 2,547,306    | (1,024,572)    | 2,497,962         | 2,014,595          |

**ATMOS ENERGY CORPORATION**  
**BALANCE SHEET ACCOUNTS**  
As of March 31, 1999

| Line No. | Acct. No. | Description   | Current Month | Prior Month | Current Change | December 31, 1998 | September 30, 1998 |
|----------|-----------|---|---------------|-------------|----------------|-------------------|--------------------|
| 1420     | 6         | Customer Surcharge  | 270,611       | 271,361     | (750)          | 272,961           | 288,961            |
|          |           | Total Customer Accounts Receivable                              | 94,831,365    | 93,655,647  | 1,175,718      | 112,859,572       | 30,807,434         |
| 1430     |           | Other Accounts Receivable                                       |               |             |                |                   |                    |
| 1430     | 1         | Miscellaneous   |               |             |                |                   |                    |
|          |           | Clyde Plant Extraction - Koch                                   | 23,569        | 24,406      | (838)          | 33,631            | 15,390             |
|          |           | Viriden IL Damage   | (34,262)      | (34,262)    | 0              | 0                 | 0                  |
|          |           | Forsan Outage   | 0             | 0           | 0              | (1,201)           | 460                |
|          |           | El Paso / Denver City Relight                                   | 1,987         | 0           | 1,987          | 0                 | 0                  |
|          |           | Franklin, Tn Outage   | 27,955        | 0           | 27,955         | 0                 | 0                  |
|          |           | CNG - Amarillo  | 0             | 0           | 0              | (173)             | 0                  |
|          |           | CNG - Canyon  | 0             | 0           | 0              | (207)             | (207)              |
|          |           | Meter Salvage Receivable  | 0             | 0           | 0              | (1,380)           | (1,380)            |
|          |           | Midwestern/Equitable Cash                                       | 0             | 0           | 0              | 2,775             | 2,775              |
|          |           | Miscellaneous   | 13,351        | 13,351      | 0              | 13,351            | 13,351             |
|          |           | Miscellaneous-Steamboat Springs Incident                        | 508,972       | 548,972     | (40,254)       | 297,035           | 306,742            |
|          |           | Other Misc UCG A/R  | 759,870       | (139,630)   | 899,500        | 0                 | 0                  |
|          |           |   | 16,786        | 234,761     | (217,975)      | 341,654           | 341,654            |
|          |           | Total Miscellaneous Receivable                                  | 1,317,973     | 647,599     | 670,374        | 685,692           | 678,785            |
| 1430     | 2 0541    | Employee Advances(Incl. Expense & Bridge Loans)                 | 147,143       | 147,299     | (156)          | 673,224           | 243,672            |
| 1430     | 2 06XX    | Merchandise Employees' Payroll Deductions                       | 138,479       | 144,144     | (5,665)        | 148,613           | 144,388            |
| 1431     | 2 0601    | Employee Rent   | 1,567         | 1,317       | 250            | 817               | 67                 |
| 1431     | 2 0601    | Other Employee A/R  | (3,741)       | 7,143       | (10,884)       | 7,143             | 7,143              |
| 1430     | 7         | Trans La Miscellaneous  | 0             | 0           | 0              | 150               | 90                 |
|          |           | Acadia Parish Police Jury                                       | 5,177         | 5,701       | (523)          | 9,131             | 45,859             |
|          |           | LIG   | 0             | 0           | 0              | (2,958)           | (2,958)            |
|          |           | Miscellaneous   | 0             | 0           | 0              | 0                 | 0                  |
|          |           | Total Trans La Miscellaneous Receivables                        | 5,177         | 5,701       | (523)          | 6,323             | 42,991             |
| 1430     | 9 0500    | WKG PAC   | 338           | 244         | 93             | 1,802             | 1,508              |
| 1430     | 9 07XX    | Westar - Chart Reading & Misc.                                  | 0             | 880         | (880)          | (2,013)           | 635                |
|          |           | Total Other Accounts Receivable                                 | 1,606,936     | 954,327     | 652,609        | 1,521,601         | 1,119,190          |
| 1440     |           | Allowance for Doubtful Accounts                                 | (1,951,283)   | (2,644,983) | 693,700        | (1,613,361)       | (1,104,015)        |
|          |           | Atmos - Total Receivable, Less Allowance                        | 94,963,710    | 92,377,590  | 2,586,119      | 113,180,411       | 31,234,844         |
|          |           | United Cities Gas - Total Receivable, Less Allowance            |               |             |                |                   |                    |
| 9        |           | Total Accounts Receivable, Less Allowance for Doubtful Accounts | 94,963,710    | 92,377,590  | 2,586,119      | 113,180,411       | 31,234,844         |

**ATMOS ENERGY CORPORATION**  
**BALANCE SHEET ACCOUNTS**  
As of March 31, 1999

| Line No.                      | Acc'l. Description  | Current Month     | Prior Month       | Current Change     | December 31, 1998 | September 30, 1998 |
|-------------------------------|---|-------------------|-------------------|--------------------|-------------------|--------------------|
| <u>INVENTORIES</u>            |   |                   |                   |                    |                   |                    |
| 1540                          | Plant Materials and Supplies                                | 8,071,061         | 7,915,938         | 155,122            | 8,350,710         | 8,074,760          |
| 1550                          | Merchandise   | 156,804           | 185,030           | (28,227)           | 188,868           | 199,813            |
| 1510                          | Propane Fuel Stock  | 456,837           | 456,837           | 0                  | 456,837           | 456,837            |
| 1630                          | Stores Expense Undistributed                                | 4,585,855         | 4,405,630         | 180,225            | 4,040,991         | 4,111,402          |
| 10                            | Total Inventories   | <u>13,270,557</u> | <u>12,963,436</u> | <u>307,121</u>     | <u>13,037,406</u> | <u>12,842,813</u>  |
| <u>GAS STORED UNDERGROUND</u> |   |                   |                   |                    |                   |                    |
| 1640                          | Total Gas Stored Underground, current                       | 19,195,792        | 24,259,315        | (5,063,523)        | 41,924,949        | 41,701,711         |
| 11                            | Total Gas Stored Underground, current                       | <u>19,195,792</u> | <u>24,259,315</u> | <u>(5,063,523)</u> | <u>41,924,949</u> | <u>41,701,711</u>  |
| <u>OTHER CURRENT ASSETS</u>   |   |                   |                   |                    |                   |                    |
| 1340                          | Other Special Deposits                                      | 17,073            | 17,073            | 0                  | 17,373            | 17,373             |
|                               | Guaranty Deposits   | 585,000           | 709,565           | (124,565)          | 124,565           | 124,565            |
|                               | UCG Escrow 1st Mortgage Bonds                               |                   |                   |                    |                   |                    |
|                               | Total Other Special Deposits                                | <u>602,073</u>    | <u>726,638</u>    | <u>(124,565)</u>   | <u>141,938</u>    | <u>141,938</u>     |
| 1740                          | Miscellaneous Current and Accrued Assets                    | 6,250             | 6,250             | 0                  | 6,250             | 0                  |
| 1660                          | Prepayments   |                   |                   |                    |                   |                    |
|                               | Prepaid Gas:  |                   |                   |                    |                   |                    |
|                               | SCT Billing Software (Amort to capital 02/97 thru 12/99)    | 417,644           | 444,707           | (27,063)           | 344,658           | 425,845            |
|                               | Oracle Database Maint (Amort to expense thru 01/00)         | 80,246            | 88,270            | (8,025)            | 102,536           | 121,261            |
|                               | Dues - AGA  | 65,287            | 21,762            | 43,525             | 0                 | 65,287             |
|                               | Dues - SGA  | 11,099            | (2,668)           | 13,767             | 0                 | 4,001              |
|                               | Monsterboard - Internet                                     | 0                 | 3,500             | (3,500)            | 0                 | 4,002              |
|                               | Franchise Tax - State                                       | 200,000           | 200,000           | 0                  | 0                 | 0                  |
|                               | Gas - Excess Nominations                                    | 180,147           | 180,209           | (61)               | 180,250           | 180,510            |
|                               | Gross Receipts Tax  | (271,331)         | 5,179             | (276,509)          | 491,324           | 742,915            |
|                               | Institute of Gas Technology (Amort \$4929.11/mo thru 12/99) | 44,362            | 49,291            | (4,929)            | 40,000            | 3,162              |
|                               | Insurance - Prop., Gen. Liab., Auto, etc.                   | 983,890           | 1,118,932         | (135,042)          | 1,359,585         | 826,141            |
|                               | Insurance - Retirement Cost                                 | 245,263           | 313,955           | (88,692)           | 354,923           | 289,389            |
|                               | CPSC Assessment (Quarterly)                                 | (10,405)          | 1,375             | (11,780)           | 37,310            | 17,458             |
|                               | SC PUC Assessment   | 14,012            | 14,012            | 0                  | 14,012            | 14,012             |
|                               | KS PUC Assessment   | 9,497             | 9,497             | 0                  | 9,497             | 40,058             |
|                               | KPSC Assessment 1998 (Amort \$20874.20/mo thru 6/99)        | 62,623            | 159,898           | (97,275)           | 64,652            | 96,977             |
|                               | KPSC Assessment 1997 (Amort \$6945.53/mo thru 1/00)         | 69,455            | 0                 | 69,455             | 0                 | 0                  |

**ATMOS ENERGY CORPORATION**  
**BALANCE SHEET ACCOUNTS**  
As of March 31, 1999

| Line No.                                 | Acct. No. | Description                           | Current Month      | Prior Month        | Current Change      | December 31, 1998  | September 30, 1998 |
|--|-----------|---------------------------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
|  |           | TN REG Authority                      | 223,934            | 0                  | 223,934             | 0                  | 0                  |
|  |           | Occupational License                  | 33,357             | 44,857             | (11,500)            | 0                  | 15,883             |
|  |           | Postage accrual                       | (34,530)           | 59,918             | (94,448)            | 3,023              | 5,154              |
|  |           | Prepaid Debt. Exp.-Nations            | 23,333             | 29,167             | (5,833)             | 40,833             | 58,333             |
|  |           | Amer Gas Cooling Cntr                 | 16,362             | 0                  |                     |                    |                    |
|  |           | Rent1 - Gilliland Group (Oper Co)     | 284,592            | 284,592            | 0                   | 284,592            | 284,592            |
|  |           | Total Prepayments                     | 2,648,837          | 3,026,451          | (377,614)           | 3,327,193          | 3,190,777          |
| 12                                       |           | Total Other Current Assets            | <u>3,257,160</u>   | <u>3,759,339</u>   | <u>(502,179)</u>    | <u>3,475,380</u>   | <u>3,332,714</u>   |
| <b>INTERCOMPANY ACCOUNTS - NET</b>       |           |                                       |                    |                    |                     |                    |                    |
| 1460                                     |           | Accounts Receivable from Assoc. Co.   |                    |                    |                     |                    |                    |
|  |           | Residual I/C Charges                  | 287,916            | 0                  | 287,916             | 0                  | 0                  |
|  |           | Almos Energy Services, Inc.           | 145,134            | 95,455             | 49,679              | 24,474             | 18,759             |
|  |           | Egasco, Inc.                          | (878,738)          | (488,611)          | (390,127)           | (402,401)          | (960,724)          |
|  |           | Enermart, Inc.                        | 24,227,209         | 25,548,365         | (1,321,157)         | 25,023,363         | 24,227,663         |
|  |           | Enermart Trust                        | (34,048,426)       | (31,318,119)       | (2,730,307)         | (29,681,494)       | (33,114,283)       |
|  |           | Trans La Industrial Gas Company, Inc. | (2,830,231)        | (2,689,558)        | (140,673)           | (2,712,725)        | (2,653,633)        |
|  |           | United Cities Gas Company             | 0                  | 0                  | 0                   | (41,516)           | (41,516)           |
|  |           | Western Kentucky Gas Resources        | (1,014,886)        | (1,141,601)        | 126,715             | (991,416)          | (987,598)          |
|  |           | UCG Rental                            | 4,094,942          | 4,263,303          | (168,360)           | 3,871,502          | 4,041,625          |
|  |           | UCG Utility Services                  | (521,607)          | (464,622)          | (56,985)            | (479,073)          | (389,130)          |
|  |           | UCG Storage                           | 1,672,915          | 2,584,064          | (911,149)           | 3,902,236          | 4,242,720          |
|  |           | UCG Leasing                           | (635,119)          | (573,868)          | (61,251)            | (481,476)          | (233,623)          |
|  |           | UCG Propane                           | 3,253,248          | 8,893,388          | (5,640,140)         | 7,622,663          | 6,418,030          |
| 13                                       |           | Total Intercompany Accounts - Net     | <u>(6,247,643)</u> | <u>4,708,197</u>   | <u>(10,955,840)</u> | <u>5,654,136</u>   | <u>568,291</u>     |
| 14                                       |           | Total Current Assets                  | <u>132,226,875</u> | <u>137,809,697</u> | <u>(5,582,822)</u>  | <u>183,655,371</u> | <u>87,939,958</u>  |
| <b>DEFERRED CHARGES AND OTHER ASSETS</b> |           |                                       |                    |                    |                     |                    |                    |
| 1280                                     |           | Gilliland Lease Deposits              | 733,624            | 733,624            | 0                   | 733,624            | 733,624            |
|  |           | Total Other Special Funds             | 733,624            | 733,624            | 0                   | 733,624            | 733,624            |
| 1240                                     |           | Other Investments                     |                    |                    |                     |                    |                    |
|  |           | Club Memberships                      | 8,301              | 8,301              | 0                   | 8,301              | 8,301              |
|  |           | Herrington Industrial Development     | 250                | 250                | 0                   | 250                | 250                |
|  |           | Windom Industrial Development         | 750                | 750                | 0                   | 750                | 750                |
|  |           | Worthington Industries Inc            | 100                | 100                | 0                   | 100                | 100                |
|  |           | Total Other Investments               | 9,401              | 9,401              | 0                   | 9,401              | 9,401              |



**ATMOS ENERGY CORPORATION**  
**BALANCE SHEET ACCOUNTS**  
 As of March 31, 1999

| Line No. | Acct. No. | Description  | Current Month | Prior Month | Current Change | December 31, 1998 | September 30, 1998 |
|----------|-----------|--|---------------|-------------|----------------|-------------------|--------------------|
| 1810     |           | Unamortized Debt Expense                           |               |             |                |                   |                    |
|          |           | John Hancock Notes (11.2% through 12/30/02)        | 30,840        | 31,526      | (685)          | 32,896            | 34,952             |
|          |           | John Hancock Notes (9.76% through 12/30/04)        | 70,594        | 71,833      | (1,239)        | 74,310            | 78,025             |
|          |           | Var. Annuity Life Ins. (9.57% through 9/30/06)     | 60,187        | 60,863      | (676)          | 62,216            | 64,244             |
|          |           | Var. Annuity Life Ins. (7.95% through 9/01/06)     | 29,710        | 30,044      | (334)          | 30,712            | 31,713             |
|          |           | Var. Annuity Life Ins. (8.07% through 10/01/06)    | 76,256        | 77,094      | (838)          | 78,770            | 81,284             |
|          |           | New York Life Ins. (8.26% through 10/01/14)        | 93,494        | 93,994      | (500)          | 94,994            | 96,494             |
|          |           | First Mortgage Bonds (9.4% through 2021)           | 502,261       | 504,142     | (1,881)        | 507,905           | 513,548            |
|          |           | MTD Series A - 1 (6.67% through 12/15/05)          | 208,937       | 209,586     | (649)          | 210,884           | 212,832            |
|          |           | MTD Series A - 2 (6.27% through 12/19/10)          | 182,522       | 183,809     | (1,287)        | 186,382           | 190,242            |
|          |           | MTD Series A - 3 (6.2% through 12/01/00)           | 16,467        | 17,221      | (754)          | 18,728            | 20,990             |
|          |           | LTD Series N (8.69% through 3/01/00)               | 45,980        | 47,294      | (1,314)        | 49,921            | 53,862             |
|          |           | LTD Series P (10.43% through 11/01/17)             | 228,184       | 229,203     | (1,019)        | 231,240           | 234,296            |
|          |           | LTD Series Q (9.75% through 4/30/20)               | 253,012       | 253,999     | (986)          | 255,972           | 258,931            |
|          |           | LTD Series R (11.32% through 5/01/04)              | 311,264       | 316,452     | (5,188)        | 326,827           | 342,390            |
|          |           | LTD Series T (9.32% through 6/01/21)               | 113,999       | 114,428     | (429)          | 115,285           | 116,570            |
|          |           | LTD Series U (8.77% through 5/01/22)               | 341,192       | 342,424     | (1,232)        | 344,888           | 348,583            |
|          |           | LTD Series V (7.5% through 12/01/07)               | 128,473       | 129,704     | (1,232)        | 132,167           | 135,862            |
|          |           | TNVA - AQ Debt expense moved from 186              | 101,673       | 104,020     | (2,347)        | (7,042)           | 0                  |
|          |           | Debentures (6.75% through 7/15/28)                 | 2,931,521     | 2,939,849   | (8,328)        | 2,958,940         | 2,814,212          |
|          |           | Total Unamortized Debt Expense                     | 5,726,566     | 5,757,483   | (30,917)       | 5,705,994         | 5,629,032          |
| 1840     |           | Clearing Accounts                                  |               |             |                |                   |                    |
|          |           | Vehicles and equipment                             | (4,028)       | (4,335)     | 307            | 2,253             | 5                  |
|          |           | Information Services                               | 3,055         | 40,846      | (37,791)       | (9,788)           | 0                  |
|          |           | Payroll/Taxes                                      | 0             | 0           | 0              | 22,677            | 22,677             |
|          |           | Total Clearing Accounts:                           | (973)         | 36,511      | (37,485)       | 15,856            | 22,683             |
| 1860     |           | Miscellaneous Deferred Debits                      |               |             |                |                   |                    |
|          |           | Advanced Payments to Employees                     | 79,671        | 162,164     | (82,493)       | 673,500           | 412,761            |
|          |           | Kentucky PBR                                       | 0             | 0           | 0              | 10,170            | 10,170             |
|          |           | Car Allowance (Amort calendar year)                | 0             | 0           | 0              | 0                 | 45,050             |
|          |           | Monroe Office                                      | 10,810        | 10,810      | 0              | 10,810            | 10,810             |
|          |           | Paducah Remodeling (Reimbursable Upon Completion:) | 97,504        | 97,504      | 0              | 97,504            | 97,504             |
|          |           | Consulting   | 50,000        | 8,333       | 41,667         | 25,000            | 50,000             |
|          |           | Deferred Take or Pay - GGC                         | 416,775       | 432,822     | (16,046)       | 466,037           | 444,643            |
|          |           | Department Projects:                               |               |             |                |                   |                    |
|          |           | Quality Review - CIS Project                       | 0             | 0           | 0              | 325               | 0                  |
|          |           | Lincoln Center Rent                                | 346,081       | 275,610     | 70,471         | 340,617           | 378,592            |
|          |           | Misc. Charges to be Cleared Currently              | (17,590)      | (66,446)    | 48,856         | (1,821,094)       | 298,519            |
|          |           | Other Work in Progress                             | 4,591         | 24,917      | (20,325)       | 422,361           | 327,123            |
|          |           | Pension Assets - Almos                             | 2,614,542     | 2,257,033   | 357,509        | 1,457,187         | 459,487            |
|          |           | Pension Assets - WKG                               | 13,288,709    | 13,060,140  | 228,569        | 12,544,607        | 11,703,507         |

**ATMOS ENERGY CORPORATION**  
**BALANCE SHEET ACCOUNTS**  
 As of March 31, 1999

| Line No. | Acct. No. | Description   | Current Month | Prior Month  | Current Change | December 31, 1998 | September 30, 1998 |
|----------|-----------|---|---------------|--------------|----------------|-------------------|--------------------|
|          |           | Pension Assets - GGC  | (350,482)     | (377,184)    | 26,702         | (449,993)         | (510,693)          |
|          |           | Pension Assets - UCG  | 944,013       | 1,393,780    | (449,767)      | 742,163           | (60,337)           |
|          |           | Pension Assets - Propane  | 740,590       | 0            | 740,590        | 0                 | 0                  |
|          |           | Gas Purchases WKG PBR   | 0             | 1,345,208    | (1,345,208)    | (1,243,022)       | 0                  |
|          |           | Texas Gas Rate Case   | 5,267         | 5,267        | 0              | 5,267             | 5,267              |
|          |           | Rate Case Exp - CO - Phase II (Amort \$1,225/mo. thru 12/98)            | 0             | 0            | 0              | 0                 | 3,675              |
|          |           | Rate Case 95-010 - WKG (Amort \$6,828.50/mo. 11/95 thru 10/98)          | 0             | 0            | 0              | 0                 | 6,828              |
|          |           | Rate Case - West Texas (Amort \$1,534.58/mo. thru 11/99)                | 10,742        | 12,277       | (1,535)        | 15,346            | 19,949             |
|          |           | UCG Rate Cases:   |               |              |                |                   |                    |
|          |           | IL Rate Case 1996 (Amort \$859.40/mo. Thru 8/02)                        | 34,311        | 35,170       | (859)          | 36,889            | 38,673             |
|          |           | TN Rate Case 1995 (Amort \$5,236.99/mo. Thru 11/98)                     | 0             | 0            | 0              | 0                 | 10,474             |
|          |           | IA Rate Case 1995 (Amort \$1,018.96/mo. Thru 5/01)                      | 26,493        | 27,512       | (1,019)        | 29,550            | 32,607             |
|          |           | GA Rate Case 1996 (Amort \$1,418.01/mo. Thru 12/00)                     | 29,778        | 31,196       | (1,418)        | 34,032            | 38,286             |
|          |           | MO Rate Case 1995 (Amort \$2,876.94/mo. Thru 10/98)                     | 0             | 0            | 0              | 0                 | 2,877              |
|          |           | KY Rate Case 1999   | 57,441        | 0            | 57,441         | 0                 | 0                  |
|          |           | LA Rate Case Invest 1999  | 13,948        | 0            | 13,948         | 0                 | 0                  |
|          |           | South Carolina Rate Case  | 0             | 0            | 0              | 0                 | 1,114              |
|          |           | Restricted Stock Grant Plan   | 5,253,236     | 5,858,459    | (605,223)      | 6,159,427         | 4,770,048          |
|          |           | Retirement Cost (Rabbi Trusts and CVI)                                  | 23,500,666    | 24,124,212   | (623,546)      | 23,597,767        | 22,399,479         |
|          |           | Trans La Lawsuit & COG Investigation (Amort \$27,000/mo 3/94 thru 2001) | 498,573       | 525,573      | (27,000)       | 854,573           | 962,573            |
|          |           | Trans La Post Settlement  | 186,840       | 186,840      | 0              | (88,450)          | 182,774            |
|          |           | Acquisition Costs - Aimos   | 0             | 0            | 0              | 8,977,695         | 8,961,388          |
|          |           | Acquisition Costs - United Cities                                       | 61,965,032    | 73,700,662   | (11,735,630)   | (2,531,500)       | 14,468,500         |
|          |           | Conflict Costs  | 0             | 0            | 0              | 258,138           | 258,138            |
|          |           | Aimos/UCG Integration   | 0             | 0            | 0              | 54,191,653        | 36,137,934         |
|          |           | General Reserve - Accrual   | (20,334,000)  | (20,334,000) | 0              | (20,334,000)      | (20,334,000)       |
|          |           | Amortization/UCG Integration  | (2,974,074)   | (2,350,000)  | (624,074)      | (1,410,000)       | 0                  |
|          |           | Five Year Plan Meetings   | 0             | 0            | 0              | 795               | 0                  |
|          |           | Senn/Delaney Leadership   | 1,075,216     | 961,773      | 113,443        | 900,222           | 738,473            |
|          |           | Marketing Initiative  | 829,769       | 857,217      | (27,448)       | 989,834           | 968,774            |
|          |           | Shared Services   | 888,899       | 789,793      | 99,106         | 610,080           | 604,790            |
|          |           | H R Study - Towers Perrin   | 1,733,410     | 1,733,803    | (393)          | 1,763,285         | 1,445,833          |
|          |           | Project Husky   | 8,950         | 8,950        | 0              | 0                 | 0                  |
|          |           | 1999 Depreciation Study   | 149,256       | 130,761      | 18,495         | 60,791            | 35,955             |
|          |           | Year 2000 Project   | 0             | 0            | 0              | 0                 | 47,702             |
|          |           | Oracle Financial Project  | 0             | 0            | 0              | 2,479,643         | 94,127             |
|          |           | TNVA - Acquisition Moved to 181   | 0             | 0            | 0              | 115,757           | 115,757            |
|          |           | Real Estate Dispositions  | 0             | 28,272       | (28,272)       | 28,272            | 28,272             |
|          |           | Deferred Gas Cost   | (463,997)     | (375,283)    | (88,715)       | (194,841)         | (270,489)          |
|          |           | UCG-Environmental   | 4,066,969.4   | 4,115,857    | (48,887)       | 3,854,728         | 3,985,759          |
|          |           | UCG-Leak Survey   | 27,164        | 27,164       | 0              | 27,164            | 27,164             |
|          |           | UCG-Non Compete Agreement   | 848,113       | 903,550      | (55,438)       | 1,023,826         | 1,190,139          |
|          |           | UCG - Energy Efficiency Program - IA                                    | 27,659        | 27,659       | 0              | 26,555            | 26,331             |
|          |           | UCG KS Transition Cost  | (180,914)     | 40,106       | (221,019)      | 471,653           | 560,184            |

**ATMOS ENERGY CORPORATION**  
**BALANCE SHEET ACCOUNTS**  
As of March 31, 1999

| Line No. | Acct. No. | Description   | Current Month        | Prior Month          | Current Change      | December 31, 1998    | September 30, 1998   |
|----------|-----------|---|----------------------|----------------------|---------------------|----------------------|----------------------|
|          |           | UCG KS Capacity Rel Rev                                 | 82,708               | 60,316               | 22,392              | 50,217               | 38,714               |
|          |           | UCG-Conservation Program                                | 133,239              | 133,239              | 0                   | 133,239              | 133,239              |
|          |           | MARKETING COUNCIL                                       | (617)                | 0                    | (617)               | 0                    | 0                    |
|          |           | BATCH BALANCE - ENERGAS                                 | (529)                | 0                    | (529)               | 0                    | 0                    |
|          |           | UCG-Conservation Program IA ( Amortize \$13,600,000/mo) | 38,577               | 51,436               | (12,859)            | 77,154               | 115,732              |
|          |           | <b>Total Miscellaneous Deferred Debits</b>              | <b>95,763,341</b>    | <b>109,942,472</b>   | <b>(14,179,130)</b> | <b>95,490,934</b>    | <b>91,520,175</b>    |
| 15       |           | <b>Total Deferred Charges and Other Assets</b>          | <b>102,386,033</b>   | <b>116,479,491</b>   | <b>(14,093,458)</b> | <b>101,955,809</b>   | <b>97,914,915</b>    |
| 16       |           | <b>TOTAL ASSETS</b>                                     | <b>1,132,592,599</b> | <b>1,146,974,949</b> | <b>(14,382,350)</b> | <b>1,165,129,868</b> | <b>1,059,012,628</b> |

**ATMOS ENERGY CORPORATION**  
**BALANCE SHEET ACCOUNTS**  
As of March 31, 1999

| Line No. | Acct. No. | Description                            | Current Month      | Prior Month        | Current Change      | December 31, 1998  | September 30, 1998 |
|----------|-----------|--|--------------------|--------------------|---------------------|--------------------|--------------------|
|          |           | Atmos - Total Shareholders' Equity     | 368,281,693        | 358,233,645        | 10,048,048          | 346,774,856        | 334,258,292        |
| 5        |           | <u>SHAREHOLDERS' EQUITY</u>            | <u>368,281,693</u> | <u>358,233,645</u> | <u>10,048,048</u>   | <u>346,774,856</u> | <u>334,258,292</u> |
|          |           | Long Term Bond Debt                    | 385,663,308        | 385,663,308        | 0                   | 387,663,308        | 435,163,308        |
| 6        |           | <u>LONG-TERM DEBT</u>                  | <u>385,663,308</u> | <u>385,663,308</u> | <u>0</u>            | <u>387,663,308</u> | <u>435,163,308</u> |
| 7        |           | <u>TOTAL CAPITALIZATION</u>            | <u>753,945,001</u> | <u>743,896,953</u> | <u>10,048,048</u>   | <u>734,438,164</u> | <u>769,421,600</u> |
|          |           | <u>NOTES PAYABLE</u>                   |                    |                    |                     |                    |                    |
|          |           | Amarillo National Bank                 | 12,000,000         | 12,000,000         | 0                   | 12,000,000         | 12,000,000         |
|          |           | NationsBank                            | 10,300,000         | 0                  | 10,300,000          | 18,200,000         | 20,000,000         |
|          |           | Societe Generale                       | (6,736)            | 14,093,264         | (14,100,000)        | 25,000,000         | 34,400,000         |
|          |           | Commercial Paper - ML                  | 50,000,000         | 50,000,000         | 0                   | 8,208,000          | 0                  |
|          |           | Commercial Paper - FC                  | 40,000,000         | 50,000,000         | (10,000,000)        | 104,746,000        | 0                  |
|          |           | Commercial Paper - ML Disc             | (92,083)           | (56,333)           | (35,750)            | (123,008)          | 0                  |
|          |           | Commercial Paper - FC Disc             | (53,900)           | (110,564)          | 56,664              | (37,404)           | 0                  |
| 8        |           | <u>Total Notes Payable</u>             | <u>112,147,281</u> | <u>125,926,367</u> | <u>(13,779,086)</u> | <u>167,993,587</u> | <u>66,400,000</u>  |
|          |           | <u>ACCOUNTS PAYABLE</u>                |                    |                    |                     |                    |                    |
|          |           | 2320 Accounts Payable                  | 0                  | (79,812)           | 79,812              | (79,332)           | 0                  |
|          |           | A/P Clearing/Suspense                  | (166,849)          | 102,169            | (269,018)           | 113,836            | 59,335             |
|          |           | Accrued Annual Report Costs            | 171,839            | 168,189            | 3,650               | 129,100            | 93,600             |
|          |           | Accrued Audit Fees                     | 84,311             | 64,778             | 19,533              | 180,002            | 130,001            |
|          |           | Accrued Employee Awards                | 2,657,932          | 1,699,610          | 958,322             | 1,377,719          | 2,685,106          |
|          |           | Accrued Payroll Labor Distribution     | 527,956            | 527,956            | 0                   | 527,956            | 527,956            |
|          |           | Accrued Vacation                       | 39,764,590         | 38,923,943         | 840,647             | 56,973,925         | 12,537,608         |
|          |           | Estimated Gas Cost                     | 9,410              | 9,410              | 0                   | 313,591            | 1,161,249          |
|          |           | Def Cr Cleared Currently               |                    |                    |                     |                    |                    |
|          |           | DSM Program                            |                    |                    |                     |                    |                    |
|          |           | DSM Program - KY - Accrual             | 150,000            | 504,972            | (354,972)           | 463,306            | 363,306            |
|          |           | DSM Program - KY Payments              | (116,308)          | (462,750)          | 346,442             | (424,568)          | (363,306)          |
|          |           | Propane Payroll/Benefits               | 0                  | 962,113            | (962,113)           | 798,662            | 334,108            |
|          |           | Employees' AD & D Insurance            | 12,446             | (16,659)           | 29,106              | (12,665)           | (21,464)           |
|          |           | Employees' College Donation Deductions | 259                | 246                | 13                  | 220                | 175                |
|          |           | Employees' Dependent Life Ins.         | 50,237             | 6,026              | 44,211              | 4,269              | 1,270              |
|          |           | Employees' Egsapac                     | 28                 | 28                 | 0                   | 28                 | 28                 |
|          |           | Employees' WKG Pac                     | 2                  | 2                  | 0                   | 2                  | 2                  |
|          |           | Employees' Trans La PAC                | 10                 | 10                 | 0                   | 10                 | 10                 |
|          |           | Employees' Credit Union                | 264                | 264                | 0                   | 264                | 229                |
|          |           | Employees' LTD Insurance               | 237,869            | 175,009            | 62,860              | 107,225            | 76,223             |

**ATMOS ENERGY CORPORATION**  
**BALANCE SHEET ACCOUNTS**  
As of March 31, 1999

| Line No. | Acct. No. | Description                              | Current Month | Prior Month | Current Change | December 31, 1998 | September 30, 1998 |
|----------|-----------|--|---------------|-------------|----------------|-------------------|--------------------|
|          |           | Employees' Medical/Dental Insurance      | 1,871,299     | 2,510,801   | (639,502)      | 1,620,301         | 1,745,154          |
|          |           | Employee FSA Withholdings                | 113,384       | 73,068      | 40,316         | 0                 | 0                  |
|          |           | Employees' Supplemental Life Insurance   | 38,247        | (85,541)    | 123,788        | (47,679)          | (76,869)           |
|          |           | Employees' United Way                    | 2,803         | 386         | 2,417          | (8,913)           | (11,281)           |
|          |           | Employees' Universal Life Ins.           | 13,797        | 10,609      | 3,188          | 4,066             | (2,420)            |
|          |           | Employees' U.S. Savings Bonds Deductions | 2,319         | 3,224       | (905)          | 5,528             | 2,827              |
|          |           | Employer's ESOP Contributions            | 26,681        | 82,206      | (55,525)       | 103,201           | 110,286            |
|          |           | Employer's ESOP Other Expense            | 26,232        | 12,241      | 13,991         | 14,468            | 11,858             |
|          |           | Employees' ESOP Withholding              | 802           | (222,908)   | 223,710        | (224,853)         | (219,101)          |
|          |           | Employer's Group Life Ins.               | 221,928       | 50,250      | 171,678        | 86,486            | (3,819)            |
|          |           | Employees' 401K Withholding              | 123,969       | (20,910)    | 144,879        | 25,919            | 109,974            |
|          |           | Employees' Union Dues Withholding        | 1,059         | 1,065       | (6)            | (3)               | (3)                |
|          |           | Employee Spectrum/WWNL - Insurance W/H   | 30,518        | 12,415      | 18,104         | 1,868             | (280)              |
|          |           | KN Master Mir Transfer                   | 0             | 0           | 0              | 0                 | 200,000            |
|          |           | Cash Contributions                       | 4,369         | (12,442)    | 16,811         | 0                 | 0                  |
|          |           | Mailed Refunds                           | (103,977)     | (532,822)   | 428,846        | (284,057)         | (73,027)           |
|          |           | SCT WIPS Accrual                         | 0             | 0           | 0              | 0                 | 1,850,000          |
|          |           | Net Payroll Payable                      | 106,517       | 111,749     | (5,232)        | (350,069)         | 52,423             |
|          |           | Purchase Order Clearing                  | 240,163       | 334,356     | (94,193)       | 423,859           | 232,107            |
|          |           | Contract Retainage                       | 66,589        | 51,506      | 15,083         | 66,620            | 115,883            |
|          |           | Uncashed checks                          | 373,823       | 373,823     | 0              | 373,823           | 388,182            |
|          |           | Unidentified                             | (3,333)       |             |                |                   |                    |
|          |           | Vouchers Payable                         | 4,034,919     | 1,854,837   | 2,180,082      | 3,955,193         | 3,639,081          |
|          |           | Total Accrued Payables                   | 50,576,101    | 47,193,413  | 3,382,688      | 65,580,307        | 25,656,408         |
|          |           | Gas Purchased - Accounts Payable         |               |             |                |                   |                    |
|          |           | AMOCO                                    | 87,008        | 290,692     | (203,685)      | 18,773            | 254,374            |
|          |           | ANR Pipeline Company                     | 110           | (3,747)     | 3,856          | 110               | (9,991)            |
|          |           | KN Marketing                             | 460,035       | 1,163,290   | (703,255)      | 1,162,787         | 180,818            |
|          |           | Panenergy Trading/Market                 | 65,186        | 373,718     | (308,532)      | 225,497           | 0                  |
|          |           | Natural Gas Clearinghouse                | (3)           | (3)         | 0              | 520,649           | 243,831            |
|          |           | City of Odessa - Purchase                | 0             | 0           | 0              | (282,379)         | 15,000             |
|          |           | Coastal Gas Marketing                    | (135,323)     | (135,323)   | 0              | (135,323)         | 0                  |
|          |           | Colorado Interstate Gas Company          | 613,392       | 392,817     | 220,576        | 272,666           | 130,520            |
|          |           | Engage Energy                            | (17,713)      | (17,713)    | 0              | (17,713)          | 107,335            |
|          |           | Costilla Petroleum Corp.                 | 0             | 44,045      | (44,045)       | 36,196            | 0                  |
|          |           | Crescent Oil & Gas Company               | 15,511        | 15,511      | 0              | (15,999)          | 0                  |
|          |           | Diamond Shamrock                         | 25            | 26,701      | (26,676)       | 130,701           | 253,396            |
|          |           | Exchange Gas                             | 1,422,547     | 1,077,131   | 345,416        | 229,387           | (482,993)          |
|          |           | Gas Payable - LA Imbalance               | 45,136        | 45,136      | 0              | 45,136            | 45,136             |
|          |           | LG & E Natural Plains Energy             | 69,388        | 66,952      | 2,435          | 121,775           | 125,161            |
|          |           | Hugoton                                  | 11,468        | 11,468      | 0              | 11,468            | 6,254              |
|          |           | Interenergy Resources Corp.              | 145,063       | 145,063     | 0              | 145,063           | 0                  |
|          |           | Kansas Pipeline Partners                 | 44,014        | 44,014      | 0              | 44,014            | 3,929              |
|          |           | Pennunion Energy Services                | 2,013         | 2,013       | 0              | 2,013             | 2,013              |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
As of March 31, 1999

| Line No. | Acct. No. | Description                          | Current Month | Prior Month | Current Change | December 31, 1998 | September 30, 1998 |
|----------|-----------|--------------------------------------|---------------|-------------|----------------|-------------------|--------------------|
|          |           | PMN Energy Marketing                 | 17            | 17          | 0              | 17                | 17                 |
|          |           | Kimball Energy Corp.                 | 200           | 200         | 0              | 200               | 200                |
|          |           | Unifed Gas Services                  | 54,012        | 104,141     | (50,130)       | 134,090           | 65,290             |
|          |           | KN Energy                            | 109,915       | 77,403      | 32,512         | 99,594            | 269,826            |
|          |           | KPL Gas Services                     | 22,147        | 22,147      | 0              | 22,147            | 21,778             |
|          |           | LIG Chemical                         | 10,660        | 18,968      | (8,308)        | (15,681)          | 0                  |
|          |           | LIG Imbalance                        | (625,071)     | (439,415)   | (185,657)      | (1,380,258)       | (780,062)          |
|          |           | Local Gas Production                 | 14,411        | 14,411      | 0              | 14,469            | 14,469             |
|          |           | Local Gas Purchases - Fremont County | 400,256       | 255,272     | 144,985        | 33,832            | 188,891            |
|          |           | Louisiana Intrastate Gas Corp.       | (553)         | 9,061       | (9,615)        | 4,531             | 222,425            |
|          |           | Pioneer Natural Resources Co.        | 4,929,675     | 2,906,407   | 2,023,267      | 1,909,110         | 537,522            |
|          |           | Midcon Gas Services Corp.            | (4,518)       | 0           | (4,518)        | 0                 | 0                  |
|          |           | Mid-Louisiana Gathering              | 0             | 0           | 0              | 0                 | 0                  |
|          |           | Noble Gas Marketing                  | (293,386)     | (293,386)   | 0              | (271,401)         | (163,332)          |
|          |           | Noram Energy Services                | 3,743,767     | 5,591,385   | (1,847,617)    | 4,345,678         | 7,399,907          |
|          |           | Noram Gas Transm Corp                | 0             | 71,855      | (71,855)       | 0                 | 0                  |
|          |           | Oxy U.S.A., Inc.                     | 0             | 1,134       | (1,134)        | 815               | 0                  |
|          |           | CMS Marketing Services               | 0             | 0           | 0              | 0                 | 104,160            |
|          |           | Peoples Natural Gas                  | 6,722         | 6,747       | (25)           | 0                 | 0                  |
|          |           | Pipeline Refunds - GGC               | 567,974       | 611,047     | (43,073)       | 717,750           | 787,945            |
|          |           | Pipeline Refunds - Trans La (LIG)    | 331,882       | 820,734     | (488,852)      | 805,995           | 753,523            |
|          |           | Pipeline Refunds - WKG               | 1,355,556     | 1,286,793   | 68,763         | 329,354           | 397,559            |
|          |           | Public Service                       | 784,071       | 1,261,450   | (477,379)      | 128,079           | 197,222            |
|          |           | Schreider & Company, Inc.            | (5,000)       | 0           | (5,000)        | 0                 | (15,000)           |
|          |           | Sonat Marketing                      | 215,189       | 16,874      | 198,315        | 143,418           | 10,114             |
|          |           | Tennessee Gas Pipeline               | (787)         | (787)       | 0              | (787)             | 233,981            |
|          |           | Texaco, Inc.                         | 10,456        | (26,681)    | 37,137         | (103,960)         | (253,376)          |
|          |           | Texas Gas Transmission               | 0             | 0           | 0              | 0                 | 1,242,129          |
|          |           | Trunkline Gas Company                | 0             | 0           | 0              | 0                 | 30,172             |
|          |           | Wild Horse Energy Partners           | 4,280         | 4,280       | 0              | 4,280             | 4,280              |
|          |           | Williams Energy Services             | (3,660)       | (3,660)     | 0              | (14,475)          | 91,424             |
|          |           | WKG Supplier Imbalance               | 14,505        | 15,305      | (800)          | 17,140            | 19,978             |
|          |           | Transportation Bank Gas              | 207,055       | 264,869     | (57,813)       | 57,539            | 244,550            |
|          |           | Woodward Marketing                   | 559,563       | 10,931,855  | (10,272,293)   | (378,119)         | (474,563)          |
|          |           | Union Pacific Fuels                  | (469)         | (469)       | 0              | (469)             | (469)              |
|          |           | Tenaska Marketing Venture            | (10)          | 1,501,010   | (1,501,020)    | 0                 | 0                  |
|          |           | UCG Accrued Gas Cost Payables        | 188,951       | (917,787)   | 1,106,738      | (1,791,436)       | (1,852,890)        |
|          |           | UCG Gas Purchase Payables            | 343,947       | 304,857     | 39,090         | 1,066,865         | 1,018,468          |
|          |           | Pro Energy                           | 0             | (557)       | 557            | (12,108)          | (269,985)          |
|          |           | E Prime                              | (4,298)       | (4,298)     | 0              | 127,054           | 0                  |
|          |           | HS Energy Services, Inc.             | 13,650        | 13,650      | 0              | 13,650            | 13,650             |
|          |           | Aquila Energy                        | (5,219)       | (6,083)     | 864            | 129,583           | 0                  |
|          |           | Akawa Natural Gas                    | (0)           | (0)         | 0              | 2,075             | 0                  |
|          |           | Eastex Energy                        | (813,310)     | (154,213)   | (659,097)      | 939,738           | 39,666             |
|          |           | WKG Noram Imbalance                  | (3,293,106)   | (2,718,037) | (575,069)      | (915,506)         | 0                  |

**ATMOS ENERGY CORPORATION**  
**BALANCE SHEET ACCOUNTS**  
 As of March 31, 1999

| Line No. | Acct. No. | Description   | Current Month     | Prior Month       | Current Change      | December 31, 1998 | September 30, 1998 |
|----------|-----------|---|-------------------|-------------------|---------------------|-------------------|--------------------|
|          |           | Grynberg Petroleum Company                            | 0                 | (6,779)           | 6,779               | 0                 | 0                  |
|          |           | Tenn. Gas - Noram Imbalance                           | 774,301           | 684,096           | 90,205              | 0                 | 0                  |
|          |           | Southern Co. Energy Mkt LP                            | 0                 | 198,257           | (198,257)           | 0                 | 0                  |
|          |           | <b>Total Gas Purchased Payable</b>                    | <b>12,541,633</b> | <b>25,963,843</b> | <b>(13,422,210)</b> | <b>8,677,605</b>  | <b>10,974,254</b>  |
| 2410     |           | <b>Tax Collections Payable</b>                        |                   |                   |                     |                   |                    |
|          |           | City Franchise Fees - Louisiana                       | 93,440            | 83,685            | 9,755               | 92,554            | 43,943             |
|          |           | City Sales Tax - Canton City                          | (39,916)          | (30,173)          | (9,743)             | (9,032)           | 2,318              |
|          |           | City Sales Tax - Durango                              | (45,119)          | (34,856)          | (10,263)            | (10,766)          | 2,281              |
|          |           | City Sales Tax - Mount Crested Butte                  | (8,894)           | (6,855)           | (2,039)             | (1,909)           | 270                |
|          |           | City Sales Tax - Steamboat Springs                    | (105,329)         | (78,206)          | (27,123)            | (23,027)          | 4,978              |
|          |           | City Sales/Use Tax                                    | 554,996           | 468,746           | 86,251              | 221,766           | 0                  |
|          |           | City Sales/Use Tax - Cortez                           | (36,940)          | (28,429)          | (8,511)             | (9,166)           | 2,081              |
|          |           | City Sales/Use Tax - Greeley                          | (254,628)         | (185,010)         | (69,619)            | (57,749)          | 14,167             |
|          |           | City Sales/Use Tax - Gunnison                         | 60                | 38                | 22                  | 1                 | 0                  |
|          |           | City Sales/Use Tax - Lamar                            | (45,706)          | (35,296)          | (10,409)            | (11,626)          | 2,124              |
|          |           | County City/Use Tax - Prowers                         | 9                 | 0                 | 8                   | (2)               | 0                  |
|          |           | County Sales/Use Tax                                  | (25,122)          | (6,469)           | (18,653)            | 22,066            | 0                  |
|          |           | County Use Tax - Fremont                              | 150               | 14                | 136                 | 126               | 0                  |
|          |           | Employees' Federal Income Tax Withheld                | (85,982)          | 256,907           | (342,889)           | 197,991           | (90,894)           |
|          |           | Employees' FICA Tax                                   | 34,802            | 27,978            | 6,824               | (27,005)          | (228,691)          |
|          |           | Employees' Local Tax Withheld - KY                    | 12,634            | 8,718             | 3,917               | 20,234            | 18,083             |
|          |           | Employees' State Income Tax Withheld - Alabama        | (528)             | (57)              | (471)               | (57)              | (57)               |
|          |           | Employees' State Income Tax Withheld - North Carolina | 725               | 796               | (71)                | 372               | 372                |
|          |           | Employees' State Income Tax Withheld - South Carolina | (1,931)           | (1,931)           | 0                   | (1,931)           | (1,931)            |
|          |           | Employees' State Income Tax Withheld - Colorado       | (2,766)           | 7,114             | (9,880)             | 8,676             | (2,695)            |
|          |           | Employees' State Income Tax Withheld - Illinois       | (4)               | (4)               | 0                   | (4)               | 30                 |
|          |           | Employees' State Income Tax Withheld - Indiana        | (2,666)           | (2,666)           | 0                   | (2,666)           | 447                |
|          |           | Employees' State Income Tax Withheld - Georgia        | 12,279            | 12,434            | (155)               | 22,219            | 16,630             |
|          |           | Employees' State Income Tax Withheld - Iowa           | 2,203             | 2,182             | 22                  | 3,126             | 2,439              |
|          |           | Employees' State Income Tax Withheld - Kansas         | (3,211)           | (3,067)           | (144)               | (2,466)           | (2,172)            |
|          |           | Employees' State Income Tax Withheld - Kentucky       | (5,588)           | 7,894             | (13,482)            | 40,018            | 16,237             |
|          |           | Employees' State Income Tax Withheld - Louisiana      | 4,543             | 4,571             | (28)                | 9,875             | 4,674              |
|          |           | Employees' State Income Tax Withheld - Missouri       | 5,270             | 5,211             | 59                  | 6,748             | 8,495              |
|          |           | Employees' State Income Tax Withheld - Ohio           | 352               | 245               | 107                 | 245               | 245                |
|          |           | Employees' State Income Tax Withheld - Virginia       | 6,580             | 6,591             | (11)                | 6,487             | 3,472              |
|          |           | Payroll Withholding - Propane                         | 0                 | 93,080            | (93,080)            | 955,038           | 186,631            |
|          |           | Franchise Tax Collected - South Carolina              | 39,234            | 34,903            | 4,332               | 14,951            | 4,220              |
|          |           | Franchise Tax Collected - Colorado                    | 274,376           | 215,414           | 58,962              | 379,998           | 149,317            |
|          |           | Franchise Tax Collected - Georgia                     | 128               | 128               | 0                   | 128               | 128                |
|          |           | Franchise Tax Collected - Illinois                    | 8,873             | 1,314             | 7,559               | 3,069             | (1,244)            |
|          |           | Franchise Tax Collected - Kansas                      | 792,275           | 646,887           | 145,388             | 528,837           | 201,013            |
|          |           | Franchise Tax Collected - Kentucky                    | 121,053           | 86,712            | 34,340              | 60,636            | 59,897             |
|          |           | Franchise Tax Collected - Louisiana                   | 84,258            | 52,485            | 31,772              | 38,851            | 28,401             |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
As of March 31, 1999

| Line No. | Acct. No. | Description                         | Current Month | Prior Month | Current Change | December 31, 1998 | September 30, 1998 |
|----------|-----------|-------------------------------------|---------------|-------------|----------------|-------------------|--------------------|
|          |           | Franchise Tax Collected - Missouri  | (21,761)      | (25,851)    | 4,089          | (17,249)          | (8,021)            |
|          |           | Franchise Tax Collected - Tennessee | 668,116       | 513,674     | 154,442        | 1,433,274         | 1,087,796          |
|          |           | Franchise Tax Collected - Virginia  | 22            | 22          | 0              | 22                | 22                 |
|          |           | Local Tax - Colorado                | 499           | 469         | 30             | 426               | 313                |
|          |           | Occupational Tax Collections        | 15,046        | 29,046      | (14,000)       | 60,046            | 167,200            |
|          |           | State Sales Tax - South Carolina    | 8,518         | 9,818       | (1,300)        | 6,760             | 2,292              |
|          |           | State Sales Tax - Colorado          | 64,249        | 95,847      | (31,598)       | 122,446           | 140,266            |
|          |           | State Sales Tax - Georgia           | 215,405       | 268,715     | (53,309)       | 325,385           | 147,622            |
|          |           | State Sales Tax - Illinois          | (104,734)     | (107,874)   | 3,140          | (87,924)          | 803                |
|          |           | State Sales Tax - Iowa              | (12,907)      | (16,777)    | 3,871          | 36,610            | 0                  |
|          |           | State Sales Tax - Kansas            | 205,986       | 23,464      | 182,522        | 8,597             | (5,591)            |
|          |           | State Sales Tax - Kentucky          | 133,771       | 89,371      | 44,400         | 133,112           | 70,981             |
|          |           | State Sales Tax - Louisiana         | 54,274        | 11,279      | 42,995         | 9,099             | (734)              |
|          |           | State Sales Tax - Missouri          | 26,223        | 36,424      | (10,201)       | 21,793            | 941                |
|          |           | State Sales Tax - Tennessee         | 182,681       | 223,988     | (41,307)       | 175,509           | 103,007            |
|          |           | State Sales Tax - Texas             | (662,138)     | (910,966)   | 248,828        | (588,417)         | 46,467             |
|          |           | State Use Tax - Virginia            | 6,815         | 6,817       | (2)            | 6,835             | 6,919              |
|          |           | State Use Tax - Kansas              | 1,340         | 236         | 1,103          | 1,740             | 2,713              |
|          |           | Utility School Tax (Remit monthly)  | 544,833       | 694,139     | (149,307)      | 348,960           | 97,799             |
|          |           | Illinois Asst Chg                   | 0             | 0           | 0              | (77,009)          | (77,009)           |
|          |           | Gross Receipts                      | 162,218       | 66,293      | 95,925         | 92,910            | 51,061             |
|          |           | Consumer Tax                        | 17,601        | 8,093       | 9,508          | 12,506            | 0                  |
|          |           | ICC Sup Fee                         | (51,002)      | (51,002)    | 0              | (51,002)          | (51,002)           |
|          |           | Total Tax Collections Payable       | 2,838,962     | 2,576,251   | 262,711        | 4,451,030         | 2,228,994          |
| 9        |           | Total Accounts Payable              | 65,956,696    | 75,733,507  | (9,776,811)    | 78,708,942        | 38,859,657         |

ACCRUED TAXES

|      |  |           |           |           |           |           |
|------|--|-----------|-----------|-----------|-----------|-----------|
| 2360 | Accrued Taxes - Other                    | 4,959,029 | 4,172,115 | 786,914   | 5,275,960 | 9,425,981 |
|      | Ad Valorem                               | (128)     | (174)     | 46        | (261)     | (351)     |
|      | CNG Use Tax - Kentucky                   | (1,532)   | (1,434)   | (98)      | (1,215)   | (865)     |
|      | Employer's Denver City Tax               | (4,806)   | 168,266   | (173,072) | 141,539   | (60,146)  |
|      | Employer's FICA Tax                      | (8,779)   | (9,290)   | 511       | (9,372)   | (8,354)   |
|      | Federal Motor Fuel Tax-CNG               | 1,751,412 | 1,369,293 | 382,119   | 1,144,592 | 509,300   |
|      | Franchise - City                         | 8,949     | 11,811    | (2,862)   | 6,411     | 3,310     |
|      | Louisiana State Supervision & Inspection | 1,071     | 828       | 243       | 873       | 1,683     |
|      | Parish & City Use Tax - Louisiana        | (143,097) | (134,974) | (8,123)   | (115,193) | (96,181)  |
|      | Severance Tax                            | 70,001    | 58,334    | 11,667    | 0         | 0         |
|      | State Franchise Tax - Louisiana Corp.    | 466,425   | 421,425   | 45,000    | 366,425   | 217,989   |
|      | State Franchise Tax - Texas              | 234,999   | 194,166   | 40,833    | 0         | 0         |
|      | State Franchise Tax - Tennessee          | 70,652    | (3,173)   | 73,825    | 125,255   | (102,463) |
|      | State Gross Receipts                     | 2,283     | 885       | 1,398     | 3,057     | 1,313     |
|      | State Transportation Tax - Texas         | 823       | 576       | 247       | 2         | 0         |
|      | State Use Tax - Louisiana                |           |           |           |           |           |



**ATMOS ENERGY CORPORATION**  
**BALANCE SHEET ACCOUNTS**  
As of March 31, 1999

| Line No. | Acct. No. | Description                               | Current Month | Prior Month | Current Change | December 31, 1998 | September 30, 1998 |
|----------|-----------|---|---------------|-------------|----------------|-------------------|--------------------|
|          |           | Unemployment Tax - Federal                | 111,581       | 94,735      | 16,846         | 10,657            | 12,267             |
|          |           | Unemployment Tax - State - North Carolina | 69            | 69          | 0              | 69                | 69                 |
|          |           | Unemployment Tax - State - South Carolina | 1,668         | 1,177       | 491            | 819               | 819                |
|          |           | Unemployment Tax - State - Colorado       | 4,450         | 3,175       | 1,275          | 130               | 127                |
|          |           | Unemployment Tax - State - Georgia        | 2,886         | 2,842       | 44             | 2,607             | 2,602              |
|          |           | Unemployment Tax - State - Illinois       | 10,391        | 5,943       | 4,448          | 1,274             | 1,097              |
|          |           | Unemployment Tax - State - Iowa           | (225)         | (685)       | 460            | (1,382)           | (1,267)            |
|          |           | Unemployment Tax - State - Kansas         | 18,591        | 18,591      | 0              | 18,591            | 18,591             |
|          |           | Unemployment Tax - State - Missouri       | 3,595         | 2,886       | 710            | 2,010             | 1,950              |
|          |           | Unemployment Tax - State - Tennessee      | 108,590       | 107,193     | 1,397          | 97,541            | 97,604             |
|          |           | Unemployment Tax - State - Kentucky       | 6,230         | 4,776       | 1,454          | (16)              | 40                 |
|          |           | Unemployment Tax - State - Louisiana      | 2,320         | 1,952       | 368            | 318               | 317                |
|          |           | Unemployment Tax - State - Texas          | 61,778        | 30,395      | 31,384         | 3,196             | 4,730              |
|          |           | Unemployment Tax - State - Virginia       | 1,043         | 753         | 291            | 109               | 119                |
|          |           | Use Tax (City & State) - Texas            | 183,283       | 177,546     | 5,737          | 167,558           | 0                  |
|          |           | Tennessee Use Tax (City & State)          | 15,351        | 16,565      | (1,215)        | 16,188            | 0                  |
|          |           | Virginia Use Tax (City & State)           | 16,840        | 18,335      | (1,495)        | 16,388            | 0                  |
|          |           | Iowa Use Tax (City & State)               | (834)         | (1,540)     | 706            | (1,681)           | 0                  |
|          |           | Kansas Use Tax (City & State)             | (1,525)       | (1,132)     | (394)          | (1,111)           | 0                  |
|          |           | Illinois Use Tax (City & State)           | (79)          | (1,054)     | 975            | 6,495             | 0                  |
|          |           | South Carolina Use Tax (City & State)     | 738           | 45          | 693            | 10                | (32)               |
|          |           | Georgia Use Tax (City & State)            | 905           | 90          | 815            | (502)             | 0                  |
|          |           | Missouri Use Tax (City & State)           | 786           | (99)        | 885            | (400)             | 0                  |
|          |           | Virginia License                          | 16,822        | 16,822      | 0              | 16,822            | (7,921)            |
|          |           | Unidentified accounts                     | 879           |             |                |                   |                    |
| 10       |           | Total Accrued Taxes                       | 7,973,434     | 6,748,033   | 1,224,522      | 7,293,762         | 10,048,710         |
|          |           | <u>INCOME TAXES PAYABLE</u>               |               |             |                |                   |                    |
|          |           | 2360 Accrued Income Taxes                 |               |             |                |                   |                    |
|          |           | Accrued Income Taxes - Federal            | (397,619)     | (973,404)   | 575,786        | (2,362,878)       | (10,191,185)       |
|          |           | Accrued Income Taxes - State              | 1,339,807     | 1,371,719   | (31,912)       | 402,851           | 5,771,432          |
| 11       |           | Total Income Taxes Payable                | 942,189       | 398,315     | 543,874        | (1,960,027)       | (4,419,754)        |
|          |           | <u>DIVIDEND DECLARED</u>                  |               |             |                |                   |                    |
| 12       |           | 2380 Dividend Declared                    | 0             | 8,435,904   | (8,435,904)    | 0                 | 0                  |
|          |           | <u>CUSTOMERS' DEPOSITS</u>                |               |             |                |                   |                    |
|          |           | 2350 Customers' Deposits                  |               |             |                |                   |                    |
|          |           | Customers' Deposits - Colorado            | 2,555,740     | 1,936,468   | 619,272        | 2,627,412         | 2,627,947          |

**ATMOS ENERGY CORPORATION**  
**BALANCE SHEET ACCOUNTS**  
As of March 31, 1999

| Line No.                         | Acci. No. | Description                              | Current Month | Prior Month | Current Change | December 31, 1998 | September 30, 1998 |
|----------------------------------|-----------|--|---------------|-------------|----------------|-------------------|--------------------|
|                                  |           | Customers' Deposits - Kentucky           | 1,147,179     | 1,170,138   | (22,959)       | 1,223,213         | 1,309,000          |
|                                  |           | Customers' Deposits - Louisiana          | 1,151,053     | 1,169,973   | (18,920)       | 1,212,286         | 1,272,356          |
|                                  |           | Customers' Deposits - Texas              | 1,609,887     | 1,645,356   | (35,469)       | 1,707,753         | 1,823,885          |
|                                  |           | Customers' Deposits - Tennessee          | 1,924,622     | 2,030,087   | (105,465)      | 2,058,521         | 2,238,056          |
|                                  |           | Customers' Deposits - Georgia            | 1,284,800     | 1,368,124   | (83,324)       | 1,428,858         | 1,493,233          |
|                                  |           | Customers' Deposits - Kansas             | 661,878       | 700,233     | (38,355)       | 709,234           | 734,608            |
|                                  |           | Customers' Deposits - Virginia           | 190,595       | 197,958     | (7,363)        | 201,334           | 213,096            |
|                                  |           | Customers' Deposits - South Carolina     | 80,775        | 84,630      | (3,855)        | 86,360            | 92,730             |
|                                  |           | Customers' Deposits - Illinois           | 72,267        | 75,946      | (3,679)        | 77,706            | 82,508             |
|                                  |           | Customers' Deposits - Iowa               | 38,572        | 41,779      | (3,207)        | 42,423            | 44,609             |
|                                  |           | unidentified                             | (4,853)       |             |                |                   |                    |
|                                  |           | Customers' Deposits - Missouri           | 33,938        | 35,363      | (1,425)        | 36,248            | 38,152             |
| 13                               |           | Total Customers' Deposits                | 10,746,455    | 10,456,055  | 290,400        | 11,411,351        | 11,970,180         |
| <b>OTHER CURRENT LIABILITIES</b> |           |  |               |             |                |                   |                    |
|                                  |           | 2370 Interest Accrued                    |               |             |                |                   |                    |
|                                  |           | Commitment Fee                           | 1,099         | 28,933      | (27,834)       | 3,843             | 2,792              |
|                                  |           | Customers' Deposits - Colorado           | 591,902       | 579,978     | 11,924         | 556,131           | 520,499            |
|                                  |           | Customers' Deposits - Kentucky           | 2,477         | (675)       | 3,151          | 56,309            | 42,401             |
|                                  |           | Customers' Deposits - Louisiana          | (13,225)      | (12,684)    | (540)          | 34,794            | 34,001             |
|                                  |           | Customers' Deposits - Texas              | 7,957         | 17,549      | (9,592)        | 79,901            | 60,177             |
|                                  |           | Customers' Deposits - Kansas             | 55,939        | 54,961      | 978            | 49,837            | 42,122             |
|                                  |           | Customers' Deposits - Tennessee          | 516,584       | 530,787     | (14,203)       | 520,808           | 517,586            |
|                                  |           | Customers' Deposits - Illinois           | 5,440         | 5,336       | 103            | 4,749             | 3,876              |
|                                  |           | Customers' Deposits - South Carolina     | 10,409        | 10,405      | 4              | 9,517             | 8,703              |
|                                  |           | Customers' Deposits - Georgia            | 435,210       | 460,123     | (24,914)       | 474,961           | 465,479            |
|                                  |           | Customers' Deposits - Virginia           | 30,539        | 30,819      | (280)          | 29,706            | 28,884             |
|                                  |           | Customers' Deposits - Missouri           | 2,685         | 2,612       | 73             | 2,333             | 1,895              |
|                                  |           | Customers' Deposits - Iowa               | 4,675         | 4,741       | (66)           | 4,353             | 3,578              |
|                                  |           | Long-Term Debt                           | 9,188,328     | 7,784,326   | 1,404,002      | 7,589,048         | 9,148,599          |
|                                  |           | Notes Payable                            | 27,009        | 22,770      | 4,239          | 119,403           | 5,188              |
|                                  |           | unidentified                             | 475           |             |                |                   |                    |
|                                  |           | Total Interest Accrued                   | 10,867,501    | 9,520,456   | 1,347,045      | 9,535,693         | 10,885,780         |
|                                  |           | 2420 Misc. Current & Accrued Liabilities |               |             |                |                   |                    |
|                                  |           | General Reserve                          | 1,200,000     | 537,323     | 662,677        | 560,000           | 0                  |
|                                  |           | UCG-Accrued 401K (20%)                   | 222,510       | 199,509     | 23,001         | 199,509           | 199,509            |
|                                  |           | UCG Exchange Gas                         | 46,123        | 46,123      | 0              | 46,123            | 46,123             |
|                                  |           | UCG P/L Refunds                          | 1,370,303     | 1,219,468   | 150,835        | 1,243,358         | 1,487,102          |
|                                  |           | Capacity Release Credits                 | (79,935)      | (79,935)    | 0              | (79,935)          | (79,935)           |
|                                  |           | FAS 106 - OPEB                           | 5,300,000     | 5,300,108   | (108)          | 5,428,450         | 5,335,169          |
|                                  |           | Management Incentive/Variable Pay        | 898,114       | 1,421,993   | (523,879)      | 801,751           | 2,420,109          |

**ATMOS ENERGY CORPORATION**  
**BALANCE SHEET ACCOUNTS**  
As of March 31, 1999

| Line No. | Acct. No. | Description  | Current Month      | Prior Month        | Current Change      | December 31, 1998  | September 30, 1998 |
|----------|-----------|--|--------------------|--------------------|---------------------|--------------------|--------------------|
|          |           | UPFI Exchange  | 0                  | 0                  | 0                   | 0                  | (4,060)            |
|          |           | UPFI Exchange #2   | 0                  | 0                  | 0                   | 0                  | (8,625)            |
|          |           | Texas Gas Storage Dealer Program                         | 7,627,964          | 5,768,048          | 1,859,916           | 1,512,308          | 3,499,566          |
|          |           | UCG Tax Payments   | (2,518)            | (513)              | (2,005)             | (222)              | 0                  |
|          |           | Customer Relations                                       | (172)              | (172)              | 0                   | (169)              | (79,766)           |
|          |           | LGA  | 97,452             | 260,962            | (163,510)           | 545,524            | 652,860            |
|          |           | UCG Environmental  | (7,233)            | (7,283)            | 50                  | 5,032              | 5,032              |
|          |           | UCG Stock Appreciation Rights                            | 1,436,655          | 1,440,297          | (3,642)             | 1,457,400          | 1,457,400          |
|          |           | Income Tax Payable at Future Rates                       | 76,948             | 76,948             | 0                   | 76,948             | 76,948             |
|          |           | Accrued liabilities -exp                                 | 427,904            | 427,904            | 0                   | 427,904            | 427,904            |
|          |           | Accrued Liability Com & Ind Markets                      | 165,627            | 0                  | 0                   | 0                  | 0                  |
|          |           | Total Misc. Current & Accrued Liabilities                | (940)              | (940)              | 0                   | (940)              | 20,000             |
|          |           |  | <u>18,778,801</u>  | <u>16,609,839</u>  | <u>2,168,962</u>    | <u>12,223,040</u>  | <u>15,455,336</u>  |
|          |           | 2620 Self Insurance Reserve                              |                    |                    |                     |                    |                    |
|          |           | General Liability  | 2,550,000          | 2,682,000          | (132,000)           | 2,550,000          | 2,550,000          |
|          |           | Auto Liab (Each \$50M Claim Amortized over 12 months)    | 0                  | 0                  | 0                   | (200,004)          | (300,006)          |
|          |           | Gen. Liab (Each \$50M Claim Amortized over 12/60 mtl:is) | (938,128)          | (869,868)          | (68,260)            | (908,166)          | (1,194,829)        |
|          |           | Workers Compensation                                     | 2,461,210          | 2,056,000          | 405,210             | 1,766,000          | 1,766,000          |
|          |           | Total Self Insurance Reserve                             | <u>4,073,082</u>   | <u>3,868,132</u>   | <u>204,950</u>      | <u>3,207,830</u>   | <u>2,821,165</u>   |
| 14       |           | Total Other Current Liabilities                          | <u>33,719,384</u>  | <u>29,998,427</u>  | <u>3,720,957</u>    | <u>24,966,563</u>  | <u>29,162,281</u>  |
| 15       |           | Intercompany Accounts                                    | <u>0</u>           | <u>0</u>           | <u>0</u>            | <u>0</u>           | <u>0</u>           |
| 16       |           | Total Current Liabilities                                | <u>231,485,438</u> | <u>257,696,607</u> | <u>(26,211,169)</u> | <u>288,414,179</u> | <u>152,021,075</u> |
|          |           | <u>DEFERRED INCOME TAXES</u>                             |                    |                    |                     |                    |                    |
|          |           | 282 Deferred Federal Income Taxes                        | 68,494,397         | 67,849,065         | 645,332             | 66,558,401         | 68,786,634         |
|          |           | 283 Deferred State Income Taxes                          | 10,275,379         | 10,220,711         | 54,668              | 10,111,375         | 5,783,142          |
| 17       |           | Total Deferred Income Taxes                              | <u>78,769,776</u>  | <u>78,069,776</u>  | <u>700,000</u>      | <u>76,669,776</u>  | <u>74,569,776</u>  |
|          |           | <u>DEFERRED CREDITS AND OTHER LIABILITIES</u>            |                    |                    |                     |                    |                    |
|          |           | 2520 Customer Advances for Construction                  | 11,169,101         | 11,225,085         | (55,984)            | 10,928,362         | 10,792,398         |
|          |           | 2530 Other Deferred Credits                              | 0                  | 0                  | 0                   | 0                  | 0                  |
|          |           | Advance from UP Alliance                                 | 170,051            | 170,051            | 0                   | 192,011            | 192,011            |
|          |           | Directors' Fees  | 1,654,752          | 1,455,968          | 198,784             | 1,441,345          | 1,415,690          |
|          |           | Outside Directors' Retirement Plan                       | 20,639,703         | 19,591,489         | 1,048,215           | 18,991,349         | 17,815,411         |
|          |           | FAS 106 - OPEB   |                    |                    |                     |                    |                    |

**ATMOS ENERGY CORPORATION**  
**BALANCE SHEET ACCOUNTS**  
As of March 31, 1999

| Line No. | Acct. No. | Description                                       | Current Month        | Prior Month          | Current Change      | December 31, 1998    | September 30, 1998   |
|----------|-----------|---|----------------------|----------------------|---------------------|----------------------|----------------------|
|          |           | FAS 109 - Regulatory Liability / Protected        | 2,243,518            | 2,243,518            | 0                   | 2,243,518            | 2,188,407            |
|          |           | KN Master Mtr Transfer                            | 0                    | 0                    | 0                   | 0                    | 0                    |
|          |           | Pipeline Refunds UCG                              | 1,198,988            | 1,198,988            | 0                   | 1,198,988            | 877,816              |
|          |           | Protected Excess Deferred Tax - GGC               | 193,151              | 193,151              | 0                   | 193,151              | 193,151              |
|          |           | Regulatory Liability - ITC - GGC                  | 332,328              | 332,328              | 0                   | 332,328              | 332,328              |
|          |           | Rent Amortization - Lafayette Office              | 141,017              | 177,827              | (36,810)            | 115,475              | 92,750               |
|          |           | Retirement Cost                                   | 25,305,225           | 25,500,557           | (195,331)           | 24,849,627           | 23,819,672           |
|          |           | Greenville Office Sublease                        | 2,400                | 2,400                | 0                   | 2,400                | 2,400                |
|          |           | UCG-Deferred Tax Recovery                         | 1,196,679            | 1,229,855            | (33,176)            | 1,228,797            | 1,287,746            |
|          |           | Unclaimed Property UCG                            | 1,000                | 0                    | 0                   | 0                    | 0                    |
|          |           | <b>Total Other Deferred Credits</b>               | <b>53,078,813</b>    | <b>52,096,132</b>    | <b>982,681</b>      | <b>50,688,990</b>    | <b>48,217,382</b>    |
|          |           | 2550 Deferred Credits - Accrued I.T.C             | 3,990,397            | 3,990,397            | 0                   | 3,990,397            | 3,990,397            |
| 18       |           | <b>Total Deferred Credits and Other Liab.</b>     | <b>68,392,384</b>    | <b>67,311,613</b>    | <b>1,080,771</b>    | <b>65,607,749</b>    | <b>63,000,177</b>    |
| 19       |           | <b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b> | <b>1,132,592,599</b> | <b>1,146,974,949</b> | <b>(14,382,350)</b> | <b>1,165,129,868</b> | <b>1,059,012,628</b> |

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATED OPERATING REVENUE AND STATISTICS  
FOR THE MONTH AND YEAR TO DATE ENDED 03/31/09

| Line No. | Description (a)                           | Current Month    |            |                       | Year to Date      |            |                       |
|----------|---|------------------|------------|-----------------------|-------------------|------------|-----------------------|
|          |   | Actual (b)       | Budget (c) | Prior Year Actual (d) | Actual (e)        | Budget (f) | Prior Year Actual (g) |
|          | Utility Gas Sales Revenue - Regulated     |                  |            |                       |                   |            |                       |
| 1        | Residential                               | 44,274,190.22    | N/A        | 54,344,674.58         | 242,221,144.49    | N/A        | 311,932,034.15        |
| 2        | Commercial                                | 17,481,311.77    |            | 22,370,855.92         | 97,114,887.59     |            | 136,857,375.94        |
| 3        | Industrial                                | 8,132,485.18     |            | 7,301,015.78          | 42,031,799.15     |            | 58,076,788.44         |
| 4        | Public Authority & Other                  | 2,746,963.71     |            | 2,547,547.39          | 15,758,402.86     |            | 16,391,347.19         |
| 5        | Agricultural                              | 88,652.25        |            | 22,551.12             | 446,504.83        |            | 382,583.83            |
| 6        | Unbilled                                  | (2,687,000.00)   |            | (11,669,083.00)       | 22,652,000.00     |            | (2,875,450.00)        |
| 7        | Total Regulated Gas Sales Revenue         | 70,036,603.13    | N/A        | 74,917,561.79         | 420,224,738.92    | N/A        | 520,764,679.55        |
|          | Utility Gas Sales Revenue - Non Regulated |                  |            |                       |                   |            |                       |
| 8        | Industrial                                | 1,377,560.09     | N/A        | 1,398,249.31          | 8,762,582.56      | N/A        | 10,068,670.52         |
| 9        | Agricultural                              | 3,645,316.09     |            | 2,765,025.80          | 5,218,883.28      |            | 5,661,204.96          |
| 10       | Total Non Regulated Gas Sales Revenue     | 5,022,876.18     | N/A        | 4,163,275.11          | 13,981,465.84     | N/A        | 15,729,875.48         |
| 11       | Total Utility Gas Sales Revenue           | 75,059,479.31    | 0.00       | 79,080,836.90         | 434,206,204.76    | 0.00       | 536,494,555.03        |
| 12       | Other Gas Revenue                         | 901,809.41       | 0.00       | 969,534.08            | 2,692,852.95      | 0.00       | 5,455,594.63          |
| 13       | Total Utility Gas Revenue                 | 75,961,288.72    | 0.00       | 80,050,370.98         | 436,899,057.71    | 0.00       | 541,950,149.66        |
| 14       | Transportation Revenue (2)                | 2,200,390.84     | 0.00       | 2,097,558.91          | 12,449,882.98     | 0.00       | 13,255,331.73         |
| 15       | Other Operating Revenue                   | 0.00             | 0.00       | 0.00                  | 10,165.14         | 0.00       | 0.00                  |
| 16       | Total Utility Operating Revenue (2)       | \$ 78,161,679.56 | \$ -       | \$ 82,147,929.89      | \$ 449,359,105.83 | \$ -       | \$ 555,205,481.39     |
|          | Utility Purchased Gas Cost                |                  |            |                       |                   |            |                       |
| 17       | Regulated                                 | \$ 39,931,802.93 | N/A        | \$ 43,918,374.04      | \$ 246,246,715.88 | N/A        | \$ 331,738,809.96     |
| 18       | Non Regulated                             | 3,999,675.87     | N/A        | 3,518,335.00          | 12,723,112.67     | N/A        | 13,675,035.85         |
| 19       | Eliminations                              | (551,845.71)     | N/A        | (190,340.13)          | (1,248,190.03)    | N/A        | (1,124,457.98)        |
| 20       | Total Purchased Gas Cost                  | \$ 43,379,633.09 | \$ -       | \$ 47,246,368.91      | \$ 257,721,638.52 | \$ -       | \$ 344,289,387.83     |
| 21       | Gas Sales Margin - Regulated (3)          | \$ 30,104,800.20 | N/A        | \$ 30,999,187.75      | \$ 173,978,023.04 | N/A        | \$ 189,025,869.59     |
| 22       | Gas Sales Margin - Non Regulated (4)      | 1,575,046.02     | N/A        | 835,280.24            | 2,506,543.20      | N/A        | 3,179,297.61          |
| 23       | Gas Sales Margin - Total (5)              | 31,679,846.22    | 0.00       | 31,834,467.99         | 176,484,566.24    | 0.00       | 192,205,167.20        |
| 24       | Margin per MCF Sold - Regulated (6)       | \$ 1.83          | N/A        | \$ 1.80               | \$ 1.88           | N/A        | \$ 1.80               |
| 25       | Margin per MCF Sold - Non Regulated (6)   | 0.92             | N/A        | 0.59                  | 0.55              | N/A        | 0.66                  |
| 26       | Margin per MCF Sold - Total (6)           | 1.74             | N/A        | 1.71                  | 1.82              | N/A        | 1.75                  |

N/A = Not Available

- (1) The current month reflects the actual for the respective period as per the Meter Inventory Mgmt System, year to date reflects the average for the respective period.
- (2) Reflects intercompany eliminations.
- (3) Regulated gas sales revenue minus regulated gas costs.
- (4) Non regulated gas sales revenue minus non regulated gas costs.
- (5) Total gas sales revenue minus total gas costs.
- (6) Gas sales margin divided by gas sales volumes as metered.

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 03/31/99

| Line No.  | Description (a)                        | Current Month |            | Year to Date |            |                       |
|---|--|---------------|------------|--------------|------------|-----------------------|
|   |  | Actual (b)    | Budget (c) | Actual (e)   | Budget (f) | Prior Year Actual (g) |
| 1   | Degree Days                            | 524           | 502        | 3,042        | 3,631      | 3,486                 |
| Meters in service (1)                                     |  |               |            |              |            |                       |
| 2   | Residential                            | 906,945       | N/A        | 900,320      | N/A        | 885,858               |
| 3   | Commercial                             | 95,724        |            | 95,341       |            | 95,452                |
| 4   | Industrial                             | 1,962         |            | 1,933        |            | 1,903                 |
| 5   | Public Authority & Other               | 6,553         |            | 6,554        |            | 4,841                 |
| 6   | Agricultural                           | 14,193        |            | 14,289       |            | 15,117                |
| 7   | Total meters in service                | 1,025,377     | N/A        | 1,018,637    | N/A        | 1,003,171             |
| Utility Sales Customers - Regulated (1)                   |  |               |            |              |            |                       |
| 8   | Residential                            | 892,260       | N/A        | 882,652      | N/A        | 868,228               |
| 9   | Commercial                             | 93,378        |            | 91,882       |            | 92,810                |
| 10  | Industrial                             | 1,216         |            | 1,346        |            | 1,455                 |
| 11  | Public Authority & Other               | 5,224         |            | 5,204        |            | 3,591                 |
| 12  | Agricultural                           | 303           |            | 301          |            | 299                   |
| 13  | Total Regulated Sales Customers        | 992,381       | N/A        | 981,384      | N/A        | 966,383               |
| Utility Sales Customers - Non Regulated (1)               |  |               |            |              |            |                       |
| 14  | Industrial                             | 222           | N/A        | 238          | N/A        | 193                   |
| 15  | Agricultural                           | 6,117         |            | 6,199        |            | 6,433                 |
| 16  | Total Non Regulated Sales Customers    | 6,339         | N/A        | 6,438        | N/A        | 6,626                 |
| 17  | Total Sales Customers (1)              | 998,720       | N/A        | 987,822      | N/A        | 973,009               |
| 18  | Transportation Customers (1) (2)       | 863           | N/A        | 801          | N/A        | 624                   |
| 19  | Total Utility Customers (1) (2)        | 999,583       | N/A        | 988,623      | N/A        | 973,633               |
| Utility Gas Volumes Sold - Regulated (mcf as metered)     |  |               |            |              |            |                       |
| 20  | Residential                            | 9,165,986     | N/A        | 48,937,297   | N/A        | 56,071,898            |
| 21  | Commercial                             | 3,979,267     |            | 21,623,539   |            | 25,905,670            |
| 22  | Industrial                             | 2,601,277     |            | 12,200,371   |            | 13,370,907            |
| 23  | Public Authority & Other               | 755,156       |            | 4,165,912    |            | 3,797,696             |
| 24  | Agricultural                           | 29,198        |            | 142,971      |            | 89,355                |
| 25  | Unbilled                               | (91,404)      |            | 5,429,498    |            | 5,626,118             |
| 26  | Total Regulated Gas Volumes            | 16,433,480    | N/A        | 92,499,608   | N/A        | 104,861,644           |
| Utility Gas Volumes Sold - Non Regulated (mcf as metered) |  |               |            |              |            |                       |
| 27  | Industrial                             | 459,169       | N/A        | 2,911,539    | N/A        | 3,195,314             |
| 28  | Agricultural                           | 1,257,297     |            | 1,676,394    |            | 1,650,527             |
| 29  | Total Non Regulated Gas Volumes        | 1,716,466     | N/A        | 4,587,933    | N/A        | 4,845,841             |
| 30  | Total Gas Volumes Sold                 | 18,153,946    | N/A        | 97,087,541   | N/A        | 109,707,485           |
| 31  | Transport volumes (mcf as metered) (2) | 5,476,403     | N/A        | 29,702,994   | N/A        | 29,089,625            |
| 32  | Total Operating Volumes (2)            | 23,632,349    | N/A        | 126,790,534  | N/A        | 138,797,110           |

N/A = Not Available

WESTERN KENTUCKY GAS UTILITY BUSINESS UNIT  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 03/31/99

| Line No. | Description (a)                           | Current Month    |            |                       | Year to Date     |            |                       |
|----------|---|------------------|------------|-----------------------|------------------|------------|-----------------------|
|          |   | Actual (b)       | Budget (c) | Prior Year Actual (d) | Actual (e)       | Budget (f) | Prior Year Actual (g) |
| 1        | Utility Gas Sales Revenue - Regulated     |                  |            |                       |                  |            |                       |
| 2        | Residential                               | \$ 7,831,563.91  | N/A        | \$ 8,945,677.95       | \$ 38,899,271.38 | N/A        | \$ 55,970,038.14      |
| 3        | Commercial                                | 2,986,540.96     |            | 3,390,005.24          | 15,140,279.99    |            | 22,456,703.69         |
| 4        | Industrial                                | 1,154,126.44     |            | 482,792.15            | 6,104,703.62     |            | 10,469,986.76         |
| 5        | Public Authority & Other                  | 771,490.24       |            | 905,954.48            | 3,853,918.07     |            | 5,847,141.82          |
| 6        | Agricultural                              | 0.00             |            | 0.00                  | 0.00             |            | 0.00                  |
| 7        | Unbilled                                  | (1,298,000.00)   |            | (3,582,000.00)        | 2,083,000.00     |            | (11,413,000.00)       |
|          | Total Regulated Gas Sales Revenue         | 11,445,721.55    | 0.00       | 10,142,429.82         | 66,081,173.06    | 0.00       | 83,330,870.41         |
| 8        | Utility Gas Sales Revenue - Non Regulated |                  |            |                       |                  |            |                       |
| 9        | Industrial                                | 0.00             | 0.00       | 0.00                  | 0.00             | 0.00       | 0.00                  |
| 10       | Agricultural                              | 0.00             | 0.00       | 0.00                  | 0.00             | 0.00       | 0.00                  |
|          | Total Non Regulated Gas Sales Revenue     | 0.00             | 0.00       | 0.00                  | 0.00             | 0.00       | 0.00                  |
| 11       | Total Utility Gas Sales Revenue           | 11,445,721.55    | 0.00       | 10,142,429.82         | 66,081,173.06    | 0.00       | 83,330,870.41         |
| 12       | Other Gas Revenue                         | 74,547.97        | 0.00       | 62,320.98             | 448,781.90       | 0.00       | 721,090.70            |
| 13       | Total Utility Gas Revenue                 | 11,520,269.52    | 0.00       | 10,204,750.80         | 66,529,954.96    | 0.00       | 84,051,961.11         |
| 14       | Transportation Revenue (2)                | 843,038.86       | 0.00       | 865,292.85            | 4,639,662.62     | 0.00       | 4,683,626.80          |
| 15       | Other Operating Revenue                   | 0.00             | 0.00       | 0.00                  | 0.00             | 0.00       | 0.00                  |
| 16       | Total Utility Operating Revenue (2)       | \$ 12,363,308.38 | \$ -       | \$ 11,070,043.65      | \$ 71,169,617.58 | \$ -       | \$ 88,735,587.91      |
| 17       | Utility Purchased Gas Cost                |                  |            |                       |                  |            |                       |
| 18       | Regulated                                 | \$ 7,770,637.96  | \$ -       | \$ 5,992,659.28       | \$ 44,455,832.52 | \$ -       | \$ 58,845,736.96      |
| 19       | Non Regulated                             | 0.00             | 0.00       | 0.00                  | 0.00             | 0.00       | 0.00                  |
| 20       | Eliminations                              | 0.00             | 0.00       | 0.00                  | 0.00             | 0.00       | 0.00                  |
|          | Total Purchased Gas Cost                  | \$ 7,770,637.96  | \$ -       | \$ 5,992,659.28       | \$ 44,455,832.52 | \$ -       | \$ 58,845,736.96      |
| 21       | Gas Sales Margin - Regulated (3)          | \$ 3,675,063.59  | \$ -       | \$ 4,149,770.54       | \$ 21,625,340.54 | \$ -       | \$ 24,485,133.45      |
| 22       | Gas Sales Margin - Non Regulated (4)      | 3,675,063.59     | 0.00       | 4,149,770.54          | 21,625,340.54    | 0.00       | 24,485,133.45         |
| 23       | Gas Sales Margin - Total (5)              | \$ 7,350,127.18  | \$ -       | \$ 8,299,541.08       | \$ 43,250,681.08 | \$ -       | \$ 48,970,266.90      |
| 24       | Margin per MCF Sold - Regulated (6)       | \$ 1.12          | N/A        | \$ 1.54               | \$ 1.34          | N/A        | \$ 1.35               |
| 25       | Margin per MCF Sold - Non Regulated (6)   | 1.12             | N/A        | 1.54                  | 1.34             | N/A        | 1.35                  |
| 26       | Margin per MCF Sold - Total (6)           | 1.12             | N/A        | 1.54                  | 1.34             | N/A        | 1.35                  |

N/A = Not Available

- (1) The current month reflects the actual for the respective period as per the Meter Inventory Mgmt System, year to date reflects the average for the respective period.
- (2) Reflects intercompany eliminations.
- (3) Regulated gas sales revenue minus regulated gas costs.
- (4) Non regulated gas sales revenue minus non regulated gas costs.
- (5) Total gas sales revenue minus total gas costs.
- (6) Gas sales margin divided by gas sales volumes as metered.

WESTERN KENTUCKY GAS UTILITY BUSINESS UNIT  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 03/31/99

| Line No. | Description (a)   | Current Month |            | Year to Date |            |
|----------|---|---------------|------------|--------------|------------|
|          |   | Actual (b)    | Budget (c) | Actual (e)   | Budget (f) |
| 1        | Degree Days   | 634           | 556        | 3,281        | 3,968      |
|          | Meters in service (4)                                     |               |            |              | 3,509      |
| 2        | Residential   | 158,337       | N/A        | 157,724      | N/A        |
| 3        | Commercial  | 18,369        |            | 18,285       |            |
| 4        | Industrial  | 437           |            | 442          |            |
| 5        | Public Authority & Other                                  | 1,572         |            | 1,576        |            |
| 6        | Agricultural  | 0             |            | 0            |            |
| 7        | Total meters in service                                   | 178,715       | N/A        | 178,027      | N/A        |
|          | Utility Sales Customers - Regulated (1)                   |               |            |              |            |
| 8        | Residential   | 155,594       | N/A        | 153,872      | N/A        |
| 9        | Commercial  | 17,962        |            | 17,661       |            |
| 10       | Industrial  | 91            |            | 286          |            |
| 11       | Public Authority & Other                                  | 1,571         |            | 1,566        |            |
| 12       | Agricultural  | 0             |            | 0            |            |
| 13       | Total Regulated Sales Customers                           | 175,218       | N/A        | 173,384      | N/A        |
|          | Utility Sales Customers - Non Regulated (1)               |               |            |              |            |
| 14       | Industrial  | 0             | 0          | 0            | 0          |
| 15       | Agricultural  | 0             | 0          | 0            | 0          |
| 16       | Total Non Regulated Sales Customers                       | 0             | 0          | 0            | 0          |
| 17       | Total Sales Customers (1)                                 | 175,218       | N/A        | 173,384      | N/A        |
| 18       | Transportation Customers (1) (2)                          | 108           | N/A        | 110          | N/A        |
| 19       | Total Utility Customers (1) (2)                           | 175,326       | N/A        | 173,494      | N/A        |
|          | Utility Gas Volumes Sold - Regulated (mcf as metered)     |               |            |              |            |
| 20       | Residential   | 1,974,343     | N/A        | 8,854,741    | N/A        |
| 21       | Commercial  | 792,996       |            | 3,652,299    |            |
| 22       | Industrial  | 380,097       |            | 1,933,355    |            |
| 23       | Public Authority & Other                                  | 221,692       |            | 1,007,065    |            |
| 24       | Agricultural  | 0             |            | 0            |            |
| 25       | Unbilled  | (99,641)      |            | 653,009      |            |
| 26       | Total Regulated Gas Volumes                               | 3,269,487     | N/A        | 16,100,468   | N/A        |
|          | Utility Gas Volumes Sold - Non Regulated (mcf as metered) |               |            |              |            |
| 27       | Industrial  | 0             | 0          | 0            | 0          |
| 28       | Agricultural  | 0             | 0          | 0            | 0          |
| 29       | Total Non Regulated Gas Volumes                           | 0             | 0          | 0            | 0          |
| 30       | Total Gas Volumes Sold                                    | 3,269,487     | N/A        | 16,100,468   | N/A        |
| 31       | Transport volumes (mcf as metered) (2)                    | 2,484,002     | N/A        | 13,892,396   | N/A        |
| 32       | Total Operating Volumes (2)                               | 5,753,489     | N/A        | 29,992,864   | N/A        |

N/A = Not Available



**ATMOS ENERGY CORPORATION**  
**OPERATION EXPENSES**  
**FOR THE MONTH AND YEAR ENDED 03/31/99**

| Line No.                                | Description (a)                           | Current Month |              | Year to Date           |            | Line No.   |              |                        |
|---|---|---------------|--------------|------------------------|------------|------------|--------------|------------------------|
|   |   | Actual (b)    | Budget * (c) | Over(Under) Budget (d) | Actual (e) |            | Budget * (f) | Over(Under) Budget (g) |
| 1                                       | Total Operation Expense                   | 13,669,986    | 11,567,000   |                        | 68,855,823 | 66,123,000 |              | 1                      |
| 2                                       | Less Litigation Settlement (TransLA)      | 3,250,000     | 0            |                        | 3,250,000  | 0          |              | 2                      |
| 3                                       | Normal Operation Expense                  | 10,419,986    | 11,567,000   | (1,147,014)            | 65,605,823 | 66,123,000 | (517,177)    | 3                      |
| <b>Manufactured Gas Production Exp.</b> |   |               |              |                        |            |            |              |                        |
| 4                                       | 717 Liquefied Petroleum Gas Expenses      | 0             |              |                        | 0          |            |              | 4                      |
| 5                                       | 723 Fuel for L-P Gas Process              | 0             |              |                        | 175        |            |              | 5                      |
| 6                                       | 728 L-P Gas - Raw Materials               | 0             |              |                        | 0          |            |              | 6                      |
| 7                                       | 733 Gas Mixing Expense                    | 0             |              |                        | 342        |            |              | 7                      |
| 8                                       | 735 Misc. Production Expenses             | 126           |              |                        | 915        |            |              | 8                      |
| 9                                       | 736 Rents                                 | 0             |              |                        | 0          |            |              | 9                      |
| 10                                      | Total Manufactured Gas Prod. Expense      | 126           |              |                        | 1,432      |            |              | 10                     |
| <b>Natural Gas Production Expenses</b>  |   |               |              |                        |            |            |              |                        |
| 11                                      | 750 Operation Supervision and Engineering | 0             |              |                        | 450        |            |              | 11                     |
| 12                                      | 751 Production Maps & Records             | 0             |              |                        | 0          |            |              | 12                     |
| 13                                      | 752 Gas Wells Expenses                    | 0             |              |                        | 0          |            |              | 13                     |
| 14                                      | 753 Field Lines Expenses                  | 712           |              |                        | 3,989      |            |              | 14                     |
| 15                                      | 754 Field Compressor Station Expenses     | 2,737         |              |                        | 28,131     |            |              | 15                     |
| 16                                      | 755 Field Compressor Station Fuel Exp.    | 5,691         |              |                        | 27,308     |            |              | 16                     |
| 17                                      | 756 Field Meas. & Reg. Station Expenses   | 6,526         |              |                        | 41,438     |            |              | 17                     |
| 18                                      | 757 Purification Expenses                 | 1,183         |              |                        | 4,806      |            |              | 18                     |
| 19                                      | 758 Gas Well Royalties                    | 0             |              |                        | 0          |            |              | 19                     |
| 20                                      | 759 Operating Expenses - Other            | 0             |              |                        | 0          |            |              | 20                     |
| 21                                      | 760 Rents                                 | 0             |              |                        | 0          |            |              | 21                     |
| 22                                      | 798 Other Exploration Exp.                | 0             |              |                        | 0          |            |              | 22                     |
| 23                                      | Total Natural Gas Prod. Expenses          | 16,849        |              |                        | 106,122    |            |              | 23                     |
| <b>Production Extraction</b>            |   |               |              |                        |            |            |              |                        |
| 24                                      | 770 Operation Supervision and Engineering | 0             |              |                        | 0          |            |              | 24                     |
| 25                                      | 771 Operation Labor                       | 372           |              |                        | 3,420      |            |              | 25                     |

**ATMOS ENERGY CORPORATION**  
**OPERATION EXPENSES**  
**FOR THE MONTH AND YEAR ENDED 03/31/99**

| Line No.                                      | Description (a)                           | Current Month |              |                        | Year to Date |              |                        | Line No. |
|---|---|---------------|--------------|------------------------|--------------|--------------|------------------------|----------|
|   |   | Actual (b)    | Budget * (c) | Over(Under) Budget (d) | Actual (e)   | Budget * (f) | Over(Under) Budget (g) |          |
| 26  | Gas Shrinkage                             | 2,604         |              |                        | 53,252       |              | 26                     |          |
| 27  | Fuel                                      | 317           |              |                        | 3,606        |              | 27                     |          |
| 28  | Power                                     | 1,392         |              |                        | 6,088        |              | 28                     |          |
| 29  | Gas Production By Others                  | 0             |              |                        | 0            |              | 29                     |          |
| 30  | Variation In Product Inv.                 | 0             |              |                        | 0            |              | 30                     |          |
| <b>Other Gas Supply Expenses</b>              |   |               |              |                        |              |              |                        |          |
| 1   | 7990 1 Transf. to Purch. Gas Accts. - Cr. | 0             |              |                        | (47)         |              | 1                      |          |
| 2   | 807 Purchased Gas Expenses                | 8,775         |              |                        | 50,383       |              | 2                      |          |
| 3   | 808 Gas Withdrawn from Storage - Dr.      | 0             |              |                        | 0            |              | 3                      |          |
| 4   | 809 Gas Delivered to Storage - Cr.        | 0             |              |                        | 0            |              | 4                      |          |
| 5   | 812 Gas Used for Other Util. Oper. - Cr.  | 0             |              |                        | 0            |              | 5                      |          |
| 6   | Total Other Gas Supply Expenses           | 8,775         |              |                        | 50,336       |              | 6                      |          |
| <b>Underground Storage Operation Expenses</b> |   |               |              |                        |              |              |                        |          |
| 7   | 814 Oper. Supervision-Engineering         | (9,341)       |              |                        | (9,183)      |              | 7                      |          |
| 8   | 816 Wells Expense                         | 2,707         |              |                        | 27,331       |              | 8                      |          |
| 9   | 817 Lines Expense                         | 1,957         |              |                        | 26,069       |              | 9                      |          |
| 10  | 818 Comp. Station Expenses                | (15,114)      |              |                        | 16,243       |              | 10                     |          |
| 11  | 819 Comp. Station Fuel & Power            | 602           |              |                        | 10,607       |              | 11                     |          |
| 12  | 820 Meas. Reg. Station Expenses           | 1,709         |              |                        | 13,859       |              | 12                     |          |
| 13  | 821 Purification Expenses                 | 4,016         |              |                        | 17,329       |              | 13                     |          |
| 14  | 823 Loss                                  | 0             |              |                        | 0            |              | 14                     |          |
| 15  | 824 Other Expenses                        | 764           |              |                        | 2,597        |              | 15                     |          |
| 16  | 825 Storage Well Royalties                | 187           |              |                        | 14,479       |              | 16                     |          |
| 17  | 826 Rents                                 | 0             |              |                        | 0            |              | 17                     |          |
| 18  | Total Underground Storage Operation Exp.  | (12,512)      |              |                        | 119,333      |              | 18                     |          |
| <b>Storage Operation Expenses</b>             |   |               |              |                        |              |              |                        |          |
| 19  | 840 Oper. Supervision-Engineering         | 0             |              |                        | 17,177       |              | 19                     |          |
| 20  | 841 Labor and Expenses                    | 5,059         |              |                        | 2,535        |              | 20                     |          |
| 21  | 842 Rents                                 | 0             |              |                        | 411          |              | 21                     |          |
| 22  | 843 Maint. Supervision-Engineering        | 0             |              |                        | 0            |              | 22                     |          |
| 23  | Total Storage Operation Exp.              | 5,059         |              |                        | 20,122       |              | 23                     |          |

\* Budget information not available by account.

**ATMOS ENERGY CORPORATION**  
**OPERATION EXPENSES**  
**FOR THE MONTH AND YEAR ENDED 03/31/99**

| Line No.                               | Description (a)                               | Current Month |              |                        | Year to Date |              |                        | Line No. |
|--|---|---------------|--------------|------------------------|--------------|--------------|------------------------|----------|
|  |   | Actual (b)    | Budget * (c) | Over(Under) Budget (d) | Actual (e)   | Budget * (f) | Over(Under) Budget (g) |          |
| <b>Transmission Operation Expenses</b> |   |               |              |                        |              |              |                        |          |
| 24                                     | 850 Oper. Supervision-Engineering             | 4,658         |              |                        | 25,806       |              |                        | 24       |
| 25                                     | 851 System Control-Load Dispatch              | 0             |              |                        | 0            |              |                        | 25       |
| 26                                     | 852 Communications System Expenses            | 0             |              |                        | 0            |              |                        | 26       |
| 27                                     | 853 Comp. Station Labor and Exp.              | 2,189         |              |                        | 22,674       |              |                        | 27       |
| 28                                     | 854 Gas for Comp. Station Fuel                | 20,932        |              |                        | 92,741       |              |                        | 28       |
| 29                                     | 855 Other Fuel and Pow. for Comp. Station     | 0             |              |                        | 0            |              |                        | 29       |
| 30                                     | 856 Mains Expense                             | 13,846        |              |                        | 148,681      |              |                        | 30       |
| 31                                     | 857 Measuring and Reg. Sta. Exp.              | 15,650        |              |                        | 80,234       |              |                        | 31       |
| 32                                     | 858 Trans. and Comp. of Gas by Oth.           | 0             |              |                        | 0            |              |                        | 32       |
| 33                                     | 859 Other Expenses                            | 0             |              |                        | 1,302        |              |                        | 33       |
| 34                                     | 8600 0 Rents                                  | 0             |              |                        | 730          |              |                        | 34       |
| 35                                     | 8600 8 Building Service                       | 0             |              |                        | 0            |              |                        | 35       |
| 36                                     | Total Transmission Operation Expenses         | 57,274        |              |                        | 372,167      |              |                        | 36       |
| <b>Distribution Operation Expenses</b> |   |               |              |                        |              |              |                        |          |
| 37                                     | 870 Supervision & Engineering                 | 1,937,464     |              |                        | 9,557,504    |              |                        | 37       |
| 38                                     | 8710 0 Distribution Load Dispatching          | 29,796        |              |                        | 181,628      |              |                        | 38       |
| 39                                     | 8710 3 Odorization Expense                    | 40,962        |              |                        | 218,070      |              |                        | 39       |
| 40                                     | 872 Comp. Station Labor & Expenses            | 0             |              |                        | 431          |              |                        | 40       |
| 41                                     | 873 Comp. Station Fuel and Power              | 0             |              |                        | 0            |              |                        | 41       |
| 42                                     | 874 Mains & Services Expenses                 | 942,310       |              |                        | 5,106,760    |              |                        | 42       |
| 43                                     | 875 Meas. & Reg. Sta. Exp. Gen.               | 101,771       |              |                        | 598,482      |              |                        | 43       |
| 44                                     | 876 Meas. & Reg. Sta. Exp. Ind.               | 32,565        |              |                        | 196,826      |              |                        | 44       |
| 45                                     | 877 Meas. & Reg. Sta. Exp. City Gate          | 29,626        |              |                        | 171,225      |              |                        | 45       |
| 46                                     | 878 Meter & House Regulator Exp.              | 742,788       |              |                        | 4,622,949    |              |                        | 46       |
| 47                                     | 8790 0 Customer Installation Expenses         | 398,975       |              |                        | 2,268,878    |              |                        | 47       |
| 48                                     | 8790 1 Customer Installation Exp. - Flex Conn | 50            |              |                        | 329          |              |                        | 48       |
| 49                                     | 8790 8 Irrigation Operating Fee Lines         | 50            |              |                        | 1,055        |              |                        | 49       |
| 50                                     | 8790 9 Customer Service - Gas Lights & Grills | (5,123)       |              |                        | 171,213      |              |                        | 50       |
| 51                                     | 8800 0 Other Expenses                         | 106,309       |              |                        | 716,139      |              |                        | 51       |
| 52                                     | 8800 1 Distribution Maps & Records            | 11,671        |              |                        | 77,470       |              |                        | 52       |
| 53                                     | 8810 0 Rents                                  | 477,975       |              |                        | 2,817,343    |              |                        | 53       |
| 54                                     | 8810 8 Building Service                       | 45,916        |              |                        | 427,454      |              |                        | 54       |
| 55                                     | Total Distribution Operation Expenses         | 4,893,104     |              |                        | 27,133,754   |              |                        | 55       |

**ATMOS ENERGY CORPORATION  
OPERATION EXPENSES  
FOR THE MONTH AND YEAR ENDED 03/31/99**

| Line No.  | Description (a)  | Current Month |              | Year to Date           |             | Line No. |              |
|---|--|---------------|--------------|------------------------|-------------|----------|--------------|
|   |  | Actual (b)    | Budget * (c) | Over(Under) Budget (d) | Actual (e)  |          | Budget * (f) |
| <b>Customer Accounts Expenses</b>                     |  |               |              |                        |             |          |              |
| 56  | 901 Supervision  | 29,021        |              |                        | 169,650     |          | 56           |
| 57  | 902 Meter Reading Expenses                                   | 520,373       |              |                        | 3,093,489   |          | 57           |
| 58  | 903 Cust. Records & Coll. Expenses                           | 527,083       |              |                        | 3,946,198   |          | 58           |
| 59  | 904 Uncollectible Accounts                                   | 454,670       |              |                        | 2,333,330   |          | 59           |
| 60  | 905 Miscellaneous Expenses                                   | 5,399         |              |                        | 41,000      |          | 60           |
| 61  | Total Customer Accounts Expenses                             | 1,536,545     |              |                        | 9,583,666   |          | 61           |
| <b>Customer Service and Information Expenses</b>      |  |               |              |                        |             |          |              |
| 1   | 909 Supervision  | 109,561       |              |                        | 681,785     |          | 1            |
| 2   | 910 Customer Assistance Expenses                             | 101,731       |              |                        | 762,519     |          | 2            |
| 3   | 911 Inform. Instruct. & Ad Expenses                          | 77,313        |              |                        | 405,401     |          | 3            |
| 4   | 912 Misc. Customer Serv. & Info. Exp.                        | 0             |              |                        | 222         |          | 4            |
| 5   | Total Customer Service & Info. Exp. Sales Promotion Expenses | 288,605       |              |                        | 1,849,927   |          | 5            |
| 6   | 915 Supervision  | 31,366        |              |                        | 209,029     |          | 6            |
| 7   | 916 Demonstrating & Selling Expenses                         | 84,812        |              |                        | 476,682     |          | 7            |
| 8   | 917 Advertising Expenses                                     | 2,891         |              |                        | 11,476      |          | 8            |
| 9   | 918 Miscellaneous Sales Expenses                             | 0             |              |                        | 1,902       |          | 9            |
| 10  | Total Sales Promotion Expenses                               | 119,068       |              |                        | 699,089     |          | 10           |
| <b>Administrative &amp; General Operation Expense</b> |  |               |              |                        |             |          |              |
| 11  | 920 Salaries   | 1,037,873     |              |                        | 5,832,628   |          | 11           |
| 12  | 921 Office Supplies and Expenses                             | 1,531,136     |              |                        | 7,682,025   |          | 12           |
| 13  | 922 Admin. Exp. Transf.-Cr.                                  | (924,486)     |              |                        | (5,699,020) |          | 13           |
| 14  | 923 Outside Services Employed                                | 691,617       |              |                        | 4,630,733   |          | 14           |
| 15  | 924 Property Insurance                                       | 17,665        |              |                        | 103,907     |          | 15           |
| 16  | 9250 0 Injuries and Damages                                  | 3,377,520     |              |                        | 5,009,072   |          | 16           |
| 17  | 9250 9 Workmen's Comp. Ins.-Cr.                              | (16,874)      |              |                        | (99,888)    |          | 17           |

ATMOS ENERGY CORPORATION  
OPERATION EXPENSES  
FOR THE MONTH AND YEAR ENDED 03/31/99

| Line No. | Description (a)                           | Current Month |             |                        | Year to Date |             |                        | Line No. |
|----------|---|---------------|-------------|------------------------|--------------|-------------|------------------------|----------|
|          |   | Actual (b)    | Budget* (c) | Over(Under) Budget (d) | Actual (e)   | Budget* (f) | Over(Under) Budget (g) |          |
| 18       | 9260 0 Employee Welfare Expenses - Debits |               |             |                        |              |             |                        | 18       |
| 19       | 9260 1 Pensions                           | 654,744       |             |                        | 13,774,181   |             |                        | 19       |
| 20       | 9260 7 Emp. Welfare Exp. - Cr.            | (205,771)     |             |                        | (4,934,869)  |             |                        | 20       |
| 21       | 9260 9 Pensions - Cr.                     | (494,681)     |             |                        | (2,870,076)  |             |                        | 21       |
| 22       | 927 Franchise Requirements                | 286,224       |             |                        | 1,626,535    |             |                        | 22       |
| 23       | 928 Regulatory Commission Exp.            | 24,160        |             |                        | 56,215       |             |                        | 23       |
| 24       | 929 Duplicate Charges-Cr.                 | 19,278        |             |                        | 151,509      |             |                        | 24       |
| 25       | 9301 General Advertising Expenses         | (9,326)       |             |                        | (55,869)     |             |                        | 25       |
| 26       | 9301 Inst Goodwill Advertising Expenses   | 0             |             |                        | 0            |             |                        | 26       |
| 27       | 9302 Miscellaneous General Expenses       | 398,441       |             |                        | 1,387,038    |             |                        | 27       |
| 28       | 9310 0 Rents                              | 364,887       |             |                        | 2,256,024    |             |                        | 28       |
| 29       | 9310 8 Building Service                   | 0             |             |                        | 0            |             |                        | 29       |
| 30       | Total Admin. & Gen. Operation Expenses    | 6,752,406     |             |                        | 28,853,511   |             |                        | 30       |
| 31       | Total Operation Expense                   | 13,669,986    |             |                        | 68,855,823   |             |                        | 31       |

ATMOS ENERGY CORPORATION  
 MAINTENANCE EXPENSES  
 FOR THE MONTH AND YEAR ENDED 03/31/99

| Line No.                                  | Description (a)                              | Current Month |              | Year to Date           |            | Line No.  |              |
|---|--|---------------|--------------|------------------------|------------|-----------|--------------|
|   |  | Actual (b)    | Budget * (c) | Over(Under) Budget (d) | Actual (e) |           | Budget * (f) |
| 1   | Total Maintenance Expense                    | (781,507)     | 778,000      |                        | 3,591,858  | 4,696,000 | 1            |
| 2   | Less Capitalization Policy Adjustment (UCGC) | 1,624,500     | 0            |                        | 1,624,500  | 0         | 2            |
| 3   | Normal Maintenance Expense                   | 842,993       | 778,000      | 64,993                 | 5,216,357  | 4,696,000 | 3            |
| <b>Manufactured Gas Prod. Maint. Exp.</b> |  |               |              |                        |            |           |              |
| 4   | Maint. Supervision and Engineering           | 0             |              |                        | 0          |           | 4            |
| 5   | Structures and Improvements                  | 0             |              |                        | 0          |           | 5            |
| 6   | Production Equipment                         | 5,475         |              |                        | 26,080     |           | 6            |
| 7   | Total Manufactured Gas Prod. Maint. Exp.     | 5,475         |              |                        | 26,080     |           | 7            |
| <b>Natural Gas Production Maint. Exp.</b> |  |               |              |                        |            |           |              |
| 8   | Maint. Supervision and Engineering           | 22            |              |                        | 59         |           | 8            |
| 9   | Structures and Improvements                  | 0             |              |                        | 0          |           | 9            |
| 10  | Maint. of Producing Gas Wells                | 0             |              |                        | 0          |           | 10           |
| 11  | Field Lines                                  | 677           |              |                        | 4,505      |           | 11           |
| 12  | Field Compressor Station Equipment           | 24            |              |                        | 2,080      |           | 12           |
| 13  | Field Meas. and Reg. Station Equip.          | 0             |              |                        | 257        |           | 13           |
| 14  | Purification Equip.                          | 324           |              |                        | 2,034      |           | 14           |
| 15  | Other Equip.                                 | 0             |              |                        | 0          |           | 15           |
| 16  | 7990 2 Transf. to Purch. Gas Accts. - Cr.    | 0             |              |                        | 0          |           | 16           |
| 17  | Total Natural Gas Prod. Maint. Exp.          | 1,047         |              |                        | 8,935      |           | 17           |
| <b>Production Extraction</b>              |  |               |              |                        |            |           |              |
| 18  | Maint. Supervision-Engineering               | 0             |              |                        | 0          |           | 18           |
| 19  | Extraction & Refining Equip.                 | 496           |              |                        | 3,442      |           | 19           |
| 20  | Maint. Of Pipe Lines                         | 0             |              |                        | 0          |           | 20           |
| 21  | Total Production Extraction                  | 496           |              |                        | 3,442      |           | 21           |

\* Budget information not available by account.

**ATMOS ENERGY CORPORATION**  
**MAINTENANCE EXPENSES**  
**FOR THE MONTH AND YEAR ENDED 03/31/99**

| Line No.  | Description   | Current Month |         | Year to Date       |               | Line No.  |
|---|---|---------------|---------|--------------------|---------------|-----------|
|   |   | Actual        | Budget* | Over(Under) Budget | Budget*       |           |
| <b>Underground Storage Maintenance Expenses</b> |   |               |         |                    |               |           |
| 1   | 830 Supervision-Engineering                           | 0             |         |                    | 0             | 1         |
| 2   | 831 Structures & Improvements                         | 2,576         |         |                    | 3,291         | 2         |
| 3   | 832 Reservoirs & Wells                                | 557           |         |                    | 734           | 3         |
| 4   | 833 Line Maintenance                                  | 51            |         |                    | 0             | 4         |
| 5   | 834 Compressor Station Equipment                      | 2,081         |         |                    | 2,899         | 5         |
| 6   | 835 Meas. & Reg. Station Equipment                    | 3,454         |         |                    | 9,680         | 6         |
| 7   | 836 Purification Equipment                            | 1,232         |         |                    | 3,223         | 7         |
| 8   | 837 Other Equipment                                   | 0             |         |                    | 0             | 8         |
| 9   | <b>Total Underground Storage Maintenance Expenses</b> | <b>9,951</b>  |         |                    | <b>19,826</b> | <b>9</b>  |
| <b>Storage Maintenance Expenses</b>             |   |               |         |                    |               |           |
| 10  | 844 Structures & Improvements                         | 0             |         |                    | 21            | 10        |
| 11  | 845 Gas Holders                                       | 0             |         |                    | 610           | 11        |
| 12  | 847 Liquefaction Equipment                            | 554           |         |                    | 5,402         | 12        |
| 13  | 848 Other Equipment                                   | 0             |         |                    | 320           | 13        |
| 14  | <b>Total Storage Maintenance Expenses</b>             | <b>554</b>    |         |                    | <b>6,354</b>  | <b>14</b> |
| <b>Transmission Maintenance Expenses</b>        |   |               |         |                    |               |           |
| 15  | 859 Other Expenses                                    | 0             |         |                    | 0             | 15        |
| 16  | 861 Supervision-Engineering                           | 413           |         |                    | 1,431         | 16        |
| 17  | 862 Structures & Improvements                         | 141           |         |                    | 813           | 17        |
| 18  | 863 Maintenance of Mains                              | 8,530         |         |                    | 77,040        | 18        |
| 19  | 864 Compressor Station Equipment                      | 12            |         |                    | 708           | 19        |
| 20  | 865 Meas. & Reg. Station Equipment                    | 2,523         |         |                    | 16,646        | 20        |
| 21  | 866 Communications Equipment                          | 0             |         |                    | 0             | 21        |
| 22  | 867 Other Equipment                                   | 383           |         |                    | 827           | 22        |
| 23  | <b>Total Transmission Maintenance Expenses</b>        | <b>12,003</b> |         |                    | <b>97,465</b> | <b>23</b> |

\* Budget information not available by account.

ATMOS ENERGY CORPORATION  
 MAINTENANCE EXPENSES  
 FOR THE MONTH AND YEAR ENDED 03/31/99

| Line No.   | Description                                | Current Month |          | Year to Date       |           | Line No. |
|--|--|---------------|----------|--------------------|-----------|----------|
|  |  | Actual        | Budget * | Over(Under) Budget | Actual    |          |
| <b>Distribution Maintenance Expenses</b>                 |  |               |          |                    |           |          |
| 1  | 885 Supervision-Engineering                | 109,380       |          |                    | 695,714   | 1        |
| 2  | 886 Structures & Improvements              | 7,257         |          |                    | 95,681    | 2        |
| 3  | 887 Maintenance of Mains                   | (1,236,850)   |          |                    | 592,906   | 3        |
| 4  | 888 Compressor Station Equipment           | 0             |          |                    | 0         | 4        |
| 5  | 889 Meas. & Reg. Station Equipment-Gen.    | 19,099        |          |                    | 148,209   | 5        |
| 6  | 890 Meas. & Reg. Station Equipment-Ind.    | 5,955         |          |                    | 44,600    | 6        |
| 7  | 891 Meas. & Reg. Station Equipment-C. Gate | 5,307         |          |                    | 40,937    | 7        |
| 8  | 892 Maintenance of Services                | 79,224        |          |                    | 610,126   | 8        |
| 9  | 893 Maintenance of Meter & House Regulator | 114,812       |          |                    | 723,752   | 9        |
| 10   | 894 Other Equipment                        | 47,119        |          |                    | 110,779   | 10       |
| 11   | Total Distribution Maintenance Expenses    | (848,697)     |          |                    | 3,062,703 | 11       |
| <b>Administrative &amp; General Maintenance Expenses</b> |  |               |          |                    |           |          |
| 12   | 932 Maintenance of General Plant           | 37,665        |          |                    | 367,052   | 12       |
| 13   | Total Adm. & Gen. Maintenance Expenses     | 37,665        |          |                    | 367,052   | 13       |
| 14   | Total Maintenance Expenses                 | (781,507)     |          |                    | 3,591,858 | 14       |

\* Budget information not available by account.



ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
STATEMENTS OF LONG-TERM DEBT  
AS OF MARCH 31, 1999

| Line No. | Description  | Date         | Original Issue |                   |                  | 1999              |                  | 1998              |     | Line No. |
|----------|--|--------------|----------------|-------------------|------------------|-------------------|------------------|-------------------|-----|----------|
|          |  |              | (a)            | (b)               | (c)              | (d)               | (e)              | (f)               | (g) |          |
| 1        | 11.2% John Hancock Note,<br>Notes  | due 12-30-02 | 12-23-87       | \$ 20,000,000.00  | \$ 2,000,000.00  | \$ 8,000,000.00   | \$ 2,000,000.00  | \$ 10,000,000.00  | 1   |          |
| 2        | 9.76% John Hancock Note,   | due 12-30-04 | 10-11-89       | 30,000,000.00     | 3,000,000.00     | 18,000,000.00     | 3,000,000.00     | 21,000,000.00     | 2   |          |
| 3        | 9.57% Variable Annuity Life,   | due 09-30-06 | 09-30-91       | 20,000,000.00     | 2,000,000.00     | 16,000,000.00     | 2,000,000.00     | 18,000,000.00     | 3   |          |
| 4        | 7.95% Variable Annuity Life,   | due 08-31-06 | 08-31-92       | 10,000,000.00     | 1,000,000.00     | 8,000,000.00      | 1,000,000.00     | 9,000,000.00      | 4   |          |
| 5        | 10% Michael D. Fredericks  | due 12-31-11 | 12-31-91       | 1,151,654.00      | 0.00             | 1,151,654.00      | 0.00             | 1,151,654.00      | 5   |          |
| 6        | 10% Kingdom Foundation   | due 12-31-11 | 12-31-91       | 1,151,654.00      | 0.00             | 1,151,654.00      | 0.00             | 1,151,654.00      | 6   |          |
| 7        | 8.07% Variable Annuity Life  | due 10-31-06 | 11-14-94       | 20,000,000.00     | 0.00             | 20,000,000.00     | 1,000,000.00     | 20,000,000.00     | 7   |          |
| 8        | 8.26% New York Life  | due 10-31-14 | 11-14-94       | 20,000,000.00     | 0.00             | 20,000,000.00     | 0.00             | 20,000,000.00     | 8   |          |
| 9        | 6.67% Med. Term Note   | due 12-15-05 | 12-15-95       | 10,000,000.00     | 0.00             | 10,000,000.00     | 0.00             | 10,000,000.00     | 9   |          |
| 10       | 6.27% Med. Term Note   | due 12-19-10 | 12-19-95       | 10,000,000.00     | 0.00             | 10,000,000.00     | 0.00             | 10,000,000.00     | 10  |          |
| 11       | 6.20% Med. Term Note   | due 12-01-00 | 12-19-95       | 2,000,000.00      | 2,000,000.00     | 2,000,000.00      | 0.00             | 2,000,000.00      | 11  |          |
| 12       | 6.09% NationsBank of Texas   | due 11-25-98 | 11-26-96       | 40,000,000.00     | 0.00             | 0.00              | 40,000,000.00    | 40,000,000.00     | 12  |          |
| 13       | 6.75% Debentures   | due 07-15-28 | 07-27-98       | 150,000,000.00    | 0.00             | 150,000,000.00    | 0.00             | 150,000,000.00    | 13  |          |
| 14       |  |              |                | 334,303,308.00    | 10,000,000.00    | 264,303,308.00    | 49,000,000.00    | 162,303,308.00    | 14  |          |
|          | First Mortgage Bonds   |              |                |                   |                  |                   |                  |                   |     |          |
| 15       | 9.4% Series J  | due 05-01-21 | 04-01-91       | 17,000,000.00     | 0.00             | 17,000,000.00     | 0.00             | 17,000,000.00     | 15  |          |
| 16       | 8.69% Series N   | due 03-01-00 | 03-01-87       | 3,000,000.00      | 1,000,000.00     | 1,000,000.00      | 2,000,000.00     | 3,000,000.00      | 16  |          |
| 17       | 10.43% Series P  | due 11-01-17 | 10-01-87       | 25,000,000.00     | 2,500,000.00     | 22,500,000.00     | 1,250,000.00     | 25,000,000.00     | 17  |          |
| 18       | 9.75% Series Q   | due 04-30-20 | 04-01-90       | 20,000,000.00     | 0.00             | 20,000,000.00     | 0.00             | 20,000,000.00     | 18  |          |
| 19       | 11.32% Series R  | due 05-10-04 | 12-01-89       | 12,860,000.00     | 2,140,000.00     | 12,860,000.00     | 2,140,000.00     | 15,000,000.00     | 19  |          |
| 20       | 9.32% Series T   | due 06-01-21 | 06-01-91       | 18,000,000.00     | 0.00             | 18,000,000.00     | 0.00             | 18,000,000.00     | 20  |          |
| 21       | 8.77% Series U   | due 05-01-22 | 05-01-92       | 20,000,000.00     | 0.00             | 20,000,000.00     | 0.00             | 20,000,000.00     | 21  |          |
| 22       | 7.50% Series V   | due 12-01-07 | 09-01-92       | 10,000,000.00     | 0.00             | 10,000,000.00     | 0.00             | 10,000,000.00     | 22  |          |
| 23       |  |              |                | 125,860,000.00    | 5,640,000.00     | 121,360,000.00    | 5,390,000.00     | 128,000,000.00    | 23  |          |
| 24       | Total Utility Long-Term Debt   |              |                | 460,163,308.00    | 15,640,000.00    | 385,663,308.00    | 54,390,000.00    | 290,303,308.00    | 24  |          |
| 25       | UCC Energy Company   |              |                | 0.00              | 2,623,147.18     | 12,084,746.25     | 2,436,969.00     | 10,788,453.00     | 25  |          |
| 26       | UCC Storage Company  |              |                | 0.00              | 732,622.82       | 7,887,477.16      | 680,865.00       | 8,568,402.00      | 26  |          |
| 27       | Total Non-Utility Long-Term Debt   |              |                | 0.00              | 3,355,770.00     | 19,972,223.41     | 3,117,834.00     | 19,356,855.00     | 27  |          |
| 28       | Total Long-Term Debt   |              |                | \$ 460,163,308.00 | \$ 18,995,770.00 | \$ 405,635,531.41 | \$ 57,507,834.00 | \$ 309,660,163.00 | 28  |          |
| 29       | Annualized Weighted Average Cost of Long-Term Debt (Including A mort. of Debt Expense) |              |                |                   |                  | 8.05%             |                  | 8.19%             | 29  |          |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
LABOR STATISTICS BY COMPANY  
FOR THE MONTH, QUARTER, AND YEAR TO DATE ENDED 03/31/99

|   | Month          |                | Quarter         |                 | Year to Date    |                 |
|---|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
|   | Actual         | Prior          | Actual          | Prior           | Actual          | Prior           |
|   |                | Year           |                 | Year            |                 | Year            |
| <b>Labor Costs Distribution (000's):</b>  |                |                |                 |                 |                 |                 |
| Shared Services                           | \$1,532        | \$1,073        | \$4,410         | \$3,415         | \$9,181         | \$6,704         |
| Energas                                   | 1,091          | 1,146          | 3,605           | 4,012           | 7,625           | 8,364           |
| Greeley Gas                               | 994            | 782            | 3,252           | 2,375           | 5,906           | 5,024           |
| Trans La                                  | 403            | 432            | 1,227           | 1,295           | 2,636           | 2,631           |
| UCG                                       | 1,445          | 1,085          | 4,415           | 4,134           | 11,059          | 11,394          |
| UCG - Propane                             | 407            | 397            | 1,256           | 1,190           | 2,650           | 2,238           |
| WKG                                       | 815            | 913            | 2,512           | 2,757           | 5,399           | 5,653           |
| <b>Total Labor Costs Distribution</b>     | <b>\$6,687</b> | <b>\$5,828</b> | <b>\$20,677</b> | <b>\$19,178</b> | <b>\$44,456</b> | <b>\$42,008</b> |
| <b>Percentage Labor Capitalized</b>       |                |                |                 |                 |                 |                 |
| Shared Services                           | 16%            | 26%            | 14%             | 23%             | 12%             | 20%             |
| Energas                                   | 33%            | 30%            | 31%             | 27%             | 28%             | 27%             |
| Greeley Gas                               | 37%            | 36%            | 33%             | 35%             | 32%             | 37%             |
| Trans La                                  | 39%            | 35%            | 35%             | 34%             | 33%             | 34%             |
| UCG                                       | 33%            | 32%            | 28%             | 20%             | 25%             | 26%             |
| UCG - Propane                             | 10%            | 0%             | 9%              | 0%              | 8%              | 0%              |
| WKG                                       | 29%            | 32%            | 27%             | 31%             | 24%             | 32%             |
| <b>Total Percentage Labor Capitalized</b> | <b>28%</b>     | <b>29%</b>     | <b>25%</b>      | <b>25%</b>      | <b>23%</b>      | <b>27%</b>      |
| <b>Average Labor Costs Per Employee:</b>  |                |                |                 |                 |                 |                 |
| Shared Services                           | \$3,630        | \$3,119        | \$3,588         | \$3,745         | \$3,792         | \$4,164         |
| Energas                                   | 2,849          | 2,809          | 3,076           | 3,070           | 3,217           | 2,916           |
| Greeley Gas                               | 3,416          | 3,371          | 3,679           | 3,388           | 4,023           | 3,479           |
| Trans La                                  | 3,030          | 2,880          | 3,030           | 2,871           | 3,238           | 2,904           |
| UCG                                       | 3,225          | 1,532          | 3,270           | 2,061           | 3,556           | 2,481           |
| UCG - Propane                             | 2,497          | 2,985          | 2,548           | 2,615           | 2,629           | 2,388           |
| WKG                                       | 3,075          | 2,844          | 3,090           | 2,977           | 3,296           | 2,949           |
| <b>Average Labor Costs Per Employee</b>   | <b>\$3,177</b> | <b>\$2,538</b> | <b>\$3,258</b>  | <b>\$2,838</b>  | <b>\$3,465</b>  | <b>\$2,943</b>  |



**Western Kentucky Gas Company  
Case No. 99-070  
Forecasted Test Period Filing Requirements  
FR10(9)(o)**

Description of Filing Requirement:

Complete monthly budget variance reports, with narrative explanations, for the twelve (12) months immediately prior to the base period, each month of the base period, and any subsequent months, as they become available.

Response:

See monthly budget variance reports provided in response to FR(9)(n). Subsequent reports will be provided as they become available.

**CASE**

**NUMBER:**

99-070

**Western Kentucky Gas Company  
Case No. 99-070  
Table of Contents  
Volume 5**

RECEIVED

MAY 28 1999

PUBLIC SERVICE  
COMMISSION

Tab  
1

FR#  
10(9)(n)



80000 SERIES  
10% P.C.W.

**Western Kentucky Gas Company**  
**Case No. 99-070**  
**Forecasted Test Period Filing Requirements**  
**FR10(9)(n)**

Description of Filing Requirement:

The latest twelve (12) months of the monthly managerial reports providing financial results of operations in comparison to the forecast.

Response:

The requested documents are enclosed. Please refer to the testimony of Mr. Donald Burman.

This volume contains the following documents:

10/97 Financial Statements  
11/97 Financial Statements  
12/97 Financial Statements  
01/98 Financial Statements  
02/98 Financial Statements  
03/98 Financial Statements  
04/98 Financial Statements

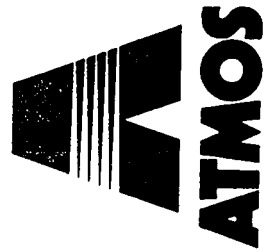


# Atmos Energy Corporation

## FINANCIAL STATEMENTS

OCTOBER, 1997

*Note: These Financial Statements and the Supplemental information contained herein are confidential. Any unauthorized distribution of all or part of these statements is in violation of company policy.*



**ATMOS ENERGY CORPORATION AND SUBSIDIARIES**  
**FINANCIAL STATEMENTS - TABLE OF CONTENTS**  
**AS OF OCTOBER 31, 1997**

**Description**

**MANAGEMENT SUMMARY**

|                                     |  |
|-------------------------------------|--|
| Highlights                          |  |
| Financial Ratios and Key Statistics |  |
| Balance Sheets                      |  |
| Consolidated Income Statements      |  |
| Operating Revenues and Volumes      |  |

**FLASH REPORTS**

|                                    |  |
|------------------------------------|--|
| Net Income                         |  |
| Operation and Maintenance Expenses |  |
| Interest Expense                   |  |
| Billed Shared Services             |  |
| Capital Expenditures               |  |

**III. INCOME STATEMENTS:**

|                                 |    |
|---------------------------------|----|
| Consolidated Income Statement - |    |
| Utility Business Units          | 18 |
| Energas Business Units          | 19 |
| Trans La Business Units         | 20 |
| WKG Business Units              | 21 |

**IV. COMBINING FINANCIAL STATEMENTS -ATMOS/UCCG REGULATED:**

|                                      |       |
|--------------------------------------|-------|
| Combining Balance Sheets-            |       |
| Assets                               | 22    |
| Liabilities and Shareholders' Equity | 23    |
| Combining Statements of Income       | 24    |
| Property, Plant and Equipment        | 25-31 |
| Combining Balance Sheet Detail       | 32-47 |

**I. CONSOLIDATED FINANCIAL STATEMENTS**

|   |   |
|---|---|
| Consolidated Balance Sheets-                |   |
| Assets                                      | 1 |
| Liabilities and Shareholders' Equity        | 2 |
| Consolidated Statements of Income           | 3 |
| Consolidating Balance Sheet -               |   |
| Assets                                      | 4 |
| Liabilities and Shareholders' Equity        | 5 |
| Eliminations to Consolidating Balance Sheet | 6 |
| Consolidating Balance Sheet-                |   |
| -Non Regulated Assets                       | 7 |
| -Non Regulated Liabilities                  | 8 |

**V. STATISTICS**

|  |       |
|--|-------|
| Operating Revenue and Statistics               | 48-59 |
| Consolidated Operation and Maintenance Expense | 60-66 |
| Labor Statistics by Company                    | 67    |

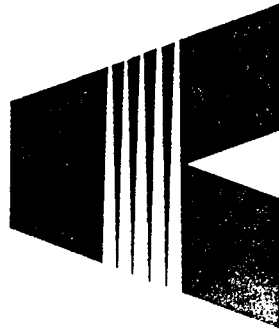
**II. CONSOLIDATING - UTILITY/NON-UTILITY**

|   |       |
|---|-------|
| Consolidated Income Statement-                |       |
| Utility/Non-Utility                           | 9     |
| Eliminations-Income Statement                 | 10    |
| Consolidating Income Statement -Regulated     | 11    |
| Consolidating Income Statement -Non-Regulated | 12    |
| Consolidating Income Statement -Non-Utility   | 13    |
| Allocation of Shared Services-Summary         | 14    |
| Allocation of Shared Services-Detail          | 15-17 |

# Atmos Energy Corporation

## Management Summary

October 1997



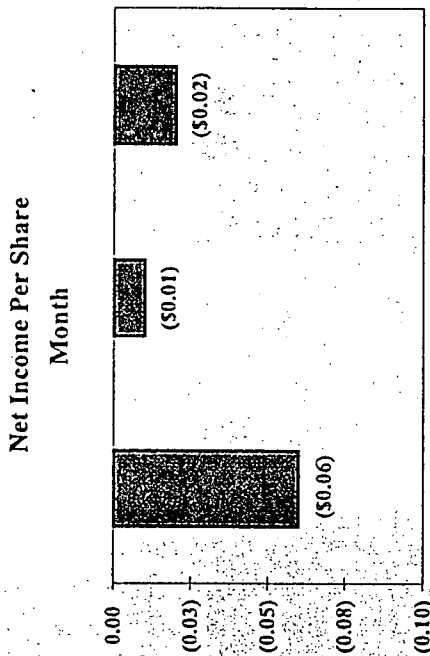
# ATMOS

---

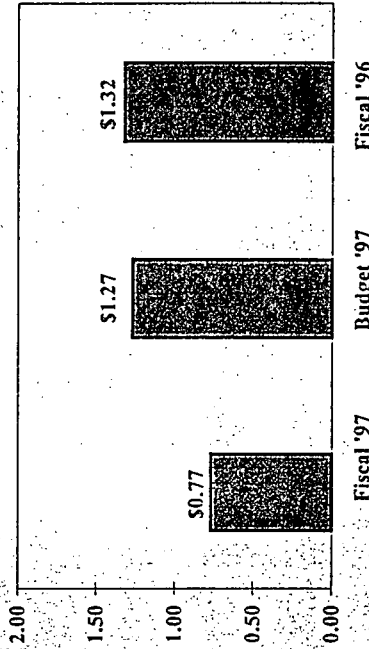
This report is confidential. Any unauthorized distribution of all or part of this report is in violation of company policy. This report contains information that is unaudited by the company's outside audit firm.

# Atmos Energy Corporation Highlights

|                                    | Actual    | Budget   | Prior Year |
|------------------------------------|-----------|----------|------------|
| <b>Net Income (Loss) Per Share</b> |           |          |            |
| Month                              | (\$0.06)  | (\$0.01) | (\$0.02)   |
| 12 Months Ended                    | 0.77      | 1.27     | 1.32       |
| <b>Net Income (Loss) (000's)</b>   |           |          |            |
| Month                              | (\$1,675) | (\$441)  | (\$592)    |
| 12 Months Ended                    | 22,755    | 37,441   | 38,290     |
| <b>Dividend Per Share</b>          | \$1.06    |          | \$1.00     |
| <b>Stock Price (Fiscal Y-T-D)</b>  |           |          |            |
| High                               | 26 3/16   |          | 23 3/4     |
| Low                                | 24 5/16   |          | 22 5/8     |
| Close                              | 25 1/8    |          | 23 3/4     |
| Volume (000's)                     | 581       |          | 265        |
| <b>Return on Average Equity</b>    | 7.02%     |          | 12.92%     |
| <b>Book Value Per Share</b>        |           |          |            |
| End of Month                       | \$10.99   | \$10.94  | \$11.04    |
| <b>Degree Days</b>                 |           |          |            |
| Month                              | 240       | 211      | 200        |
| 12 Months Ended                    | 3,949     | 3,990    | 113.7%     |
|                                    |           |          | 120.0%     |



12 Months Ended



# Atmos Energy Corporation

## Financial Ratios - Industry Comparison

|  | Atmos  |      | 34 Natural Gas Utility Distribution Companies |                      |       |        |
|--|--------|------|---|----------------------|-------|--------|
|  | Amount | Rank | Maximum                                       | Minimum              | Mean  | Median |
| Price/Earnings Ratio                             | 32.6X  | 1    | 32.6X   | 10.9X <sup>(5)</sup> | 14.9X | 14.1X  |
| Yield (Dividend/Market Price)                    | 4.2%   | 28   | 7.0% <sup>(9)</sup>                           | 0.0% <sup>(1)</sup>  | 5.0%  | 5.2%   |
| Market Price/Book Value                          | 2.29X  | 1    | 2.29X   | 1.15X <sup>(5)</sup> | 1.65X | 1.60X  |
| Equity/Total Capitalization (Incl. S/T Debt)     | 39%    | 32   | 70% <sup>(10)</sup>                           | 35% <sup>(1)</sup>   | 53%   | 53%    |
| Return on Average Equity                         | 7.02%  | 31   | 15.6% <sup>(6)</sup>                          | 5.8% <sup>(7)</sup>  | 11.4% | 11.7%  |
| Payout Ratio (Dividend/EPS)                      | 138%   | 2    | 152% <sup>(7)</sup>                           | 48% <sup>(4)</sup>   | 75%   | 72%    |
| Book Yield (Dividend/Book Value)                 | 9.6%   | 4    | 12.7% <sup>(9)</sup>                          | 0.0% <sup>(1)</sup>  | 8.2%  | 8.4%   |
| Before Tax Interest Coverage                     | 1.99X  | 31   | 7.24X <sup>(6)</sup>                          | 1.76X <sup>(7)</sup> | 3.43X | 3.28X  |
| Total Capitalization (Incl. S/T Debt) (millions) | \$832X | 6    | \$2,648 <sup>(3)</sup>                        | 11 <sup>(11)</sup>   |       |        |

**Footnotes:**

- <sup>(1)</sup> Southern Union Co.
- <sup>(2)</sup> Pennsylvania Enterp. Inc.
- <sup>(3)</sup> Pacific Enterprises
- <sup>(4)</sup> Mobile Gas Service Corp.
- <sup>(5)</sup> Berkshire Gas Co.
- <sup>(6)</sup> N. Carolina Natural Gas Co.
- <sup>(7)</sup> Delta Natural Gas Co.
- <sup>(8)</sup> Essex County Gas Co.
- <sup>(9)</sup> Fall River Gas Co.
- <sup>(10)</sup> Indiana Energy
- <sup>(11)</sup> Corning Natural Gas Co.

**Source:** Edward Jones, Natural Gas Industry, Monthly Financial & Common Stock Information October 31, 1997. Includes selected companies with at least 90% of their operating revenues from the natural gas distribution business. The information for the 34 natural gas distribution utilities is based primarily on the period ended June 30, 1997 and stock prices as of October 31, 1997.

## Key Statistics

|                                   | Energas  | GGC      | Trans La | UCG      | WKG      | Non-Utility | Corporate | Consolidated | Peer Group Average |
|-----------------------------------|----------|----------|----------|----------|----------|-------------|-----------|--------------|--------------------|
| <b>Meters Per Employee:</b>       |          |          |          |          |          |             |           |              |                    |
| 10/31/97                          | 585      | 449      | 524      | 335      | 527      | -           | -         | 395          |                    |
| 10/31/96                          | 490      | 422      | 479      | 278      | 460      | -           | -         | 350          | 331                |
| <b>Net Plant Per Meter:</b>       |          |          |          |          |          |             |           |              |                    |
| 10/31/97                          | \$435    | \$731    | \$977    | \$968    | \$600    | -           | -         | \$835        |                    |
| 10/31/96                          | \$428    | \$675    | \$925    | \$992    | \$558    | -           | -         | \$755        | \$ 1,175           |
| <b>O&amp;M Expense Per Meter:</b> |          |          |          |          |          |             |           |              |                    |
| 10/31/97                          | \$101.93 | \$167.90 | \$150.96 | \$203.37 | \$138.84 | -           | -         | \$181.22     |                    |
| 10/31/96                          | \$113.49 | \$157.23 | \$143.34 | \$208.98 | \$134.54 | -           | -         | \$188.25     | \$ 247.00          |
| <b>Employees:</b>                 |          |          |          |          |          |             |           |              |                    |
| 10/31/97                          | 534      | 254      | 153      | 919      | 332      | 163         | 224       | 2,579        |                    |
| 10/31/96                          | 604      | 264      | 167      | 1,081    | 374      | 141         | 233       | 2,864        |                    |

# Consolidated Balance Sheets

## October 31, 1997

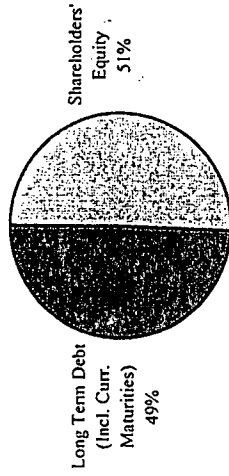
October 31,

| (000's)                                 | 1997               | 1996             |
|---|--------------------|------------------|
| <b>ASSETS:</b>                          |                    |                  |
| Property Plant & Equipment:             |                    |                  |
| Gross Property, Plant and Equipment     | \$1,338,691        | \$1,219,120      |
| Accumulated Depreciation & Amortization | 488,076            | 449,427          |
| <b>Net P, P and E</b>                   | <b>850,615</b>     | <b>769,693</b>   |
| <b>Current Assets:</b>                  |                    |                  |
| Cash and Cash Equivalents               | 1,020              | 1,334            |
| Accounts Receivable                     | 83,039             | 56,373           |
| Inventories                             | 12,914             | 14,214           |
| Gas Stored Underground                  | 51,589             | 49,277           |
| Other Current Assets                    | 7,625              | 5,165            |
| <b>Total Current Assets</b>             | <b>156,187</b>     | <b>126,363</b>   |
| Deferred Charges & Other Assets         | 97,249             | 64,154           |
| <b>Total Assets</b>                     | <b>\$1,104,051</b> | <b>\$960,210</b> |

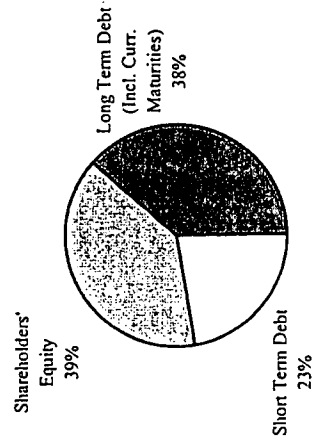
### LIABILITIES AND SHAREHOLDERS' EQUITY:

|   |                    |                  |
|---|--------------------|------------------|
| <b>Shareholders' Equity</b>                         | <b>\$325,721</b>   | <b>\$322,656</b> |
| Long Term Debt (Including Current Maturities)       | 317,919            | 293,705          |
| <b>Total Capitalization</b>                         | <b>643,640</b>     | <b>616,361</b>   |
| <b>Current Liabilities:</b>                         |                    |                  |
| Notes Payable                                       | 187,850            | 117,812          |
| Accounts Payable                                    | 67,587             | 49,356           |
| Accrued Taxes                                       | 11,207             | 11,380           |
| Income Taxes Payable                                | (12,331)           | (1,476)          |
| Customers' Deposits                                 | 14,885             | 16,826           |
| Other Current Liabilities                           | 45,646             | 24,163           |
| <b>Total Current Liabilities</b>                    | <b>314,844</b>     | <b>218,061</b>   |
| Deferred Federal Income Taxes                       | 88,017             | 70,355           |
| Deferred Credits & Other Liabilities                | 57,550             | 55,433           |
| <b>Total Liabilities</b>                            | <b>\$776,330</b>   | <b>\$637,554</b> |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <b>\$1,104,051</b> | <b>\$960,210</b> |

### Capitalization Excluding Short-Term Debt



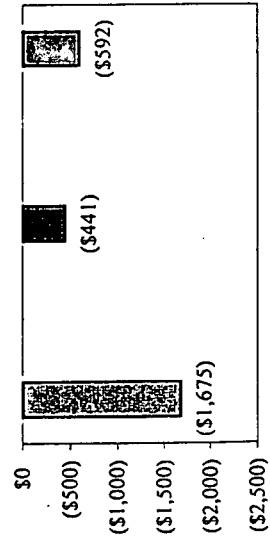
### Capitalization Including Short-Term Debt



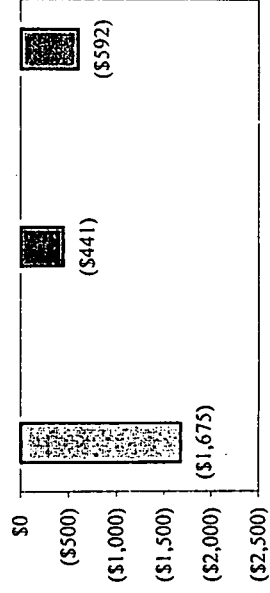
**Consolidated Statements of Income**  
**October 31, 1997**  
**(000's)**

|                                 | Month            |                 | Year-to-Date     |                  |
|---------------------------------|------------------|-----------------|------------------|------------------|
|                                 | Actual           | Budget          | Actual           | Budget           |
| Operating Revenues              | \$52,602         | \$53,900        | \$52,602         | \$53,900         |
| Purchased Gas Cost              | 32,344           | 32,662          | 32,344           | 32,662           |
| <b>Gross Profit</b>             | <b>\$20,258</b>  | <b>\$21,238</b> | <b>\$20,258</b>  | <b>\$21,238</b>  |
| Operating Expenses              |                  |                 |                  |                  |
| Operation                       | 11,569           | 12,176          | 11,569           | 12,176           |
| Maintenance                     | 1,031            | 897             | 1,031            | 897              |
| Depreciation & Amortization     | 4,293            | 3,954           | 4,293            | 3,954            |
| Taxes - Other than Inc. Tax     | 2,390            | 2,329           | 2,390            | 2,329            |
| Provision for Inc. Taxes        | (1,069)          | (293)           | (1,069)          | (293)            |
| <b>Total Operating Expenses</b> | <b>18,214</b>    | <b>19,063</b>   | <b>18,214</b>    | <b>19,063</b>    |
| Operating Income                | 2,044            | 2,175           | 2,044            | 2,175            |
| Other Income (Expense)          | (434)            | 304             | (434)            | 304              |
| Interest Charges                | 3,285            | 2,920           | 3,285            | 2,920            |
| <b>Net Income</b>               | <b>(\$1,675)</b> | <b>(\$441)</b>  | <b>(\$1,675)</b> | <b>(\$592)</b>   |
|                                 |                  |                 |                  | <b>\$20,930</b>  |
|                                 |                  |                 |                  | <b>\$49,299</b>  |
|                                 |                  |                 |                  | <b>28,369</b>    |
|                                 |                  |                 |                  | <b>\$21,238</b>  |
|                                 |                  |                 |                  | <b>\$20,930</b>  |
|                                 |                  |                 |                  | <b>\$2,716</b>   |
|                                 |                  |                 |                  | <b>869</b>       |
|                                 |                  |                 |                  | <b>3,811</b>     |
|                                 |                  |                 |                  | <b>2,185</b>     |
|                                 |                  |                 |                  | <b>(368)</b>     |
|                                 |                  |                 |                  | <b>19,213</b>    |
|                                 |                  |                 |                  | <b>1,717</b>     |
|                                 |                  |                 |                  | <b>566</b>       |
|                                 |                  |                 |                  | <b>2,875</b>     |
|                                 |                  |                 |                  | <b>(\$592)</b>   |
|                                 |                  |                 |                  | <b>(\$441)</b>   |
|                                 |                  |                 |                  | <b>(\$1,675)</b> |

**Month**



**Year to Date**



## Utility Operating Revenues and Volumes

| Volumes Handled (MMcf)(as metered)      | Month           |          |                 | Year-to-Date    |          |                 |
|---|-----------------|----------|-----------------|-----------------|----------|-----------------|
|   | Actual          | Budget * | Prior Year      | Actual          | Budget * | Prior Year      |
|   |                 |          |                 |                 |          |                 |
| <b>Gas Sales</b>                        |                 |          |                 |                 |          |                 |
| Residential                             | 3,406           |          | 3,712           | 3,406           |          | 3,712           |
| Commercial                              | 2,185           |          | 2,346           | 2,185           |          | 2,346           |
| Public Authority and Other              | <u>359</u>      |          | <u>334</u>      | <u>359</u>      |          | <u>334</u>      |
| <b>Total Weather Sensitive Sales</b>    | <b>5,950</b>    |          | <b>6,392</b>    | <b>5,950</b>    |          | <b>6,392</b>    |
| Industrial                              | 2,686           |          | 2,907           | 2,686           |          | 2,907           |
| Agricultural                            | <u>292</u>      |          | <u>552</u>      | <u>292</u>      |          | <u>552</u>      |
| <b>Total Gas Sales Volumes</b>          | <b>8,928</b>    |          | <b>9,851</b>    | <b>8,928</b>    |          | <b>9,851</b>    |
| Transportation                          | 4,341           |          | 3,941           | 4,341           |          | 3,941           |
| <b>Total Gas Volumes Handled (MMcf)</b> | <b>13,269</b>   |          | <b>13,792</b>   | <b>13,269</b>   |          | <b>13,792</b>   |
| <b>Operating Revenues (000's)</b>       |                 |          |                 |                 |          |                 |
| <b>Gas Sales Revenues</b>               |                 |          |                 |                 |          |                 |
| Residential                             | 21,496          |          | 19,714          | 21,496          |          | 19,714          |
| Commercial                              | 11,589          |          | 10,326          | 11,589          |          | 10,326          |
| Public Authority and Other              | <u>1,659</u>    |          | <u>1,325</u>    | <u>1,659</u>    |          | <u>1,325</u>    |
| <b>Total Weather Sensitive Sales</b>    | <b>34,744</b>   |          | <b>31,365</b>   | <b>34,744</b>   |          | <b>31,365</b>   |
| Industrial                              | 10,893          |          | 9,580           | 10,893          |          | 9,580           |
| Agricultural                            | <u>1,007</u>    |          | <u>1,454</u>    | <u>1,007</u>    |          | <u>1,454</u>    |
| <b>Total Gas Sales Revenues</b>         | <b>46,644</b>   |          | <b>42,399</b>   | <b>46,644</b>   |          | <b>42,399</b>   |
| Other Gas Revenues                      | 395             |          | 460             | 395             |          | 460             |
| Transportation                          | <u>1,905</u>    |          | <u>1,710</u>    | <u>1,905</u>    |          | <u>1,710</u>    |
| <b>Total Operating Revenues</b>         | <b>\$48,944</b> |          | <b>\$44,569</b> | <b>\$48,944</b> |          | <b>\$44,569</b> |
|   | <b>\$49,504</b> |          | <b>\$49,504</b> | <b>\$49,504</b> |          | <b>\$49,504</b> |

\* Budget information other than total operating revenues not available



NET INCOME BY BUSINESS UNIT

Atmos Energy Corporation  
Net Income

For the Month and Year to Date Ended October 31, 1997

|                             | Month       |             |              | Year-to-Date |             |              |
|-----------------------------|-------------|-------------|--------------|--------------|-------------|--------------|
|                             | Current     |             | Actual       | Actual       |             | Actual       |
|                             | Year        | Actual      | Over (Under) | Over (Under) | Prior       | Over (Under) |
|                             |             |             | Budget       | Budget       | Year        | Prior Year   |
|                             |             |             |              |              | (2)         |              |
| Energas                     | (515,841)   | (515,841)   | 32,000       | (547,841)    | (67,639)    | (448,202)    |
| Energart & Egasco           | (176,604)   | (176,604)   | (187,000.00) | 10,396       | (232,532)   | 55,928       |
| GCC                         | (192,194)   | (192,194)   | (95,000)     | (97,194)     | (75,452)    | (116,742)    |
| TransLa                     | (13,699)    | (13,699)    | (70,000)     | 56,301       | (67,768)    | 54,069       |
| TLIG                        | 48,170      | 48,170      | 21,000       | 27,170       | 24,110      | 24,060       |
| UCCG                        | (1,208,717) | (1,208,717) | (39,000)     | (1,169,717)  | (928,956)   | (279,761)    |
| WKG                         | 311,679     | 311,679     | (754,000)    | 1,065,679    | (224,200)   | 535,879      |
| WKGR                        | (391)       | (391)       | 3,000        | (3,391)      | (5,418)     | 5,027        |
| Total Utility               | (1,747,597) | (1,747,597) | (1,089,000)  | (658,597)    | (1,577,855) | (169,742)    |
| Rental                      | 64,413      | 64,413      | 62,000       | 2,413        | 89,392      | (24,979)     |
| Utility Services-Woodward   | (413,479)   | (413,479)   | 66,000       | (479,479)    | 145,972     | (559,451)    |
| Leasing                     | 25,607      | 25,607      | 23,000       | 2,607        | 21,617      | 3,990        |
| Propane                     | 344,390     | 344,390     | 465,000      | (120,610)    | 665,319     | (320,929)    |
| Total Energy                | 20,931      | 20,931      | 616,000.00   | (595,069)    | 922,300     | (901,369)    |
| UCG Storage                 | 51,716      | 51,716      | 32,000       | 19,716       | 69,850      | (18,134)     |
| Atmos Energy Service        | (25)        | (25)        | 0            | (25)         | (1,274)     | 0            |
| Total Non-Utility           | 72,622      | 72,622      | 648,000.00   | (575,378)    | 990,876     | (919,503)    |
| Unallocated Shared Svc. (1) | (215)       | (215)       | 0            | (215)        | (5,182)     | 4,967        |
| Consolidated Net Income     | (1,675,190) | (1,675,190) | (441,000)    | (1,234,190)  | (592,161)   | (1,084,278)  |

(1) Unallocated shared services amount due to late entries and other items which are cleared the following month.

(2) Due to an error in calibration of total flow measurement device in Mesa from May - September 1996, a pretax adjustment of \$1,062,578 was made to purchased gas cost in November 1996. The after tax effect of this adjustment was an increase in revenue of \$658,798.

O + M EXPENSE BY BUSINESS UNIT

Atmos Energy Corporation  
 Operation and Maintenance Expenses  
 For the Month and Year To Date Ended October 31, 1997

|                                 | Current    |            |           | Month        |           |            | Year-to-Date |           |            | Actual       |            |
|---------------------------------|------------|------------|-----------|--------------|-----------|------------|--------------|-----------|------------|--------------|------------|
|                                 | Year       | Actual     | Budget    | Over (Under) | Budget    | Actual     | Over (Under) | Budget    | Actual     | Over (Under) | Prior Year |
|                                 |            |            |           |              |           |            |              |           |            |              |            |
| Energas                         | 2,325,579  | 2,398,000  | (72,421)  | 2,624,610    | (299,031) | 2,325,579  | 2,398,000    | (72,421)  | 2,624,610  | (299,031)    |            |
| Enermart & Egasco               | 441,296    | 447,000    | (5,704)   | 543,598      | (102,302) | 441,296    | 447,000      | (5,704)   | 543,598    | (102,302)    |            |
| GGC                             | 1,326,840  | 1,601,000  | (274,160) | 1,413,372    | (86,532)  | 1,326,840  | 1,601,000    | (274,160) | 1,413,372  | (86,532)     |            |
| TransLa                         | 825,657    | 989,000    | (163,343) | 912,188      | (86,531)  | 825,657    | 989,000      | (163,343) | 912,188    | (86,531)     |            |
| TLIG                            | 15,670     | 19,000     | (3,330)   | 26,446       | (10,776)  | 15,670     | 19,000       | (3,330)   | 26,446     | (10,776)     |            |
| UCGC                            | 5,005,974  | 4,725,000  | 280,974   | 5,086,780    | (80,806)  | 5,005,974  | 4,725,000    | 280,974   | 5,086,780  | (80,806)     |            |
| WKG                             | 1,767,714  | 2,024,000  | (256,286) | 1,968,363    | (200,649) | 1,767,714  | 2,024,000    | (256,286) | 1,968,363  | (200,649)    |            |
| WKGR                            | 310        | -          | 310       | 4,384        | (4,074)   | 310        | -            | 310       | 4,384      | (4,074)      |            |
| Total Utility                   | 11,709,040 | 12,203,000 | (493,960) | 12,579,741   | (870,701) | 11,709,040 | 12,203,000   | (493,960) | 12,579,741 | (870,701)    |            |
| Rental                          | 20,757     | 46,000     | (25,243)  | 28,568       | (7,811)   | 20,757     | 46,000       | (25,243)  | 28,568     | (7,811)      |            |
| Utility Sys-Woodward            | 15,350     | 4,000      | 11,350    | 99,075       | (83,725)  | 15,350     | 4,000        | 11,350    | 99,075     | (83,725)     |            |
| Leasing                         | 6,633      | 4,000      | 2,633     | 6,403        | 230       | 6,633      | 4,000        | 2,633     | 6,403      | 230          |            |
| Propane                         | 789,653    | 750,000    | 39,653    | 824,640      | (34,987)  | 789,653    | 750,000      | 39,653    | 824,640    | (34,987)     |            |
| Total Energy                    | 832,393    | 804,000    | 28,393    | 958,686      | (126,293) | 832,393    | 804,000      | 28,393    | 958,686    | (126,293)    |            |
| Storage                         | 57,972     | 66,000     | (8,028)   | 45,060       | 12,912    | 57,972     | 66,000       | (8,028)   | 45,060     | 12,912       |            |
| Atmos Energy Services           | 25         | -          | 25        | 1,274        | (1,249)   | 25         | -            | 25        | 1,274      | (1,249)      |            |
| Total Non-Utility               | 890,390    | 870,000    | 20,390    | 1,005,020    | (114,630) | 890,390    | 870,000      | 20,390    | 1,005,020  | (114,630)    |            |
| Unallocated Shared Services (1) | 215        | -          | 215       | -            | 215       | 215        | -            | 215       | -          | 215          |            |
| Consolidated O & M Expense      | 12,599,645 | 13,073,000 | (473,355) | 13,584,761   | (985,116) | 12,599,645 | 13,073,000   | (473,355) | 13,584,761 | (985,116)    |            |

(1) Current year unallocated shared services due to charges to call center.

INTEREST EXPENSE BY BUSINESS UNIT

Atmos Energy Corporation  
Interest Expense

For the Month And Year To Date Ended October 31, 1997

|                                   | Month            |                  |                 |                  | Year-to-Date     |                  |                 |                  |
|-----------------------------------|------------------|------------------|-----------------|------------------|------------------|------------------|-----------------|------------------|
|                                   | Current          |                  | Actual          |                  | Current          |                  | Actual          |                  |
|                                   | Year             | Budget           | Over (Under)    | Prior Year       | Year             | Budget           | Over (Under)    | Prior Year       |
| Energas                           | 712,492          | 641,000          | 71,492          | 460,044          | 712,492          | 641,000          | 71,492          | 460,044          |
| Enernart & Egasco                 | 0                | 25,000           | (25,000)        | 44,840           | 0                | 25,000           | (25,000)        | 44,840           |
| GGC                               | 435,700          | 319,000          | 116,700         | 280,522          | 435,700          | 319,000          | 116,700         | 280,522          |
| TransLa                           | 360,944          | 224,000          | 136,944         | 233,452          | 360,944          | 224,000          | 136,944         | 233,452          |
| TLIG                              | 245              | 0                | 245             | 237              | 245              | 0                | 245             | 237              |
| UCGC                              | 1,021,407        | 1,005,000        | 16,407          | 1,309,474        | 1,021,407        | 1,005,000        | 16,407          | 1,309,474        |
| WKG                               | 546,578          | 430,000          | 116,578         | 360,649          | 546,578          | 430,000          | 116,578         | 360,649          |
| WKGR                              | 0                | 0                | 0               | 0                | 0                | 0                | 0               | 0                |
| <b>Total Utility</b>              | <b>3,077,366</b> | <b>2,644,000</b> | <b>433,366</b>  | <b>2,689,218</b> | <b>3,077,366</b> | <b>2,644,000</b> | <b>433,366</b>  | <b>2,689,218</b> |
| Rental                            | 56,288           | 101,000          | (44,712)        | 48,092           | 56,288           | 101,000          | (44,712)        | 48,092           |
| Utility Sys-Woodward              | 0                | 0                | 0               | 0                | 0                | 0                | 0               | 0                |
| Leasing                           | 13,793           | 14,000           | (207)           | 14,655           | 13,793           | 14,000           | (207)           | 14,655           |
| Propane                           | 63,040           | 66,000           | (2,960)         | 48,401           | 63,040           | 66,000           | (2,960)         | 48,401           |
| <b>Total Energy</b>               | <b>133,121</b>   | <b>181,000</b>   | <b>(47,879)</b> | <b>111,148</b>   | <b>133,121</b>   | <b>181,000</b>   | <b>(47,879)</b> | <b>111,148</b>   |
| UCG Storage                       | 74,924           | 95,000           | (20,076)        | 74,672           | 74,924           | 95,000           | (20,076)        | 74,672           |
| Atmos Energy Service              | 0                | 0                | 0               | 0                | 0                | 0                | 0               | 0                |
| <b>Total Non-Utility</b>          | <b>208,045</b>   | <b>276,000</b>   | <b>(67,955)</b> | <b>185,820</b>   | <b>208,045</b>   | <b>276,000</b>   | <b>(67,955)</b> | <b>185,820</b>   |
| <b>Consolidated Interest Exp.</b> | <b>3,285,411</b> | <b>2,920,000</b> | <b>365,411</b>  | <b>2,875,038</b> | <b>3,285,411</b> | <b>2,920,000</b> | <b>365,411</b>  | <b>2,875,038</b> |

# SHARED SERVICES - BILLED BY BUSINESS UNIT

Atmos Energy Corporation  
Billed Shared Services

For the Month and Year to Date Ended October 31, 1997

|   | Month            |                  |                  | Year-to-Date   |                |                  |                |                  |                |                  |                |  |
|---|------------------|------------------|------------------|----------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|--|
|   | Current          | Actual           | Over (Under)     | Actual         | Over (Under)   | Actual           |                |                  |                |                  |                |  |
|   | Year             | Budget           | Prior            | Budget         | Budget         | Prior            |                |                  |                |                  |                |  |
|   | Actual           |                  | Year             |                |                | Year             | Over (Under)   | Prior            | Year           | Over (Under)     | Prior          |  |
|   |                  |                  |                  |                |                |                  |                |                  |                |                  |                |  |
| Energas                                 | 931,750          | 922,959          | 1,077,455        | 8,791          | 8,791          | 1,077,455        | (145,705)      | 8,791            | 8,791          | 1,077,455        | (145,705)      |  |
| Enermart & Egasco (1)                   | 21,596           | 28,233           | 52,812           | (6,637)        | (6,637)        | 52,812           | (31,216)       | (6,637)          | (6,637)        | 52,812           | (31,216)       |  |
| GCC                                     | 355,041          | 438,345          | 332,575          | (83,304)       | (83,304)       | 332,575          | 22,466         | 438,345          | (83,304)       | 332,575          | 22,466         |  |
| TransLa                                 | 300,473          | 288,866          | 314,648          | 11,607         | 11,607         | 314,648          | (14,175)       | 288,866          | 11,607         | 314,648          | (14,175)       |  |
| TLIG                                    | 5,334            | 7,475            | 18,359           | (2,141)        | (2,141)        | 18,359           | (13,025)       | 7,475            | (2,141)        | 18,359           | (13,025)       |  |
| UCGC                                    | 652,325          | 484,260          | 678,364          | 168,065        | 168,065        | 678,364          | (20)           | 484,260          | 168,065        | 678,364          | (20)           |  |
| WKG                                     | 678,344          | 606,443          | 678,364          | 71,901         | 71,901         | 678,364          | (4,899)        | 606,443          | 71,901         | 678,364          | (4,899)        |  |
| WKGR                                    | 438              | 288              | 5,337            | 150            | 150            | 5,337            | (4,899)        | 288              | 150            | 5,337            | (4,899)        |  |
| <b>Total Utility</b>                    | <b>2,945,301</b> | <b>2,776,869</b> | <b>2,479,550</b> | <b>168,432</b> | <b>168,432</b> | <b>2,479,550</b> | <b>465,751</b> | <b>2,776,869</b> | <b>168,432</b> | <b>2,479,550</b> | <b>465,751</b> |  |
| Rental                                  | 10,909           | 4,640            | -                | 6,269          | 6,269          | -                | 10,909         | 4,640            | 6,269          | -                | 10,909         |  |
| Utility Svc-Woodward                    | 682              | 290              | -                | 392            | 392            | -                | 682            | 290              | 392            | -                | 682            |  |
| Leasing                                 | 3,409            | 1,450            | -                | 1,959          | 1,959          | -                | 3,409          | 1,450            | 1,959          | -                | 3,409          |  |
| Propane                                 | 53,182           | 22,620           | -                | 30,562         | 30,562         | -                | 53,182         | 22,620           | 30,562         | -                | 53,182         |  |
| <b>Total Energy</b>                     | <b>68,182</b>    | <b>29,000</b>    | <b>-</b>         | <b>39,182</b>  | <b>39,182</b>  | <b>-</b>         | <b>68,182</b>  | <b>29,000</b>    | <b>39,182</b>  | <b>-</b>         | <b>68,182</b>  |  |
| UCG Storage                             | 8,533            | 882              | -                | 7,651          | 7,651          | -                | 8,533          | 882              | 7,651          | -                | 8,533          |  |
| Atmos Energy Service                    | 144,897          | 58,882           | -                | 86,015         | 86,015         | -                | 144,897        | 58,882           | 86,015         | -                | 144,897        |  |
| <b>Total Non-Utility</b>                | <b>153,430</b>   | <b>60,764</b>    | <b>-</b>         | <b>93,666</b>  | <b>93,666</b>  | <b>-</b>         | <b>153,430</b> | <b>60,764</b>    | <b>93,666</b>  | <b>-</b>         | <b>153,430</b> |  |
| <b>Consolidated Direct &amp; Billed</b> | <b>3,090,198</b> | <b>2,835,751</b> | <b>2,479,550</b> | <b>254,447</b> | <b>254,447</b> | <b>2,479,550</b> | <b>610,648</b> | <b>2,835,751</b> | <b>254,447</b> | <b>2,479,550</b> | <b>610,648</b> |  |

(1) Irrigation allocation from Energas to Enermart and Egasco is \$411,044.15 for the month.

**CAPITAL EXPENDITURES BY BUSINESS UNIT**

Atmos Energy Corporation  
Capital Expenditures

For the Month and Year to Date Ended November 30, 1997

|  | Month            |                  |                    |                  | Year-to-Date     |                  |                    |                  |                    |                    |
|--|------------------|------------------|--------------------|------------------|------------------|------------------|--------------------|------------------|--------------------|--------------------|
|  | Current          |                  | Actual             |                  | Current          |                  | Actual             |                  | Actual             |                    |
|  | Year             | Actual           | Over (Under)       | Budget           | Year             | Actual           | Over (Under)       | Budget           | Year               | Over (Under)       |
| Atmos Corporate                          | 1,862,802        | 3,314,000        | (1,451,198)        | 962,330          | 1,862,802        | 3,314,000        | (1,451,198)        | 962,330          | 900,472            | 900,472            |
| Energas                                  | 816,404          | 1,171,000        | (354,596)          | 1,176,935        | 816,404          | 1,171,000        | (354,596)          | 1,176,935        | (360,531)          | (360,531)          |
| Enemart & Egasco                         | -                | -                | -                  | -                | -                | -                | -                  | -                | -                  | -                  |
| GCC                                      | 730,942          | 996,000          | (265,058)          | 1,251,068        | 730,942          | 996,000          | (265,058)          | 1,251,068        | (520,126)          | (520,126)          |
| TransLa                                  | 471,472          | 384,000          | 87,472             | 484,787          | 471,472          | 384,000          | 87,472             | 484,787          | (13,315)           | (13,315)           |
| TLIG                                     | -                | -                | -                  | 979              | -                | -                | -                  | -                | 979                | (979)              |
| UCGC                                     | 1,725,619        | 2,044,000        | (318,381)          | 2,892,755        | 1,725,619        | 2,044,000        | (318,381)          | 2,892,755        | (1,167,136)        | (1,167,137)        |
| WKG                                      | 753,744          | 509,000          | 244,744            | 1,045,925        | 753,744          | 509,000          | 244,744            | 1,045,925        | (292,181)          | (292,182)          |
| WKGR                                     | -                | -                | -                  | -                | -                | -                | -                  | -                | -                  | -                  |
| <b>Total Utility</b>                     | <b>6,360,982</b> | <b>8,418,000</b> | <b>(2,057,018)</b> | <b>7,814,779</b> | <b>6,360,982</b> | <b>8,418,000</b> | <b>(2,057,018)</b> | <b>7,814,780</b> | <b>(1,453,796)</b> | <b>(1,453,798)</b> |
| Rental                                   | -                | 8,000            | (8,000)            | 278,235          | -                | 8,000            | (8,000)            | 278,235          | (278,235)          | (278,235)          |
| Utility Svs-Woodward                     | -                | -                | -                  | -                | -                | -                | -                  | -                | -                  | -                  |
| Leasing                                  | -                | -                | -                  | 30,637           | -                | -                | -                  | 30,637           | (30,637)           | (30,637)           |
| Propane                                  | 5,300            | 302,000          | (296,700)          | 239,510          | 5,300            | 302,000          | (296,700)          | 239,510          | (234,210)          | (234,210)          |
| <b>Total Energy</b>                      | <b>5,300</b>     | <b>310,000</b>   | <b>(304,700)</b>   | <b>548,382</b>   | <b>5,300</b>     | <b>310,000</b>   | <b>(304,700)</b>   | <b>548,382</b>   | <b>(543,082)</b>   | <b>(543,082)</b>   |
| Storage                                  | 39,372           | 190,000          | (150,628)          | 9,726            | 39,372           | 190,000          | (150,628)          | 9,726            | 29,646             | 29,646             |
| Atmos Energy Service                     | -                | -                | -                  | -                | -                | -                | -                  | -                | -                  | -                  |
| <b>Total Non-Utility</b>                 | <b>44,672</b>    | <b>500,000</b>   | <b>(455,328)</b>   | <b>558,108</b>   | <b>44,672</b>    | <b>500,000</b>   | <b>(455,328)</b>   | <b>558,108</b>   | <b>(513,436)</b>   | <b>(513,436)</b>   |
| <b>Consolidated Capital Expenditures</b> | <b>6,405,654</b> | <b>8,918,000</b> | <b>(2,512,346)</b> | <b>8,372,887</b> | <b>6,405,654</b> | <b>8,918,000</b> | <b>(2,512,346)</b> | <b>8,372,888</b> | <b>(1,967,234)</b> | <b>(1,967,234)</b> |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
AS OF 10/31/97

| Line No.              | Description (a)   | 1997 (b)           | 1996 (c)           | As of September 30, 1997 (d) | Line No. |
|-----------------------|---|--------------------|--------------------|------------------------------|----------|
| <b>ASSETS</b>         |   |                    |                    |                              |          |
| 1                     | Property, plant and equipment                             |                    |                    |                              | 1        |
| 2                     | Utility plant   | \$1,218,287,420.77 | \$1,117,330,862.44 | \$1,218,370,929.56           | 2        |
| 3                     | Nonutility plant  | 82,400,701.53      | 78,720,950.64      | 82,632,468.53                | 3        |
|                       | Construction work in progress                             | 38,002,929.95      | 23,068,085.99      | 31,668,205.31                |          |
| 4                     | Less accumulated depreciation and amortization            | 1,338,691,052.25   | 1,219,119,899.07   | 1,332,671,603.40             | 4        |
| 5                     |   | 488,075,678.36     | 449,427,178.12     | 483,544,361.22               | 5        |
| 6                     | Net property, plant and equipment                         | 850,615,373.89     | 769,692,720.95     | 849,127,242.18               | 6        |
| 7                     | Investments in & advances to subsidiaries                 | 0.00               | 0.00               | 0.00                         | 7        |
| <b>Current assets</b> |   |                    |                    |                              |          |
| 8                     | Cash and temporary cash investments                       | 1,019,985.26       | 1,334,145.98       | 6,015,412.91                 | 8        |
| 9                     | Accounts receivable, less allowance for doubtful accounts | 83,039,279.00      | 56,373,201.01      | 71,217,214.52                | 9        |
| 10                    | Inventories   | 12,913,735.89      | 14,214,055.17      | 12,332,807.62                | 10       |
| 11                    | Gas stored underground                                    | 51,589,186.36      | 49,276,761.75      | 48,122,006.36                | 11       |
| 12                    | Other current assets                                      | 7,624,793.87       | 5,165,240.57       | 6,017,201.01                 | 12       |
| 13                    | Intercompany accounts - net                               | 0.00               | 0.00               | 0.00                         | 13       |
| 14                    | Total current assets                                      | 156,186,980.38     | 126,363,404.48     | 143,704,642.42               | 14       |
| 15                    | Deferred charges and other assets                         | 97,248,780.88      | 64,153,704.00      | 95,479,101.77                | 15       |
| 16                    | Total assets  | \$1,104,051,135.15 | \$960,209,829.43   | \$1,088,310,986.37           | 16       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS (Continued)  
AS OF 10/31/97

| Line No.                                      | Description (a)                            | 1997 (b)           | 1996 (c)         | As of September 30, 1997 (d) | Line No. |
|---|--|--------------------|------------------|------------------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |  |                    |                  |                              |          |
| Shareholders' equity                          |  |                    |                  |                              |          |
| 1   | Common stock                               | \$148,251.26       | \$146,085.49     | \$148,212.18                 | 1        |
| 2   | Common stock subscribed                    | 0.00               | 0.00             | 0.00                         | 2        |
| 3   | Additional paid-in capital                 | 251,310,454.11     | 241,225,486.63   | 251,174,227.94               | 3        |
| 4   | Retained earnings                          | 74,262,101.11      | 81,284,813.50    | 75,937,292.59                | 4        |
| 5   | Total shareholders' equity                 | 325,720,806.48     | 322,656,385.62   | 327,259,732.71               | 5        |
| Long-term debt (including current maturities) |  |                    |                  |                              |          |
| 6   |  | 317,919,334.00     | 293,705,192.00   | 318,181,824.00               | 6        |
| 7   | Total capitalization                       | 643,640,140.48     | 616,361,577.62   | 645,441,556.71               | 7        |
| Current liabilities                           |  |                    |                  |                              |          |
| 8   | Notes payable                              | 187,850,000.00     | 117,812,000.00   | 167,300,000.00               | 8        |
| 9   | Accounts payable                           | 67,587,202.17      | 49,355,482.99    | 62,625,499.15                | 9        |
| 10  | Accrued taxes                              | 11,207,096.31      | 11,380,455.06    | 12,119,647.37                | 10       |
| 11  | Income taxes payable                       | (12,331,241.03)    | (1,476,220.38)   | (11,703,609.67)              | 11       |
| 12  | Dividends declared                         | 0.00               | 0.00             | 0.00                         | 12       |
| 13  | Customers' deposits                        | 14,885,257.60      | 16,826,306.73    | 15,097,975.19                | 13       |
| 14  | Other current liabilities                  | 45,645,890.29      | 24,162,668.19    | 52,582,230.67                | 14       |
| 15  | Total current liabilities                  | 314,844,205.34     | 218,060,692.59   | 298,021,742.71               | 15       |
| 16  | Deferred income taxes                      | 88,016,925.20      | 70,354,436.02    | 87,828,170.44                | 16       |
| 17  | Deferred credits and other liabilities     | 57,549,864.13      | 55,433,123.20    | 57,019,516.51                | 17       |
| 18  | Total liabilities and shareholders' equity | \$1,104,051,135.15 | \$960,209,829.43 | \$1,088,310,986.37           | 18       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
FOR THE MONTH, YEAR TO DATE AND TWELVE MONTHS ENDED 10/31/97

| Line No. | Description (a)                       | Current Month    |              |                       | Year to Date     |              |                       | Twelve Months Ended |  |  |
|----------|---------------------------------------|------------------|--------------|-----------------------|------------------|--------------|-----------------------|---------------------|--|--|
|          |                                       | Actual (b)       | Budget (c)   | Prior Year Actual (d) | Actual (e)       | Budget (f)   | Prior Year Actual (g) | Actual (h)          |  |  |
|          | Operating revenues                    |                  |              |                       |                  |              |                       |                     |  |  |
| 1        | Gas                                   | \$47,039,642.41  | \$47,737,000 | \$42,859,608.53       | \$47,039,642.41  | \$47,737,000 | \$42,859,608.53       | \$849,015,216.02    |  |  |
| 2        | Transportation                        | 1,904,718.73     | 1,594,000    | 1,709,704.26          | 1,904,718.73     | 1,594,000    | 1,709,704.26          | 20,080,059.64       |  |  |
| 3        | Other                                 | 3,657,837.00     | 4,569,000    | 4,730,054.99          | 3,657,837.00     | 4,569,000    | 4,730,054.99          | 41,042,598.31       |  |  |
| 4        | Total operating revenues              | 52,602,198.14    | 53,900,000   | 49,299,367.78         | 52,602,198.14    | 53,900,000   | 49,299,367.78         | 910,137,873.97      |  |  |
| 5        | Purchased gas cost                    | 32,344,529.97    | 32,662,000   | 28,369,493.94         | 32,344,529.97    | 32,662,000   | 28,369,493.94         | \$581,156,449.99    |  |  |
| 6        | Gross profit                          | 20,257,668.17    | 21,238,000   | 20,929,873.84         | 20,257,668.17    | 21,238,000   | 20,929,873.84         | 328,981,423.98      |  |  |
|          | Operating expenses                    |                  |              |                       |                  |              |                       |                     |  |  |
| 7        | Operation                             | 11,568,704.25    | 12,176,000   | 12,715,842.73         | 11,568,704.25    | 12,176,000   | 12,715,842.73         | \$172,535,800.50    |  |  |
| 8        | Maintenance                           | 1,030,934.76     | 897,000      | 868,912.96            | 1,030,934.76     | 897,000      | 868,912.96            | 12,135,436.17       |  |  |
| 9        | Depreciation and amortization         | 4,293,477.87     | 3,954,000    | 3,811,434.42          | 4,293,477.87     | 3,954,000    | 3,811,434.42          | 45,738,982.90       |  |  |
| 10       | Taxes - other than income taxes       | 2,389,112.24     | 2,329,000    | 2,184,848.71          | 2,389,112.24     | 2,329,000    | 2,184,848.71          | 32,335,095.95       |  |  |
| 11       | Provision for income taxes            | (1,069,011.41)   | (293,000)    | (367,867.00)          | (1,069,011.41)   | (293,000)    | (367,867.00)          | 13,597,088.96       |  |  |
| 12       | Total operating expenses              | 18,213,217.71    | 19,063,000   | 19,213,171.82         | 18,213,217.71    | 19,063,000   | 19,213,171.82         | 276,342,404.48      |  |  |
| 13       | Operating income (loss)               | 2,044,450.46     | 2,175,000    | 1,716,702.02          | 2,044,450.46     | 2,175,000    | 1,716,702.02          | 52,639,019.50       |  |  |
|          | Other income                          |                  |              |                       |                  |              |                       |                     |  |  |
| 14       | Merchandise                           | 41,034.57        | 12,000       | 50,715.65             | 41,034.57        | 12,000       | 50,715.65             | 29,952.01           |  |  |
| 15       | Interest income                       | 184,520.55       | 81,000       | 147,965.64            | 184,520.55       | 81,000       | 147,965.64            | 2,192,520.00        |  |  |
| 16       | Other nonoperating income             | (22,938.11)      | 211,000      | 74,931.49             | (22,938.11)      | 211,000      | 74,931.49             | (425,363.97)        |  |  |
| 17       | Earnings in Equity - Woodward         | (636,847.00)     | 0            | 292,560.00            | (636,847.00)     | 0            | 292,560.00            | 2,324,404.00        |  |  |
| 18       | Total other income (loss)             | (434,229.99)     | 304,000      | 566,172.78            | (434,229.99)     | 304,000      | 566,172.78            | 4,121,512.04        |  |  |
| 19       | Income (loss) before interest charges | 1,610,220.47     | 2,479,000    | 2,282,874.80          | 1,610,220.47     | 2,479,000    | 2,282,874.80          | 56,760,531.54       |  |  |
| 20       | Interest charges                      | 3,285,411.35     | 2,920,000    | 2,875,037.05          | 3,285,411.35     | 2,920,000    | 2,875,037.05          | 34,005,398.52       |  |  |
| 21       | Net income (loss)                     | (\$1,675,190.88) | (\$441,000)  | (\$592,162.25)        | (\$1,675,190.88) | (\$441,000)  | (\$592,162.25)        | \$22,755,133.02     |  |  |
| 22       | Earnings (loss) per share             | (\$0.06)         | (\$0.01)     | (\$0.02)              | (\$0.06)         | (\$0.01)     | (\$0.02)              | \$0.77              |  |  |
| 23       | Average common shares outstanding     | 29,643,222       | 29,697,000   | 29,207,125            | 29,643,222       | 29,697,000   | 29,207,125            | 29,433,844          |  |  |



ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEETS  
AS OF 10/31/97

| Line No.              | Description (a)   | Atmos Operating Divisions (b) | Atmos Non Regulated (c) | Eliminations and Adjustments (d) | Consolidated (e)   | Line No. |
|-----------------------|---|-------------------------------|-------------------------|----------------------------------|--------------------|----------|
| <b>ASSETS</b>         |   |                               |                         |                                  |                    |          |
|                       | Property, plant and equipment                             |                               |                         |                                  |                    |          |
| 1                     | Utility plant   | \$1,237,458,227.21            | \$859,549.26            | (\$20,030,355.70)                | \$1,218,287,420.77 | 1        |
| 2                     | Nonutility plant  | 2,578,186.95                  | 79,822,514.58           | 0.00                             | 82,400,701.53      | 2        |
| 3                     | Construction work in progress                             | 37,992,163.24                 | 10,766.71               | 0.00                             | 38,002,929.95      | 3        |
| 4                     |   | 1,278,028,577.40              | 80,692,830.55           | (20,030,355.70)                  | 1,338,691,052.25   | 4        |
| 5                     | Less accumulated depreciation and amortization            | 486,744,379.62                | 23,673,279.49           | (22,341,980.75)                  | 488,075,678.36     | 5        |
| 6                     | Net property, plant and equipment                         | 791,284,197.78                | 57,019,551.06           | 2,311,625.05                     | 850,615,373.89     | 6        |
| 7                     | Investments in & advances to subsidiaries                 | 8,353,208.01                  | 0.00                    | (8,353,208.01)                   | 0.00               | 7        |
| <b>Current assets</b> |   |                               |                         |                                  |                    |          |
| 8                     | Cash and temporary cash investments                       | (1,720,855.71)                | 2,740,840.97            | 0.00                             | 1,019,985.26       | 8        |
| 9                     | Accounts receivable, less allowance for doubtful accounts | 78,761,235.03                 | 4,177,051.97            | 100,992.00                       | 83,039,279.00      | 9        |
| 10                    | Inventories   | 11,810,767.89                 | 1,102,968.00            | 0.00                             | 12,913,735.89      | 10       |
| 11                    | Gas stored underground                                    | 43,817,827.36                 | 7,771,359.00            | 0.00                             | 51,589,186.36      | 11       |
| 12                    | Other current assets                                      | 6,323,211.92                  | 1,702,537.95            | (400,956.00)                     | 7,624,793.87       | 12       |
| 13                    | Intercompany accounts - net                               | 5,646,654.13                  | 4,551,062.90            | (10,197,717.03)                  | 0.00               | 13       |
| 14                    | Total current assets                                      | 144,638,840.62                | 22,045,820.79           | (10,497,681.03)                  | 156,186,980.38     | 14       |
| 15                    | Deferred charges and other assets                         | 84,763,623.23                 | 12,171,360.32           | 313,797.33                       | 97,248,780.88      | 15       |
| 16                    | Total assets  | \$1,029,039,869.64            | \$91,236,732.17         | (\$16,225,466.66)                | \$1,104,051,135.15 | 16       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEETS (Continued)  
AS OF 10/31/97

| Line No.   | Description (a)                                   | Atmos Operating Divisions (b) | Atmos Non Regulated (c) | Eliminations and Adjustments (d) | Consolidated (e)          | Line No. |
|--|---|-------------------------------|-------------------------|----------------------------------|---------------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>          |   |                               |                         |                                  |                           |          |
| <b>Shareholders' equity</b>                          |   |                               |                         |                                  |                           |          |
| 1  | Common stock                                      | \$148,251.26                  | \$1,005,100.00          | (\$1,005,100.00)                 | \$148,251.26              | 1        |
| 2  | Common stock subscribed                           | 0.00                          | 0.00                    | 0.00                             | 0.00                      | 2        |
| 3  | Additional paid-in capital                        | 251,310,454.11                | 7,348,108.01            | (7,348,108.01)                   | 251,310,454.11            | 3        |
| 4  | Retained earnings                                 | 49,350,705.07                 | 24,911,396.04           | 0.00                             | 74,262,101.11             | 4        |
| 5  | <b>Total shareholders' equity</b>                 | <b>300,809,410.44</b>         | <b>31,264,604.05</b>    | <b>(8,353,208.01)</b>            | <b>325,720,806.48</b>     | 5        |
| <b>Long-term debt (including current maturities)</b> |   |                               |                         |                                  |                           |          |
| 6  |   | 297,303,308.00                | 20,616,026.00           | 0.00                             | 317,919,334.00            | 6        |
| 7  | <b>Total capitalization</b>                       | <b>598,112,718.44</b>         | <b>53,880,630.05</b>    | <b>(8,353,208.01)</b>            | <b>643,640,140.48</b>     | 7        |
| <b>Current liabilities</b>                           |   |                               |                         |                                  |                           |          |
| 8  | Notes payable                                     | 180,600,000.00                | 7,250,000.00            | 0.00                             | 187,850,000.00            | 8        |
| 9  | Accounts payable                                  | 63,351,545.69                 | 4,235,656.48            | 0.00                             | 67,587,202.17             | 9        |
| 10   | Accrued taxes                                     | 10,704,295.78                 | 502,800.53              | 0.00                             | 11,207,096.31             | 10       |
| 11   | Income taxes payable                              | (18,985,163.06)               | 6,653,922.03            | 0.00                             | (12,331,241.03)           | 11       |
| 12   | Dividends declared                                | 0.00                          | 0.00                    | 0.00                             | 0.00                      | 12       |
| 13   | Customers' deposits                               | 14,826,275.43                 | 459,938.17              | (400,956.00)                     | 14,885,257.60             | 13       |
| 14   | Other current liabilities                         | 44,583,775.31                 | 1,017,587.98            | 44,527.00                        | 45,645,890.29             | 14       |
| 15   | Intercompany accounts - net                       | 210,719.00                    | 9,930,533.03            | (10,141,252.03)                  | 0.00                      | 15       |
| 16   | <b>Total current liabilities</b>                  | <b>295,291,448.15</b>         | <b>30,050,438.22</b>    | <b>(10,497,681.03)</b>           | <b>314,844,205.34</b>     | 16       |
| 17   | Deferred income taxes                             | 81,522,728.30                 | 6,494,196.90            | 0.00                             | 88,016,925.20             | 17       |
| 18   | <b>Deferred credits and other liabilities</b>     | <b>54,112,974.75</b>          | <b>811,467.00</b>       | <b>2,625,422.38</b>              | <b>57,549,864.13</b>      | 18       |
| 19   | <b>Total liabilities and shareholders' equity</b> | <b>\$1,029,039,869.64</b>     | <b>\$91,236,732.17</b>  | <b>(\$16,225,466.66)</b>         | <b>\$1,104,051,135.15</b> | 19       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
ELIMINATIONS TO CONSOLIDATING BALANCE SHEET  
AS OF 10/31/97

| <u>ELIMINATIONS</u>                          |                        |                        |
|--|------------------------|------------------------|
| 1. Common Stock                              |                        | \$1,005,100.00         |
| Investment in and advances to subs           |                        |                        |
| To eliminate common stock of subs            |                        |                        |
| 2. Paid-in Capital                           |                        |                        |
| Trans La Industrial                          | 2,292,947.89           |                        |
| WKG Resources                                | 1,603,833.12           |                        |
| United Cities Storage                        | 3,451,327.00           |                        |
| Investment in and advances to subs           |                        |                        |
| To eliminate paid-in capital of subs         |                        |                        |
| 3. Atmos Utility Plant                       | 2,311,625.05           |                        |
| Atmos Deferred Debit                         | 313,797.33             |                        |
| Atmos Deferred Credit                        |                        |                        |
| To adjust for capital leases associated      |                        |                        |
| with the sale/lease back transaction         |                        |                        |
| with the Grilloiland Group                   |                        |                        |
| 4. Intercompany Accounts- UCGC               | 400,956.00             |                        |
| Customer Deposits                            |                        |                        |
| Prepays                                      |                        |                        |
| To eliminate UCGS deposit from UCGC          |                        |                        |
| 5. Intercompany Accounts UCGC                | 100,992.00             |                        |
| Accounts Receivable - Service                |                        |                        |
| Misc. Current Liabilities                    |                        |                        |
| To eliminate intercompany accounts           |                        |                        |
| 6. Intercompany Accounts Payable - Egasco    |                        |                        |
| - Services                                   | 889,141.05             |                        |
| - United Cities Gas                          | 5,609.98               |                        |
| - United Cities Energy                       | 210,719.00             |                        |
| - United Cities Storage                      | 5,187,137.00           |                        |
|  | 3,848,645.00           |                        |
| Intercompany Accounts Receivable             |                        |                        |
| To eliminate Intercompany - Net              |                        | 10,197,717.03          |
| Total Net Eliminations                       | <u>\$16,370,985.66</u> | <u>\$16,370,985.66</u> |
| <u>ADJUSTMENTS</u>                           |                        |                        |
| 7. WKG Accumulated Provision                 | \$17,433,185.32        |                        |
| WKG Division Utility Plant                   |                        |                        |
| To adjust 11-30-1987 depreciation on         |                        |                        |
| WKG Division - amortization Month            | \$280,000              |                        |
| To date                                      | 33,320,000             |                        |
| 8. Trans La Accumulated Provision            | 4,864,256.51           |                        |
| Trans La Division Utility Plant              |                        |                        |
| To adjust 12-31-85 depreciation on           |                        |                        |
| Trans La Division - amortization Month       | 48,202                 |                        |
| To date                                      | 6,828,524              |                        |
| 9. Trans La Industrial Accumulated Provision | 44,538.92              |                        |
| Trans La Industrial Utility Plant            |                        |                        |
| To adjust 12-31-85 depreciation on           |                        |                        |
| Trans La Industrial - amortization Month     | 550                    |                        |
| To date                                      | 78,100                 |                        |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEET - NON REGULATED  
AS OF 10/31/97

1997

| Line No.                      | Description (a)   | 1997               |                 |                |                         |                      |                     |                   |        |        |                | Eliminations and Adjustments (i) | Consolidated (j) | Line No.        |    |
|-------------------------------|---|--------------------|-----------------|----------------|-------------------------|----------------------|---------------------|-------------------|--------|--------|----------------|----------------------------------|------------------|-----------------|----|
|                               |   | ATMOS SERVICES (b) | EGASCO INC. (c) | ENERMART (d)   | TRANS LA INDUSTRIAL (e) | UCG ENERGY CORP. (f) | UCG STORAGE CO. (g) | WKG RESOURCES (h) |        |        |                |                                  |                  |                 |    |
| <b>ASSETS</b>                 |   |                    |                 |                |                         |                      |                     |                   |        |        |                |                                  |                  |                 |    |
| Property, plant and equipment |   |                    |                 |                |                         |                      |                     |                   |        |        |                |                                  |                  |                 |    |
| 1                             | Utility plant   | \$0.00             | \$0.00          | \$0.00         | \$859,549.26            | \$0.00               | \$0.00              | \$0.00            | \$0.00 | \$0.00 | \$0.00         | \$0.00                           | \$0.00           | \$859,549.26    | 1  |
| 2                             | Nonutility plant  | 0.00               | 0.00            | 0.00           | 0.00                    | 59,291,879.00        | 0.00                | 19,976,832.00     | 0.00   | 0.00   | 553,803.58     | 0.00                             | 0.00             | 79,822,514.58   | 2  |
| 3                             | Construction work in progress                             | 0.00               | 0.00            | 0.00           | 4,806.71                | 5,960.00             | 0.00                | 0.00              | 0.00   | 0.00   | 0.00           | 0.00                             | 0.00             | 10,766.71       | 3  |
| 4                             | Less accumulated depreciation and amortization            | 0.00               | 0.00            | 0.00           | 864,355.97              | 59,297,839.00        | 19,976,832.00       | 0.00              | 0.00   | 0.00   | 553,803.58     | 0.00                             | 0.00             | 80,692,830.55   | 4  |
| 5                             |   | 0.00               | 0.00            | 0.00           | 455,080.06              | 20,566,068.00        | 2,546,986.00        | 0.00              | 0.00   | 0.00   | 105,145.43     | 0.00                             | 0.00             | 23,673,279.49   | 5  |
| 6                             | Net property, plant and equipment                         | 0.00               | 0.00            | 0.00           | 409,275.91              | 38,731,771.00        | 17,429,846.00       | 0.00              | 0.00   | 0.00   | 448,658.15     | 0.00                             | 0.00             | 57,019,551.06   | 6  |
| 7                             | Investments in & advances to subsidiaries                 | 0.00               | 0.00            | 0.00           | 0.00                    | 0.00                 | 0.00                | 0.00              | 0.00   | 0.00   | 0.00           | 0.00                             | 0.00             | 0.00            | 7  |
| <b>Current assets</b>         |   |                    |                 |                |                         |                      |                     |                   |        |        |                |                                  |                  |                 |    |
| 8                             | Cash and temporary cash investments                       | 1,391.00           | 5,552.14        | 8,960.91       | (5,824.11)              | 285,713.00           | 2,440,035.00        | 0.00              | 0.00   | 0.00   | 5,013.03       | 0.00                             | 0.00             | 2,740,840.97    | 8  |
| 9                             | Accounts receivable, less allowance for doubtful accounts | 0.00               | 19,000.00       | 2,344,186.73   | 770,235.15              | 1,034,221.00         | 5,151.00            | 0.00              | 0.00   | 0.00   | 4,258.09       | 0.00                             | 0.00             | 4,177,051.97    | 9  |
| 10                            | Inventories   | 0.00               | 0.00            | 0.00           | 0.00                    | 1,102,736.00         | 232.00              | 0.00              | 0.00   | 0.00   | 0.00           | 0.00                             | 0.00             | 1,102,968.00    | 10 |
| 11                            | Gas stored underground                                    | 0.00               | 0.00            | 0.00           | 0.00                    | 840,497.00           | 6,930,862.00        | 0.00              | 0.00   | 0.00   | 0.00           | 0.00                             | 0.00             | 7,771,359.00    | 11 |
| 12                            | Other current assets                                      | 0.00               | 0.00            | 29,159.91      | 6,759.15                | 1,643,124.00         | 8,398.00            | 0.00              | 0.00   | 0.00   | 15,096.89      | 0.00                             | 0.00             | 1,702,537.95    | 12 |
| 13                            | Intercompany accounts - net                               | 0.00               | 0.00            | 849,850.79     | 2,452,464.88            | 198,972.49           | (8,503.13)          | 0.00              | 0.00   | 0.00   | 1,058,277.87   | 0.00                             | 0.00             | 4,551,062.90    | 13 |
| 14                            | Total current assets                                      | 1,391.00           | 24,552.14       | 3,232,158.34   | 3,223,635.07            | 5,105,263.49         | 9,376,174.87        | 0.00              | 0.00   | 0.00   | 1,082,645.88   | 0.00                             | 0.00             | 22,045,820.79   | 14 |
| 15                            | Deferred charges and other assets                         | 0.00               | 639,634.67      | 0.00           | 224.73                  | 11,106,446.00        | 367,173.00          | 0.00              | 0.00   | 0.00   | 57,881.92      | 0.00                             | 0.00             | 12,171,360.32   | 15 |
| 16                            | Total assets  | \$1,391.00         | \$664,186.81    | \$3,232,158.34 | \$3,633,135.71          | \$54,943,480.49      | \$27,173,193.87     | \$0.00            | \$0.00 | \$0.00 | \$1,589,185.95 | \$0.00                           | \$0.00           | \$91,236,732.17 | 16 |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEET - NON REGULATED  
AS OF 10/31/97

| Line No.                                    | Description (a)                               | 1997               |                  |                |                        |                      |                     |                     |                                  |        |        | Consolidated (j) | Line No. |
|---|---|--------------------|------------------|----------------|------------------------|----------------------|---------------------|---------------------|----------------------------------|--------|--------|------------------|----------|
|   |   | ATMOS SERVICES (b) | EGASCO, INC. (c) | ENERMART (d)   | TRANSLA INDUSTRIAL (e) | UCG ENERGY CORP. (f) | UCG STORAGE CO. (g) | W K G RESOURCES (h) | Eliminations and Adjustments (i) |        |        |                  |          |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |   |                    |                  |                |                        |                      |                     |                     |                                  |        |        |                  |          |
| <b>Shareholders' equity</b>                 |   |                    |                  |                |                        |                      |                     |                     |                                  |        |        |                  |          |
| 1   | Common stock                                  | \$1,000.00         | \$1,000.00       | \$1,000.00     | \$100.00               | \$1,000,000.00       | \$1,000.00          | \$1,000.00          | \$0.00                           | \$0.00 | \$0.00 | \$0.00           | 1        |
| 2   | Common stock subscribed                       | 0.00               | 0.00             | 0.00           | 0.00                   | 0.00                 | 0.00                | 0.00                | 0.00                             | 0.00   | 0.00   | 0.00             | 2        |
| 3   | Additional paid-in capital                    | 0.00               | 0.00             | 0.00           | 2,292,947.89           | 0.00                 | 3,451,327.00        | 0.00                | 0.00                             | 0.00   | 0.00   | 0.00             | 3        |
| 4   | Retained earnings                             | (3,417.33)         | (435,561.77)     | 986,586.91     | 281,013.09             | 20,332,526.46        | 3,775,387.46        | (25,138.78)         | 0.00                             | 0.00   | 0.00   | 0.00             | 4        |
| 5   | Total shareholders' equity                    | (2,417.33)         | (434,561.77)     | 987,586.91     | 2,574,060.98           | 21,332,526.46        | 7,227,714.46        | 1,579,694.34        | 0.00                             | 0.00   | 0.00   | 0.00             | 5        |
| 6   | Long-term debt (including current maturities) | 0.00               | 0.00             | 0.00           | 0.00                   | 11,776,792.00        | 8,839,234.00        | 0.00                | 0.00                             | 0.00   | 0.00   | 0.00             | 6        |
| 7   | Total capitalization                          | (2,417.33)         | (434,561.77)     | 987,586.91     | 2,574,060.98           | 33,109,318.46        | 16,066,948.46       | 1,579,694.34        | 0.00                             | 0.00   | 0.00   | 0.00             | 7        |
| <b>Current liabilities</b>                  |   |                    |                  |                |                        |                      |                     |                     |                                  |        |        |                  |          |
| 8   | Notes payable                                 | 0.00               | 0.00             | 0.00           | 0.00                   | 7,250,000.00         | 0.00                | 0.00                | 0.00                             | 0.00   | 0.00   | 0.00             | 8        |
| 9   | Accounts payable                              | 25.00              | 210,786.13       | 1,853,445.32   | 726,166.86             | 1,439,864.00         | 3,722.00            | 1,647.17            | 0.00                             | 0.00   | 0.00   | 0.00             | 9        |
| 10  | Accrued taxes                                 | 0.00               | 2,802.40         | 35,150.21      | 25,784.74              | 441,257.00           | 0.00                | (2,193.82)          | 0.00                             | 0.00   | 0.00   | 0.00             | 10       |
| 11  | Income taxes payable                          | (1,826.65)         | (3,981.00)       | 355,975.90     | 150,318.29             | 4,968,693.03         | 1,194,040.41        | (9,299.95)          | 0.00                             | 0.00   | 0.00   | 0.00             | 11       |
| 12  | Dividends declared                            | 0.00               | 0.00             | 0.00           | 0.00                   | 0.00                 | 0.00                | 0.00                | 0.00                             | 0.00   | 0.00   | 0.00             | 12       |
| 13  | Customers' deposits                           | 0.00               | 0.00             | 0.00           | 58,882.17              | 100.00               | 400,956.00          | 0.00                | 0.00                             | 0.00   | 0.00   | 0.00             | 13       |
| 14  | Other current liabilities                     | 0.00               | 0.00             | 0.00           | 16,402.98              | 693,063.00           | 308,122.00          | 0.00                | 0.00                             | 0.00   | 0.00   | 0.00             | 14       |
| 15  | Intercompany accounts - net                   | 5,609.98           | 889,141.05       | 0.00           | 0.00                   | 5,187,137.00         | 3,848,645.00        | 0.00                | 0.00                             | 0.00   | 0.00   | 0.00             | 15       |
| 16  | Total current liabilities                     | 3,808.33           | 1,098,748.58     | 2,244,571.43   | 977,555.04             | 19,980,116.03        | 5,755,485.41        | (9,846.60)          | 0.00                             | 0.00   | 0.00   | 0.00             | 16       |
| 17  | Deferred income taxes                         | 0.00               | 0.00             | 0.00           | 81,519.69              | 1,270,602.00         | 5,122,737.00        | 19,338.21           | 0.00                             | 0.00   | 0.00   | 0.00             | 17       |
| 18  | Deferred credits and other liabilities        | 0.00               | 0.00             | 0.00           | 0.00                   | 583,444.00           | 228,023.00          | 0.00                | 0.00                             | 0.00   | 0.00   | 0.00             | 18       |
| 19  | Total liabilities and shareholders' equity    | \$1,391.00         | \$664,186.81     | \$3,232,158.34 | \$3,633,135.71         | \$54,943,480.49      | \$27,173,193.87     | \$1,589,185.95      | \$0.00                           | \$0.00 | \$0.00 | \$0.00           | 19       |

ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME  
FOR THE MONTH ENDED OCTOBER 31, 1997

| Line No. | Description (a)                       | Current Month     |                       |                  |                  |                                |                     | Total Atmos Consolidated (h) | Line No. |
|----------|---------------------------------------|-------------------|-----------------------|------------------|------------------|--------------------------------|---------------------|------------------------------|----------|
|          |                                       | Regulated (1) (b) | Non-Regulated (2) (c) | Eliminations (d) | Total (e)        | Non-Utility Operations (3) (f) | Shared Services (g) |                              |          |
|          | Operating revenues                    |                   |                       |                  |                  |                                |                     |                              |          |
| 1        | Gas                                   | \$44,587,111.76   | \$2,452,530.65        | \$0.00           | \$47,039,642.41  | \$0.00                         | \$0.00              | \$47,039,642.41              | 1        |
| 2        | Transportation                        | 2,048,057.85      | 6,996.50              | (150,335.62)     | 1,904,718.73     | 0.00                           | 0.00                | 1,904,718.73                 | 2        |
| 3        | Other                                 | 0.00              | 0.00                  | 0.00             | 0.00             | 3,657,837.00                   | 0.00                | 3,657,837.00                 | 3        |
| 4        | Total operating revenues              | 46,635,169.61     | 2,459,527.15          | (150,335.62)     | 48,944,361.14    | 3,657,837.00                   | 0.00                | 52,602,198.14                | 4        |
| 5        | Purchased gas cost                    | 28,912,084.06     | 2,164,203.94          | (149,828.03)     | 30,926,459.97    | 1,418,070.00                   | 0.00                | 32,344,529.97                | 5        |
| 6        | Gross profit                          | 17,723,085.55     | 295,323.21            | (507.59)         | 18,017,901.17    | 2,239,767.00                   | 0.00                | 20,257,668.17                | 6        |
|          | Operating expenses                    |                   |                       |                  |                  |                                |                     |                              |          |
| 7        | Operation                             | 8,012,155.54      | 432,786.15            | 0.00             | 8,444,941.69     | 742,485.00                     | 1,547,342.50        | 10,734,769.19                | 7        |
| 8        | Maintenance                           | 919,111.41        | 0.00                  | 0.00             | 919,111.41       | 110,733.00                     | 1,090.35            | 1,030,934.76                 | 8        |
| 9        | Depreciation                          | 3,342,438.01      | 2,865.00              | 0.00             | 3,345,303.01     | 356,415.00                     | 591,759.86          | 4,293,477.87                 | 9        |
| 10       | Taxes - other than income taxes       | 2,265,019.13      | 8,262.13              | 0.00             | 2,273,281.26     | 67,728.00                      | 48,102.98           | 2,389,112.24                 | 10       |
| 11       | Shared Services - direct              | 833,935.06        | 0.00                  | 0.00             | 833,935.06       | 0.00                           | 0.00                | 833,935.06                   | 11       |
| 12       | Shared Services - allocations         | 2,083,998.82      | 26,929.54             | 437.69           | 2,111,366.05     | 76,714.64                      | (2,188,080.69)      | 0.00                         | 12       |
| 13       | Provision for income taxes            | (1,043,776.70)    | (67,283.15)           | 0.00             | (1,111,059.85)   | 42,048.44                      | 0.00                | (1,069,011.41)               | 13       |
| 14       | Total operating expenses              | 16,412,881.27     | 403,539.67            | 437.69           | 16,816,878.63    | 1,396,124.08                   | 215.00              | 18,213,217.71                | 14       |
| 15       | Operating income (loss)               | 1,310,204.28      | (108,236.46)          | (945.28)         | 1,201,022.54     | 843,642.92                     | (215.00)            | 2,044,450.46                 | 15       |
|          | Other income                          |                   |                       |                  |                  |                                |                     |                              |          |
| 16       | Merchandise                           | 41,034.57         | 0.00                  | 0.00             | 41,034.57        | 0.00                           | 0.00                | 41,034.57                    | 16       |
| 17       | Interest income                       | 131,484.55        | 0.00                  | 0.00             | 131,484.55       | 53,036.00                      | 0.00                | 184,520.55                   | 17       |
| 18       | Shared Services - allocations         | 0.00              | (437.69)              | 437.69           | 0.00             | 0.00                           | 0.00                | 0.00                         | 18       |
| 19       | Other nonoperating income             | (24,374.44)       | (19,906.26)           | 507.59           | (43,773.11)      | 20,835.00                      | 0.00                | (22,938.11)                  | 19       |
| 20       | Equity in earnings - Woodward         | 0.00              | 0.00                  | 0.00             | 0.00             | (636,847.00)                   | 0.00                | (636,847.00)                 | 20       |
| 21       | Total other income (loss)             | 148,144.68        | (20,343.95)           | 945.28           | 128,746.01       | (562,976.00)                   | 0.00                | (434,229.99)                 | 21       |
| 22       | Income (loss) before interest charges | 1,458,348.96      | (128,580.41)          | 0.00             | 1,329,768.55     | 280,666.92                     | (215.00)            | 1,610,220.47                 | 22       |
| 23       | Interest charges                      | 3,077,121.01      | 245.34                | 0.00             | 3,077,366.35     | 208,045.00                     | 0.00                | 3,285,411.35                 | 23       |
| 24       | Net income (loss)                     | (\$1,618,772.05)  | (\$128,825.75)        | \$0.00           | (\$1,747,597.80) | \$72,621.92                    | (\$215.00)          | (\$1,675,190.88)             | 24       |

Footnotes: (1) Regulated Utility Operations includes Energas, GGC, Trans La, UCG, WKG and CNG.  
(2) Non-Regulated Utility Operations includes Egasco, Emermart, TIJG and WKGR.  
(3) Non-Utility Operations includes Atmos Energy Services, UCG Energy and UCG Storage.  
(4) Includes all Shared Services expenses booked directly to the business units.  
(5) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
ELIMINATIONS TO CONSOLIDATING INCOME STATEMENT  
10/31/97

|  | Current Month |            | YEAR TO DATE |            |
|--|---------------|------------|--------------|------------|
|  | Dr            | Cr         | Dr           | Cr         |
| 1. Gas Revenue<br>Purchased Gas Cost<br>To eliminate gas sales to Atmos<br>from Trans La Industrial  | \$0.00        | \$0.00     | \$0.00       | \$0.00     |
| 2. Transportation Revenue<br>Purchased Gas Cost<br>To eliminate transportation charges<br>to Enemart Trust from Atmos  | 118,659.17    | 118,659.17 | 118,659.17   | 118,659.17 |
| 3. Transportation Revenue<br>Purchased Gas Cost<br>To eliminate transportation charges<br>to Trans La Industrial from Atmos  | 31,168.86     | 31,168.86  | 31,168.86    | 31,168.86  |
| 4. Transportation Revenue<br>Purchased Gas Cost<br>To eliminate transportation charges to<br>Amarillo Distribution Division from<br>Amarillo Transmission Division-Atmos | 0.00          | 0.00       | 0.00         | 0.00       |
| 5. Transportation Revenue<br>Other Nonoperating Income<br>To eliminate transportation charges for<br>CNG sales at public fill stations from Atmos                        | 507.59        | 507.59     | 507.59       | 507.59     |
| 6. Operation Expense<br>Other Nonoperating Income<br>To eliminate allocation of Corporate<br>Division expenses to WKGR from Atmos  | 437.69        | 437.69     | 437.69       | 437.69     |

ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME - REGULATED  
FOR THE MONTH ENDED OCTOBER 31, 1997

| Line No. | Description (a)                       | Current Month    |                |                |                  |                |                  |    | Line No. |
|----------|---------------------------------------|------------------|----------------|----------------|------------------|----------------|------------------|----|----------|
|          |                                       | Energas (1)      | Greeley        | Trans La (1)   | UCG              | WKG            | Total Regulated  |    |          |
|          |                                       | (b)              | (c)            | (d)            | (e)              | (f)            | (g)              |    |          |
|          | Operating revenues                    |                  |                |                |                  |                |                  |    |          |
| 1        | Gas                                   | \$11,438,081.99  | \$5,390,547.25 | \$3,099,158.46 | \$16,580,598.00  | \$8,078,726.06 | \$44,587,111.76  | 1  |          |
| 2        | Transportation                        | 186,829.03       | 112,027.09     | 35,208.42      | 1,098,249.00     | 615,744.31     | 2,048,057.85     | 2  |          |
| 3        | Other                                 | 0.00             | 0.00           | 0.00           | 0.00             | 0.00           | 0.00             | 3  |          |
| 4        | Total operating revenues              | 11,624,911.02    | 5,502,574.34   | 3,134,366.88   | 17,678,847.00    | 8,694,470.37   | 46,635,169.61    | 4  |          |
| 5        | Purchased gas cost                    | 7,974,391.70     | 3,341,646.57   | 1,422,619.05   | 11,001,209.00    | 5,172,217.74   | 28,912,084.06    | 5  |          |
| 6        | Gross profit                          | 3,650,519.32     | 2,160,927.77   | 1,711,747.83   | 6,677,638.00     | 3,522,252.63   | 17,723,085.55    | 6  |          |
|          | Operating expenses                    |                  |                |                |                  |                |                  |    |          |
| 7        | Operation                             | (2) 1,413,794.49 | 998,884.83     | 539,240.31     | 3,953,160.00     | 1,106,875.91   | 8,012,155.54     | 7  |          |
| 8        | Maintenance                           | 128,803.20       | 44,962.18      | 36,427.94      | 627,055.00       | 81,863.09      | 919,111.41       | 8  |          |
| 9        | Depreciation                          | 548,925.06       | 412,976.50     | 303,528.74     | 1,531,701.00     | 545,306.71     | 3,342,438.01     | 9  |          |
| 10       | Taxes - other than income taxes       | 655,998.80       | 207,582.56     | 185,243.63     | 1,053,316.00     | 162,878.14     | 2,265,019.13     | 10 |          |
| 10       | Shared Services - direct              | 292,348.85       | 116,394.00     | 133,905.67     | 0.00             | 291,286.54     | 833,935.06       | 10 |          |
| 11       | Shared Services - allocations         | 639,401.33       | 238,646.79     | 166,567.78     | 652,325.27       | 387,057.65     | 2,083,998.82     | 11 |          |
| 12       | Provision for income taxes            | (236,780.56)     | (88,220.67)    | (6,288.30)     | (855,553.61)     | 143,066.44     | (1,043,776.70)   | 12 |          |
| 13       | Total operating expenses              | 3,442,491.17     | 1,931,226.19   | 1,338,625.77   | 6,962,203.66     | 2,718,334.48   | 16,412,881.27    | 13 |          |
| 14       | Operating income (loss)               | 208,028.15       | 229,701.58     | 353,122.06     | (284,565.66)     | 803,918.15     | 1,310,204.28     | 14 |          |
|          | Other income                          |                  |                |                |                  |                |                  |    |          |
| 15       | Merchandise                           | (5,456.23)       | (1,102.08)     | 4,458.58       | (16,302.00)      | 59,436.30      | 41,034.57        | 15 |          |
| 16       | Interest income                       | 16,209.79        | 201.97         | 329.59         | 112,585.00       | 2,158.20       | 131,484.55       | 16 |          |
| 17       | Other nonoperating income             | (22,130.82)      | 14,704.82      | (10,665.98)    | 973.00           | (7,255.46)     | (24,374.44)      | 17 |          |
| 17       | Equity in earnings - Woodward         | 0.00             | 0.00           | 0.00           | 0.00             | 0.00           | 0.00             | 17 |          |
| 18       | Total other income (loss)             | (11,377.26)      | 13,804.71      | (5,877.81)     | 97,256.00        | 54,339.04      | 148,144.68       | 18 |          |
| 19       | Income (loss) before interest charges | 196,650.89       | 243,506.29     | 347,244.25     | (187,309.66)     | 858,257.19     | 1,458,348.96     | 19 |          |
| 20       | Interest charges                      | 712,491.67       | 435,700.37     | 360,943.68     | 1,021,407.00     | 546,578.29     | 3,077,121.01     | 20 |          |
| 21       | Net income (loss)                     | (\$515,840.78)   | (\$192,194.08) | (\$313,699.43) | (\$1,208,716.66) | \$311,678.90   | (\$1,618,772.05) | 21 |          |

Footnote:

- (1) Includes CNG.
- (2) Operations expense in the business units does not include any shared services costs.
- (3) Includes all Shared Services expenses booked directly to the business units.
- (4) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.



ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF INCOME- NON-REGULATED UTILITY  
FOR THE MONTH ENDED 10/31/97

| Line No. | Description (a)                       | 1997             |                |                         |                     |                                  |                         |        | Line No.       |
|----------|---------------------------------------|------------------|----------------|-------------------------|---------------------|----------------------------------|-------------------------|--------|----------------|
|          |                                       | EGASCO, INC. (b) | ENERMART (c)   | TRANS LA INDUSTRIAL (d) | W K G RESOURCES (e) | ELIMINATIONS and ADJUSTMENTS (f) | ATMOS NON-REGULATED (g) |        |                |
| 1        | Operating revenues                    |                  |                |                         |                     |                                  |                         |        |                |
| 2        | Gas                                   | \$252,212.46     | \$1,653,929.79 | \$546,388.40            | \$0.00              | \$0.00                           | \$0.00                  | \$0.00 | \$2,452,530.65 |
| 3        | Transportation                        | 0.00             | 0.00           | 6,996.50                | 0.00                | 0.00                             | 0.00                    | 0.00   | 6,996.50       |
| 4        | Other                                 | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00           |
| 4        | Total operating revenues              | 252,212.46       | 1,653,929.79   | 553,384.90              | 0.00                | 0.00                             | 0.00                    | 0.00   | 2,459,527.15   |
| 5        | Purchased gas cost                    | 211,667.88       | 1,504,417.62   | 448,118.44              | 0.00                | 0.00                             | 0.00                    | 0.00   | 2,164,203.94   |
| 6        | Gross profit                          | 40,544.58        | 149,512.17     | 105,266.46              | 0.00                | 0.00                             | 0.00                    | 0.00   | 295,323.21     |
| 7        | Operating expenses                    |                  |                |                         |                     |                                  |                         |        |                |
| 8        | Operation                             | 55,013.82        | 367,052.57     | 10,719.76               | 0.00                | 0.00                             | 0.00                    | 0.00   | 432,786.15     |
| 9        | Maintenance                           | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00           |
| 10       | Depreciation and amortization         | 0.00             | 0.00           | 2,865.00                | 0.00                | 0.00                             | 0.00                    | 0.00   | 2,865.00       |
| 11       | Taxes - other than income taxes       | 0.00             | 3,329.13       | 4,933.00                | 0.00                | 0.00                             | 0.00                    | 0.00   | 8,262.13       |
| 12       | Shared Services Allocation            | 1,656.86         | 19,939.12      | 5,333.56                | 0.00                | 0.00                             | 0.00                    | 0.00   | 26,929.54      |
| 13       | Provision for income taxes            | (16,000.00)      | (84,283.15)    | 33,000.00               | 0.00                | 0.00                             | 0.00                    | 0.00   | (67,283.15)    |
| 13       | Total operating expenses              | 40,670.68        | 306,037.67     | 56,851.32               | 0.00                | 0.00                             | 0.00                    | 0.00   | 403,559.67     |
| 14       | Operating income (loss)               | (126.10)         | (156,525.50)   | 48,415.14               | 0.00                | 0.00                             | 0.00                    | 0.00   | (108,236.46)   |
| 15       | Other income                          |                  |                |                         |                     |                                  |                         |        |                |
| 16       | Merchandise                           | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00           |
| 17       | Interest income                       | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00           |
| 18       | Shared Services Allocation            | 0.00             | 0.00           | 0.00                    | (437.69)            | 0.00                             | 0.00                    | 0.00   | (437.69)       |
| 19       | Other nonoperating income             | (19,952.54)      | 0.00           | 0.00                    | 46.28               | 0.00                             | 0.00                    | 0.00   | (19,906.26)    |
| 19       | Total other income (loss)             | (19,952.54)      | 0.00           | 0.00                    | (391.41)            | 0.00                             | 0.00                    | 0.00   | (20,343.95)    |
| 20       | Income (loss) before interest charges | (20,078.64)      | (156,525.50)   | 48,415.14               | (391.41)            | 0.00                             | 0.00                    | 0.00   | (128,580.41)   |
| 21       | Interest charges                      | 0.00             | 0.00           | 245.34                  | 0.00                | 0.00                             | 0.00                    | 0.00   | 245.34         |
| 22       | Net income (loss)                     | (\$20,078.64)    | (\$156,525.50) | \$48,169.80             | (\$391.41)          | \$0.00                           | \$0.00                  | \$0.00 | (\$128,825.75) |

NON-UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME- NON-UTILITY  
FOR THE MONTH ENDED 10/31/97

1997

| Line No. | Description (a)                 | Eliminations and Adjustments (f) |                 |                     |                            |                                   |                           |                     |                 |           |                                   | Total Non-Utility (j) | Line No.     |    |
|----------|---------------------------------|----------------------------------|-----------------|---------------------|----------------------------|-----------------------------------|---------------------------|---------------------|-----------------|-----------|-----------------------------------|-----------------------|--------------|----|
|          |                                 | UCG Leasing (b)                  | UCG Propane (c) | Rental Division (d) | Utility Serv. Division (e) | UCG Energy Corp. Consolidated (g) | Atmos Energy Services (h) | UCG Storage Co. (i) | Adjustments (f) |           | UCG Energy Corp. Consolidated (g) |                       |              |    |
| 1        | Operating revenues              |                                  |                 |                     |                            |                                   |                           |                     |                 |           |                                   |                       |              |    |
| 2        | Gas                             | \$0.00                           | \$0.00          | \$0.00              | \$0.00                     | \$0.00                            | \$0.00                    | \$0.00              | \$0.00          | \$0.00    | \$0.00                            | \$0.00                | \$0.00       | 1  |
| 3        | Transportation                  | 0.00                             | 0.00            | 0.00                | 0.00                       | 0.00                              | 0.00                      | 0.00                | 0.00            | 0.00      | 0.00                              | 0.00                  | 0.00         | 2  |
| 4        | Other                           | 91,879.00                        | 2,970,440.00    | 263,532.00          | 57,561.00                  | 3,383,412.00                      | 274,425.00                | 3,657,837.00        | 0.00            | 0.00      | 0.00                              | 274,425.00            | 3,657,837.00 | 3  |
| 5        | Total operating revenues        | 91,879.00                        | 2,970,440.00    | 263,532.00          | 57,561.00                  | 3,383,412.00                      | 274,425.00                | 3,657,837.00        | 0.00            | 0.00      | 0.00                              | 274,425.00            | 3,657,837.00 | 4  |
| 6        | Purchased gas cost              | 0.00                             | 1,355,224.00    | 0.00                | 62,846.00                  | 1,418,070.00                      | 0.00                      | 1,418,070.00        | 0.00            | 0.00      | 0.00                              | 0.00                  | 1,418,070.00 | 5  |
| 7        | Gross profit                    | 91,879.00                        | 1,615,216.00    | 263,532.00          | (5,285.00)                 | 1,965,342.00                      | 0.00                      | 2,239,767.00        | 0.00            | 0.00      | 0.00                              | 274,425.00            | 2,239,767.00 | 6  |
| 8        | Operating expenses              |                                  |                 |                     |                            |                                   |                           |                     |                 |           |                                   |                       |              |    |
| 9        | Operation                       | 5,269.00                         | 640,943.00      | 51,346.00           | 14,668.00                  | 712,226.00                        | 0.00                      | 742,485.00          | 0.00            | 25.00     | 25.00                             | 30,234.00             | 742,485.00   | 7  |
| 10       | Maintenance                     | 0.00                             | 86,665.00       | 0.00                | 0.00                       | 86,665.00                         | 0.00                      | 110,733.00          | 0.00            | 0.00      | 0.00                              | 24,068.00             | 110,733.00   | 8  |
| 11       | Depreciation and amortization   | 33,099.00                        | 183,719.00      | 71,412.00           | 34,664.00                  | 322,894.00                        | 0.00                      | 356,415.00          | 0.00            | 0.00      | 0.00                              | 33,521.00             | 356,415.00   | 9  |
| 12       | Taxes - other than income taxes | 0.00                             | 22,951.00       | 11,056.00           | 0.00                       | 34,007.00                         | 0.00                      | 67,728.00           | 0.00            | 0.00      | 0.00                              | 33,721.00             | 67,728.00    | 10 |
| 13       | Shared services allocation      | 1,363.63                         | 62,045.17       | 4,090.89            | 681.82                     | 68,181.51                         | 0.00                      | 76,714.64           | 0.00            | 0.00      | 0.00                              | 8,533.13              | 76,714.64    | 11 |
| 14       | Provision for income taxes      | 16,471.82                        | 206,422.84      | 39,455.46           | (253,259.09)               | 9,091.03                          | 0.00                      | 42,048.44           | 0.00            | 0.00      | 0.00                              | 32,957.41             | 42,048.44    | 12 |
| 15       | Total operating expenses        | 56,203.45                        | 1,202,746.01    | 177,360.35          | (203,245.27)               | 1,233,064.54                      | 0.00                      | 1,396,124.08        | 0.00            | 25.00     | 25.00                             | 163,034.54            | 1,396,124.08 | 13 |
| 16       | Operating income (loss)         | 35,675.55                        | 412,469.99      | 86,171.65           | 197,960.27                 | 732,277.46                        | 0.00                      | 843,642.92          | 0.00            | (25.00)   | (25.00)                           | 111,390.46            | 843,642.92   | 14 |
| 17       | Other income                    |                                  |                 |                     |                            |                                   |                           |                     |                 |           |                                   |                       |              |    |
| 18       | Merchandise                     | 0.00                             | 0.00            | 0.00                | 0.00                       | 0.00                              | 0.00                      | 0.00                | 0.00            | 0.00      | 0.00                              | 0.00                  | 0.00         | 15 |
| 19       | Interest income                 | 3,631.00                         | 6,277.00        | 36,883.00           | 34,237.00                  | 37,786.00                         | (43,242.00)               | 53,036.00           | 0.00            | 0.00      | 0.00                              | 15,250.00             | 53,036.00    | 16 |
| 20       | Other nonoperating income       | 93.00                            | (5,040.00)      | 667.00              | 25,115.00                  | 20,835.00                         | 0.00                      | 20,835.00           | 0.00            | 0.00      | 0.00                              | 0.00                  | 20,835.00    | 17 |
| 21       | Equity in earnings - Woodward   | 0.00                             | 0.00            | 0.00                | (636,847.00)               | (636,847.00)                      | 0.00                      | (636,847.00)        | 0.00            | 0.00      | 0.00                              | 0.00                  | (636,847.00) | 18 |
| 22       | Total other income (loss)       | 3,724.00                         | 1,237.00        | 37,550.00           | (577,495.00)               | (578,226.00)                      | (43,242.00)               | (562,976.00)        | 0.00            | 0.00      | 0.00                              | 15,250.00             | (562,976.00) | 19 |
| 23       | Income (loss) before int chgs   | 39,399.55                        | 413,706.99      | 123,721.65          | (379,534.73)               | 154,051.46                        | (43,242.00)               | 280,666.92          | 0.00            | (25.00)   | (25.00)                           | 126,640.46            | 280,666.92   | 20 |
| 24       | Interest charges                | 13,793.00                        | 69,317.00       | 59,309.00           | 33,944.00                  | 133,121.00                        | (43,242.00)               | 208,045.00          | 0.00            | 0.00      | 0.00                              | 74,924.00             | 208,045.00   | 21 |
| 25       | Net income (loss)               | \$25,606.55                      | \$344,389.99    | \$64,412.65         | (\$413,478.73)             | \$20,930.46                       | \$0.00                    | \$72,621.92         | 0.00            | (\$25.00) | (\$25.00)                         | \$51,716.46           | \$72,621.92  | 22 |

ATMOS ENERGY CORPORATION  
Allocation of Division 02 - Corporate Cost  
For The Month Ended 10/31/97

ALLOCATED DOLLARS

| DEPARTMENT                     | Total O&M    | Total        | Encargas     | GGC          | Trans La    | UFCG         | WKG          | Enersco  | Emermart  | TLIG     | UCG Energy  | UCG Storage | WKOR   |
|--------------------------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|----------|-----------|----------|-------------|-------------|--------|
| ACCOUNTING:                    | (609,163.29) | (609,203.29) | (116,697.80) | (116,039.08) | (82,402.13) | (131,166.32) | (118,381.63) | 41.47    | 201.11    | 78.48    | (20,059.86) | (2,812.82)  | 35.29  |
| BUSINESS DEVELOPMENT:          | 75,004.80    | 75,004.80    | 16,631.19    | 9,060.58     | 6,337.91    | 26,509.32    | 12,465.80    | -        | -         | -        | -           | -           | -      |
| CALL CENTER:                   | 3,457.95     | 3,457.95     | 1,367.98     | 671.68       | 471.66      | -            | 920.85       | 3.80     | 16.60     | 3.80     | -           | -           | 1.38   |
| EXECUTIVE:                     | 319,006.90   | 319,006.90   | 76,386.27    | 38,230.66    | 26,683.03   | 103,612.10   | 52,119.31    | 223.98   | 969.14    | 189.98   | 16,531.17   | 1,985.12    | 64.14  |
| GAS CONTROL:                   | -            | -            | -            | -            | -           | -            | -            | -        | -         | -        | -           | -           | -      |
| GAS SUPPLY:                    | 134,770.42   | 134,770.42   | 26,445.76    | 20,844.65    | 7,835.36    | 34,420.28    | 29,402.36    | -        | 11,999.49 | 3,822.50 | -           | -           | -      |
| HUMAN RESOURCES:               | 637,548.56   | 637,548.56   | 173,351.61   | 82,969.22    | 58,461.38   | 177,849.91   | 113,877.79   | 306.86   | 1,316.53  | 264.76   | 25,843.35   | 3,199.11    | 88.04  |
| INFORMATION TECHNOLOGY:        | 296,272.06   | 296,272.06   | 127,659.98   | 47,788.93    | 34,304.67   | 11,819.69    | 74,699.39    | -        | -         | -        | -           | -           | -      |
| INTERNAL AUDIT:                | 37,767.08    | 37,767.08    | 8,785.50     | 4,254.83     | 2,981.40    | 13,391.74    | 5,868.33     | 26.45    | 113.36    | 22.67    | 2,048.06    | 287.18      | 7.56   |
| INVESTOR RELATIONS:            | 126,442.21   | 126,442.21   | 31,256.51    | 15,211.00    | 10,633.79   | 47,845.73    | 20,900.90    | 88.51    | 391.97    | 88.51    | -           | -           | 25.29  |
| LEGAL:                         | 191,589.55   | 191,589.55   | 47,961.49    | 22,941.64    | 16,062.39   | 71,916.70    | 31,775.14    | 135.30   | 631.04    | 126.92   | -           | -           | 35.93  |
| PLANNING & BUDGETING:          | 82,688.45    | 82,688.45    | 21,710.78    | 10,555.65    | 7,400.44    | 23,903.61    | 14,533.19    | 63.97    | 275.50    | 57.23    | 3,655.69    | 512.60      | 19.59  |
| PRICE POLICY & ADMINISTRATION: | 68,890.53    | 68,890.53    | 21,804.61    | 19,278.43    | 8,300.73    | 5,222.71     | 13,603.65    | 26.24    | 199.03    | 31.80    | 332.69      | 71.29       | 19.35  |
| REGULATORY AFFAIRS:            | 24,762.91    | 24,762.91    | 3,714.44     | 6,190.73     | 2,478.29    | 9,905.16     | 2,476.29     | -        | -         | -        | -           | -           | -      |
| REMITTANCE PROCESSING:         | 17,404.76    | 17,404.76    | 7,727.71     | 2,892.67     | 2,076.39    | -            | 4,521.76     | 20.89    | 161.86    | 3.48     | -           | -           | -      |
| TECHNICAL SERVICES:            | 48,203.29    | 49,203.29    | 10,337.64    | 6,386.18     | 4,108.47    | 17,560.65    | 7,070.51     | 29.32    | 73.80     | 29.32    | 3,503.27    | 196.81      | 4.92   |
| TREASURY:                      | 91,501.32    | 91,501.32    | 29,933.01    | 15,325.29    | 10,263.39   | 10,380.18    | 21,643.98    | 241.21   | 1,666.83  | 229.34   | 1,587.48    | 222.60      | 8.01   |
| TOTAL OPERATIONS:              | 1,547,167.50 | 1,547,127.50 | 490,379.70   | 166,475.46   | 115,996.57  | 425,171.46   | 287,517.62   | 1,208.20 | 18,016.26 | 4,948.99 | 33,441.85   | 3,661.89    | 309.50 |
| Operations w/o A&G Cap.        | 2,428,167.50 | 2,428,127.50 | 716,831.36   | 355,410.43   | 235,553.27  | 555,835.51   | 478,436.04   | 1,466.28 | 19,122.33 | 5,170.20 | 53,424.90   | 6,463.94    | 383.24 |
| MAINTENANCE                    | 1,090.35     | 1,090.35     | 253.51       | 122.77       | 66.03       | 386.42       | 169.33       | 0.76     | 3.27      | 0.65     | 59.10       | 6.29        | 0.22   |
| DEPRECIATION                   | 591,759.86   | 591,759.86   | 137,584.18   | 66,632.16    | 46,689.85   | 209,719.69   | 91,900.31    | 414.23   | 1,775.28  | 355.06   | 32,073.38   | 4,497.37    | 118.35 |
| TAXES - OTHER                  | 48,102.98    | 48,102.98    | 11,183.94    | 5,416.40     | 3,795.33    | 17,047.70    | 7,470.39     | 33.67    | 144.31    | 28.86    | 2,607.18    | 365.58      | 9.62   |
| TOTAL                          | 2,188,120.69 | 2,188,080.69 | 639,401.33   | 238,646.79   | 166,567.78  | 632,353.27   | 387,057.65   | 1,656.86 | 19,939.12 | 5,333.56 | 68,181.51   | 8,533.13    | 437.69 |

ATMOS ENERGY CORPORATION  
Allocation of Division 02 - Corporate Cost  
For The Month Ended 10/31/97

ALLOCATED DOLLARS

| DEPARTMENT   | Total O&M    | Total        | Energies     | GGC          | Trans La    | UCG          | WKG          | Egaso    | Entermat   | TJIG     | UCG Energy  | UCG Storage | WKGR    |
|--|--------------|--------------|--------------|--------------|-------------|--------------|--------------|----------|------------|----------|-------------|-------------|---------|
| 0112900 VP & Controller                                | 42,993.30    | 42,993.30    | 17,008.14    | 8,353.60     | 5,864.29    | -            | 11,449.12    | 47.29    | 206.37     | 47.29    | -           | -           | 17.20   |
| 0113000 Assistant Controller General Acctg             | 13,689.91    | 13,689.91    | 5,413.73     | 2,659.95     | 1,671.30    | -            | 3,645.62     | 15.06    | 65.71      | 15.06    | -           | -           | 5.48    |
| 0113100 General Accounting                             | 32,765.41    | 32,765.41    | 12,962.00    | 6,366.32     | 4,469.20    | -            | 8,725.43     | 36.04    | 157.27     | 36.04    | -           | -           | 13.11   |
| 0113200 Payroll Accounting                             | 27,491.63    | 27,491.63    | 10,875.09    | 5,341.62     | 3,749.56    | -            | 7,321.02     | 30.24    | 131.96     | 30.24    | -           | -           | 11.00   |
| 0113300 Accounts Payable                               | 21,163.37    | 21,163.37    | 8,768.62     | 4,306.73     | 3,023.36    | -            | 5,902.64     | 24.39    | 106.39     | 24.38    | -           | -           | 8.87    |
| 0113400 Accounting Systems                             | 8,324.42     | 8,324.42     | 3,291.14     | 1,617.43     | 1,135.45    | -            | 2,216.79     | 9.16     | 39.96      | 9.16     | -           | -           | 3.33    |
| 0113500 Assistant Controller, Utility Acctg            | 3,696.61     | 3,696.61     | 1,462.37     | 718.25       | 504.22      | -            | 984.41       | 4.07     | 17.74      | 4.07     | -           | -           | 1.48    |
| 0113600 Plant Accounting                               | 27,897.92    | 27,897.92    | 11,036.40    | 5,420.57     | 3,405.28    | -            | 7,429.22     | 30.69    | 133.91     | 30.69    | -           | -           | 11.16   |
| 0113700 Gas Accounting                                 | 45,290.99    | 45,290.99    | 17,971.11    | 8,800.04     | 6,177.69    | -            | 12,606.99    | 49.82    | 217.40     | 49.82    | -           | -           | 18.12   |
| 0113800 Customer Billing                               | 6,670.10     | 6,670.10     | 2,638.68     | 1,296.00     | 909.80      | -            | 1,776.25     | 7.34     | 32.02      | 7.34     | -           | -           | 2.67    |
| 0113900 Financial Reporting                            | 13,773.07    | 13,773.07    | 5,448.62     | 2,676.11     | 1,878.65    | -            | 3,667.77     | 15.15    | 66.11      | 15.15    | -           | -           | 5.51    |
| 0114600 Dallas Taxation                                | 28,455.22    | 28,455.22    | 11,256.88    | 5,528.85     | 3,881.29    | -            | 7,377.63     | 31.30    | 136.59     | 31.30    | -           | -           | 11.38   |
| 0118300 Controller Miscellaneous                       | (1,417.24)   | (1,417.24)   | (378.52)     | (159.58)     | (111.82)    | (502.27)     | (220.10)     | (0.99)   | (4.25)     | (0.85)   | (76.81)     | (10.77)     | (0.28)  |
| 0119700 I/C Billing & Other                            | (368,690.88) | (368,690.88) | (65,720.64)  | (41,514.59)  | (29,089.71) | (130,664.05) | (57,257.69)  | (258.08) | (1,106.07) | (221.21) | (19,983.05) | (2,802.05)  | (73.74) |
| 0119800 Overhead Capitalized-Division 02               | (512,308.12) | (512,308.12) | (140,731.02) | (147,450.38) | (90,465.99) | (82,402.13)  | (131,166.32) | (41.47)  | 201.11     | 78.48    | (26,059.86) | (2,812.82)  | 35.29   |
| ACCOUNTING:  | (609,162.29) | (609,162.29) | (118,697.80) | (136,039.08) | (82,402.13) | (131,166.32) | (118,381.65) | 41.47    | 201.11     | 78.48    | (26,059.86) | (2,812.82)  | 35.29   |
| 0056000 Business Development                           | 75,004.80    | 75,004.80    | 18,631.19    | 9,060.58     | 6,337.91    | 28,509.32    | 12,465.80    | -        | -          | -        | -           | -           | -       |
| BUSINESS DEVELOPMENT:                                  | 75,004.80    | 75,004.80    | 18,631.19    | 9,060.58     | 6,337.91    | 28,509.32    | 12,465.80    | -        | -          | -        | -           | -           | -       |
| 0120100 Amarillo Call Center                           | 3,457.95     | 3,457.95     | 1,367.98     | 671.88       | 471.66      | -            | 920.85       | 3.80     | 16.60      | 3.80     | -           | -           | 1.38    |
| CALL CENTER:   | 3,457.95     | 3,457.95     | 1,367.98     | 671.88       | 471.66      | -            | 920.85       | 3.80     | 16.60      | 3.80     | -           | -           | 1.38    |
| 0050500 Chairman, President & CEO                      | 126,519.91   | 126,519.91   | 29,415.89    | 14,246.14    | 9,982.42    | 44,838.66    | 19,648.54    | 88.56    | 379.56     | 75.91    | 6,857.38    | 961.55      | 25.30   |
| 0052100 Dallas Operations                              | 45,363.03    | 45,363.03    | 10,787.32    | 5,416.35     | 3,692.55    | 15,273.73    | 6,916.01     | 22.68    | 104.33     | 13.61    | 3,021.18    | 90.73       | 4.54    |
| 0052400 Public Affairs                                 | 24,382.08    | 24,382.08    | 9,645.55     | 4,737.44     | 3,325.72    | -            | 6,492.95     | 36.92    | 117.03     | 26.82    | -           | -           | 9.75    |
| 0052500 Utility Services                               | 21,773.46    | 21,773.46    | 5,062.34     | 2,451.69     | 1,717.93    | 7,716.51     | 3,281.42     | 15.24    | 65.32      | 13.06    | 1,180.12    | 165.48      | 4.35    |
| 0054500 Business Strategies & Competitive Intelligence | -            | -            | -            | -            | -           | -            | -            | -        | -          | -        | -           | -           | -       |
| 0054700 Chief Financial Officer                        | 67,880.37    | 67,880.37    | 15,782.18    | 7,643.33     | 5,335.76    | 24,056.40    | 10,541.82    | 47.52    | 203.61     | 40.73    | 3,679.12    | 515.49      | 13.58   |
| 0117700 Corporate Communications                       | 33,088.05    | 33,088.05    | 7,692.99     | 3,725.71     | 2,610.65    | 11,726.40    | 5,130.57     | 23.16    | 99.26      | 19.85    | 1,793.37    | 251.47      | 6.62    |
| EXECUTIVE:   | 319,006.90   | 319,006.90   | 78,348.27    | 38,220.66    | 26,683.03   | 103,612.10   | 52,139.31    | 221.98   | 969.14     | 189.98   | 16,531.17   | 1,983.12    | 64.14   |
| 0056300 Corporate Gas Control                          | -            | -            | -            | -            | -           | -            | -            | -        | -          | -        | -           | -           | -       |
| GAS CONTROL:   | -            | -            | -            | -            | -           | -            | -            | -        | -          | -        | -           | -           | -       |
| 0051500 Interstate Gas Supply                          | 58,220.42    | 58,220.42    | 10,497.68    | 11,664.08    | 2,916.02    | 15,746.51    | 17,496.13    | -        | -          | -        | -           | -           | -       |
| 0051600 Intrastate Gas Supply                          | 54,513.23    | 54,513.23    | 10,902.65    | 5,451.32     | 2,725.66    | 13,628.31    | 8,176.98     | -        | 10,902.65  | 2,725.66 | -           | -           | -       |
| 0051900 Gas Supply                                     | 21,936.37    | 21,936.37    | 5,045.45     | 3,729.25     | 2,193.60    | 5,045.46     | 3,729.25     | -        | 1,096.84   | 1,096.84 | -           | -           | -       |
| GAS SUPPLY:  | 134,770.42   | 134,770.42   | 26,445.78    | 20,444.65    | 7,835.36    | 34,420.28    | 29,402.36    | -        | 11,999.49  | 3,822.50 | -           | -           | -       |

ALLOCATED DOLLARS

| DEPARTMENT                                   | Total O&M  | Total      | Energy     | GCC       | Trans La  | UCG | WKG        | Egasco | Emermat  | TIIG   | UCG Energy | UCG Storage | WKGR  |
|--|------------|------------|------------|-----------|-----------|-----|------------|--------|----------|--------|------------|-------------|-------|
| 0056100 Professional Development             | 3,663.65   | 3,663.65   | 1,498.88   | 705.27    | 506.73    | -   | 900.77     | -      | -        | -      | -          | -           | -     |
| 0117100 Corporate Services                   | 4,296.36   | 4,296.36   | 1,699.64   | 834.78    | 586.02    | -   | 1,144.12   | 4.73   | 20.62    | 4.73   | -          | -           | 1.72  |
| 0117200 Compensation & Employment            | 64,828.87  | 64,828.87  | 26,508.53  | 12,473.07 | 8,855.62  | -   | 16,991.65  | -      | -        | -      | -          | -           | -     |
| 0117300 Human Resources - VP                 | 19,339.86  | 19,339.86  | 4,909.58   | 2,308.99  | 1,639.58  | -   | 3,145.29   | -      | -        | -      | -          | -           | -     |
| 0117400 Employee & Labor Relations           | 9,567.49   | 9,567.49   | 2,314.38   | 1,088.78  | 773.05    | -   | 1,482.96   | -      | -        | -      | 920.39     | -           | -     |
| 0117500 Employee Benefits                    | 58,831.59  | 58,831.59  | 24,056.23  | 11,319.20 | 8,036.40  | -   | 15,419.76  | -      | -        | -      | -          | -           | -     |
| 0117800 Employee Communications              | 11,761.61  | 11,761.61  | 2,845.13   | 1,338.47  | 950.34    | -   | 3,673.15   | -      | -        | -      | 1,131.47   | -           | -     |
| 0117900 Facilities                           | 10,153.62  | 10,153.62  | 2,456.16   | 1,155.48  | 820.41    | -   | 3,170.98   | -      | -        | -      | 976.78     | -           | -     |
| 0118100 Employee Development                 | 24,491.43  | 24,491.43  | 6,556.36   | 3,083.47  | 2,189.53  | -   | 8,461.79   | -      | -        | -      | -          | -           | -     |
| 0118909 Fleet Administration                 |            |            |            |           |           |     |            |        |          |        |            |             |       |
| 0119000 Employee Relocation Expense          | 10,676.81  | 10,676.81  | 2,639.31   | 1,284.42  | 979.82    | -   | 4,040.10   | 7.47   | 31.10    | 7.47   | -          | -           | 2.14  |
| 0119210 Performance Plan                     | 116,666.00 | 116,666.00 | 27,124.84  | 13,136.59 | 9,204.95  | -   | 41,346.43  | 81.67  | 350.00   | 70.00  | 6,333.30   | 886.66      | 23.33 |
| 0119300 Outside Directors Retirement Cost    | 23,000.00  | 23,000.00  | 5,347.50   | 2,439.80  | 1,814.70  | -   | 8,151.20   | 16.10  | 69.00    | 13.80  | 1,216.60   | 174.80      | 4.60  |
| 0119400 Treasury - Worker's Comp             | (0.02)     | (0.02)     | (0.01)     | (0.01)    | (0.03)    | -   | (0.01)     | -      | -        | -      | -          | -           | -     |
| 0119500 Human Resources - Benefits           | 281,269.49 | 281,269.49 | 63,395.16  | 31,670.94 | 23,192.16 | -   | 99,651.91  | 196.89 | 843.81   | 168.76 | 15,244.81  | 2,137.65    | 56.25 |
| 0119600 Retirement Costs                     | 671,548.56 | 671,548.56 | 173,351.61 | 82,889.22 | 58,461.38 | -   | 173,849.91 | 306.86 | 1,316.53 | 264.76 | 25,843.35  | 3,199.11    | 88.04 |
| HUMAN RESOURCES:                             |            |            |            |           |           |     |            |        |          |        |            |             |       |
| 0115000 Information Services                 | 15,071.59  | 15,071.59  | 4,515.45   | 1,691.03  | 1,213.36  | -   | 5,006.29   | -      | -        | -      | -          | -           | -     |
| 0115100 Production Services                  | 109,902.51 | 109,902.51 | 49,324.25  | 18,403.62 | 13,254.24 | -   | 28,860.40  | -      | -        | -      | -          | -           | -     |
| 0115300 Information Systems                  | 125,638.06 | 125,638.06 | 56,386.37  | 21,077.19 | 15,151.95 | -   | 32,992.55  | -      | -        | -      | -          | -           | -     |
| 0115400 Information Support                  | 25,162.14  | 25,162.14  | 11,292.77  | 4,227.24  | 3,034.55  | -   | 6,607.58   | -      | -        | -      | -          | -           | -     |
| 0115500 Office Equipment                     | 2,460.28   | 2,460.28   | 598.05     | 276.04    | 198.05    | -   | 431.53     | -      | -        | -      | -          | -           | -     |
| 0115600 Telecommunication Services           | 18,037.48  | 18,037.48  | 5,004.03   | 2,023.81  | 1,452.02  | -   | 3,160.77   | -      | -        | -      | -          | -           | -     |
| INFORMATION TECHNOLOGY:                      | 296,272.06 | 296,272.06 | 127,659.98 | 47,788.93 | 34,304.07 | -   | 118,189.69 | -      | -        | -      | -          | -           | -     |
| 0116400 Internal Audit                       | 37,797.08  | 37,797.08  | 8,795.50   | 4,254.83  | 2,981.40  | -   | 13,391.74  | 26.45  | 113.36   | 22.67  | 2,048.06   | 297.18      | 7.56  |
| INTERNAL AUDIT:                              | 37,797.08  | 37,797.08  | 8,795.50   | 4,254.83  | 2,981.40  | -   | 13,391.74  | 26.45  | 113.36   | 22.67  | 2,048.06   | 297.18      | 7.56  |
| 0054900 Investor Relations                   | 126,442.21 | 126,442.21 | 31,256.51  | 15,211.00 | 10,633.79 | -   | 47,845.73  | 88.51  | 391.97   | 88.51  | -          | -           | 25.29 |
| INVESTOR RELATIONS:                          | 126,442.21 | 126,442.21 | 31,256.51  | 15,211.00 | 10,633.79 | -   | 47,845.73  | 88.51  | 391.97   | 88.51  | -          | -           | 25.29 |
| 0052000 Legal                                | 90,933.09  | 90,933.09  | 22,478.67  | 10,939.25 | 7,647.47  | -   | 34,409.68  | 63.65  | 281.89   | 63.65  | -          | -           | 18.19 |
| 0052099 Contract Administration              |            |            |            |           |           |     |            |        |          |        |            |             |       |
| 0052200 Governmental Affairs                 | 8,675.26   | 8,675.26   | 2,144.53   | 1,033.63  | 729.59    | -   | 1,434.02   | 6.07   | 26.89    | 6.07   | -          | -           | 1.74  |
| 0057900 Corporate Secretary                  | 80,006.27  | 80,006.27  | 19,777.56  | 9,624.75  | 6,728.53  | -   | 30,274.37  | 56.00  | 248.02   | 56.00  | -          | -           | 16.00 |
| 0118200 Central Records                      | 11,974.93  | 11,974.93  | 3,563.79   | 1,334.01  | 956.60    | -   | 2,054.84   | 9.58   | 74.24    | 11.20  | -          | -           | 6.10  |
| LEGAL:                                       | 191,589.55 | 191,589.55 | 47,964.49  | 22,911.64 | 16,062.39 | -   | 71,916.70  | 135.20 | 631.04   | 126.92 | -          | -           | 35.93 |
| 0054400 Financial & Strategic Planning       | 48,318.63  | 48,318.63  | 11,334.09  | 5,410.68  | 3,812.34  | -   | 17,124.12  | 33.82  | 144.96   | 28.99  | 2,618.87   | 367.22      | 9.66  |
| 0054600 New Business Ventures                | 19,129.50  | 19,129.50  | 4,447.61   | 2,153.98  | 1,509.32  | -   | 6,779.49   | 13.39  | 57.39    | 11.48  | 1,036.82   | 145.38      | 3.83  |
| 0114300 Budget & Planning                    | 15,240.32  | 15,240.32  | 6,029.08   | 2,961.19  | 2,078.78  | -   | 4,058.50   | 16.76  | 73.15    | 16.76  | -          | -           | 6.10  |
| PLANNING & BUDGETING:                        | 82,688.45  | 82,688.45  | 21,710.78  | 10,535.85 | 7,400.44  | -   | 23,903.61  | 63.97  | 275.50   | 57.23  | 3,655.69   | 512.60      | 19.59 |
| 0054000 Price Policy & Administration - V.P. | 13,202.00  | 13,202.00  | 2,658.89   | 2,371.74  | 988.83    | -   | 5,222.71   | 3.96   | 26.40    | 3.96   | 332.69     | 71.29       | 2.64  |
| 0054000 Price Policy & Administration        | 55,688.53  | 55,688.53  | 19,145.72  | 17,640.69 | 7,311.90  | -   | 11,950.76  | 22.28  | 172.63   | 27.84  | -          | -           | 16.71 |
| PRICE POLICY & ADMINISTRATION:               | 68,890.53  | 68,890.53  | 21,804.61  | 19,278.43 | 8,300.73  | -   | 5,222.71   | 26.24  | 199.03   | 31.80  | 332.69     | 71.29       | 19.35 |

ATMOS ENERGY CORPORATION  
Allocation of Division 02 - Corporate Cost  
For The Month Ended 10/31/97

ALLOCATED DOLLARS

| DEPARTMENT                     | Total O&M    | Total        | Energys    | GCC        | Trans La   | UCG        | WKCG       | Ergason  | Enermart  | TLIG     | UCG Energy | UCG Storage | WKGR   |
|--------------------------------|--------------|--------------|------------|------------|------------|------------|------------|----------|-----------|----------|------------|-------------|--------|
| 0054100 Regulatory Affairs     | 24,762.91    | 24,762.91    | 3,714.41   | 6,190.73   | 2,476.29   | 9,905.16   | 2,476.29   | -        | -         | -        | -          | -           | -      |
| REGULATORY AFFAIRS:            | 24,762.91    | 24,762.91    | 3,714.41   | 6,190.73   | 2,476.29   | 9,905.16   | 2,476.29   | -        | -         | -        | -          | -           | -      |
| 0118000 Remittance Processing  | 17,404.76    | 17,404.76    | 7,727.71   | 2,892.67   | 2,076.39   | -          | 4,531.76   | 20.89    | 161.86    | 3.48     | -          | -           | -      |
| REMITTANCE PROCESSING:         | 17,404.76    | 17,404.76    | 7,727.71   | 2,892.67   | 2,076.39   | -          | 4,531.76   | 20.89    | 161.86    | 3.48     | -          | -           | -      |
| 0056200 Technical Services     | 49,203.29    | 49,203.29    | 10,337.64  | 6,288.18   | 4,108.47   | 17,560.65  | 7,070.51   | 29.52    | 73.80     | 29.52    | 3,503.27   | 196.81      | 4.92   |
| TECHNICAL SERVICES:            | 49,203.29    | 49,203.29    | 10,337.64  | 6,288.18   | 4,108.47   | 17,560.65  | 7,070.51   | 29.52    | 73.80     | 29.52    | 3,503.27   | 196.81      | 4.92   |
| 0114500 Dallas Treasury        | 22,313.15    | 22,313.15    | 8,733.35   | 3,674.98   | 1,997.03   | -          | 5,935.30   | 214.21   | 1,533.00  | 203.28   | -          | -           | -      |
| 0114700 Dallas Risk Management | 9,321.65     | 9,321.65     | 2,167.30   | 1,049.62   | 735.48     | 3,303.59   | 1,447.65   | 6.53     | 27.96     | 5.59     | 505.23     | 78.84       | 1.86   |
| 0114800 Dallas Treasurer       | 19,967.80    | 19,967.80    | 4,632.52   | 2,248.37   | 1,575.46   | 7,076.59   | 3,101.00   | 13.98    | 59.90     | 11.98    | 1,082.25   | 151.76      | 3.99   |
| 0115200 Mass Mail              | -            | -            | -          | -          | -          | -          | -          | -        | -         | -        | -          | -           | -      |
| 0117600 Purchasing             | 15,067.75    | 15,067.75    | 4,799.07   | 3,388.74   | 2,470.43   | -          | 4,449.51   | -        | -         | -        | -          | -           | -      |
| 0118500 Mail & Supply          | 14,011.48    | 14,011.48    | 5,729.29   | 2,095.81   | 1,913.97   | -          | 3,672.41   | -        | -         | -        | -          | -           | -      |
| 0118600 Purchasing & Stores    | 10,819.49    | 10,819.49    | 3,661.48   | 2,287.77   | 1,611.02   | -          | 3,038.11   | 6.49     | 25.97     | 6.49     | -          | -           | 2.16   |
| TREASURY:                      | 91,501.32    | 91,501.32    | 29,933.01  | 15,325.29  | 10,263.39  | 10,380.18  | 21,643.98  | 241.21   | 1,664.53  | 229.34   | 1,587.48   | 222.60      | 8.01   |
| TOTAL OPERATIONS:              | 1,547,167.50 | 1,547,167.50 | 490,379.70 | 166,475.46 | 115,996.37 | 425,171.46 | 207,517.62 | 1,208.20 | 18,016.26 | 4,949.99 | 33,441.85  | 3,661.59    | 309.50 |
| Operations w/o A&G Corp.       | 2,428,167.50 | 2,428,167.50 | 716,831.36 | 353,440.43 | 235,533.27 | 553,835.51 | 478,436.04 | 1,466.28 | 19,122.33 | 5,170.20 | 53,424.90  | 6,463.94    | 383.24 |
| MAINTENANCE                    | 1,090.35     | 1,090.35     | 253.51     | 122.77     | 86.03      | 386.42     | 169.33     | 0.76     | 3.27      | 0.65     | 59.10      | 8.29        | 0.22   |
| DEPRECIATION                   | 591,759.86   | 591,759.86   | 137,584.18 | 66,632.16  | 46,689.85  | 209,719.69 | 91,900.31  | 414.23   | 1,775.28  | 353.06   | 32,073.38  | 4,497.37    | 118.35 |
| TAXES - OTHER                  | 48,102.98    | 48,102.98    | 11,883.84  | 5,416.40   | 3,795.33   | 17,047.70  | 7,470.39   | 33.67    | 144.31    | 28.86    | 2,607.18   | 365.59      | 9.62   |
| TOTAL                          | 2,181,120.69 | 2,181,120.69 | 639,601.33 | 238,646.79 | 166,567.78 | 652,325.27 | 387,057.65 | 1,656.86 | 19,939.12 | 5,373.56 | 68,185.51  | 8,533.13    | 477.69 |

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE MONTH ENDED 10/31/97

1997

| Line No. | Description (a)                       | Utility Business Units |                |                |                  | Total Utility Business Units |                    | Line No. |
|----------|---------------------------------------|------------------------|----------------|----------------|------------------|------------------------------|--------------------|----------|
|          |                                       | Energy (b)             | GCC (c)        | Trans La (d)   | UCG (e)          | WKG (f)                      | Business Units (g) |          |
| 1        | Operating revenues                    |                        |                |                |                  |                              |                    |          |
| 2        | Gas                                   | \$13,344,224.24        | \$5,390,547.25 | \$3,645,546.86 | \$16,580,598.00  | \$8,078,726.06               | \$47,039,642.41    | 1        |
| 3        | Transportation                        | 67,662.27              | 112,027.09     | 11,036.06      | 1,098,249.00     | 615,744.31                   | 1,904,718.73       | 2        |
| 3        | Other                                 | 0.00                   | 0.00           | 0.00           | 0.00             | 0.00                         | 0.00               | 3        |
| 4        | Total operating revenues              | 13,411,886.51          | 5,502,574.34   | 3,656,582.92   | 17,678,847.00    | 8,694,470.37                 | 48,944,361.14      | 4        |
| 5        | Purchased gas cost                    | 9,571,818.03           | 3,341,646.57   | 1,839,568.63   | 11,001,209.00    | 5,172,217.74                 | 30,926,459.97      | 5        |
| 6        | Gross profit                          | 3,840,068.48           | 2,160,927.77   | 1,817,014.29   | 6,677,638.00     | 3,522,252.63                 | 18,017,901.17      | 6        |
|          | Operating expenses                    |                        |                |                |                  |                              |                    |          |
| 7        | Operation                             | 1,835,860.88           | 998,884.83     | 549,960.07     | 3,953,360.00     | 1,106,875.91                 | 8,444,941.69       | 7        |
| 8        | Maintenance                           | 128,803.20             | 44,962.18      | 36,427.94      | 627,055.00       | 81,863.09                    | 919,111.41         | 8        |
| 9        | Depreciation and amortization         | 548,925.06             | 412,976.50     | 306,393.74     | 1,531,701.00     | 545,306.71                   | 3,345,303.01       | 9        |
| 10       | Taxes - other than income taxes       | 659,327.93             | 207,582.56     | 190,176.63     | 1,053,316.00     | 162,878.14                   | 2,273,281.26       | 10       |
| 11       | Shared services - direct              | 292,348.85             | 116,394.00     | 133,905.67     | 0.00             | 291,286.54                   | 833,935.06         | 11       |
| 12       | Shared services allocation            | 660,997.31             | 238,646.79     | 171,901.34     | 652,325.27       | 387,495.34                   | 2,111,366.05       | 12       |
| 13       | Provision for income taxes            | (337,063.71)           | (88,220.67)    | 26,711.70      | (855,553.61)     | 143,066.44                   | (1,111,059.85)     | 13       |
| 14       | Total operating expenses              | 3,789,199.52           | 1,931,226.19   | 1,415,477.09   | 6,962,203.66     | 2,718,772.17                 | 16,816,878.63      | 14       |
| 15       | Operating income (loss)               | 50,868.96              | 229,701.58     | 401,537.20     | (284,565.66)     | 803,480.46                   | 1,201,022.54       | 15       |
|          | Other income                          |                        |                |                |                  |                              |                    |          |
| 16       | Merchandise                           | (5,456.23)             | (1,102.08)     | 4,458.58       | (16,302.00)      | 59,436.30                    | 41,034.57          | 16       |
| 17       | Interest income                       | 16,209.79              | 201.97         | 329.59         | 112,585.00       | 2,158.20                     | 131,484.55         | 17       |
| 18       | Other nonoperating income             | (41,575.77)            | 14,704.82      | (10,665.98)    | 973.00           | (7,209.18)                   | (43,773.11)        | 18       |
| 19       | Total other income (loss)             | (30,822.21)            | 13,804.71      | (5,877.81)     | 97,256.00        | 54,385.32                    | 128,746.01         | 19       |
| 20       | Income (loss) before interest charges | 20,046.75              | 243,506.29     | 395,659.39     | (187,309.66)     | 857,865.78                   | 1,329,768.55       | 20       |
| 21       | Interest charges                      | 712,491.67             | 435,700.37     | 361,189.02     | 1,021,407.00     | 546,578.29                   | 3,077,366.35       | 21       |
| 22       | Net income (loss)                     | (\$692,444.92)         | (\$192,194.08) | \$34,470.37    | (\$1,208,716.66) | \$311,287.49                 | (\$1,747,597.80)   | 22       |

WESTERN KENTUCKY GAS BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE MONTH ENDED 10/31/97

|          |                                    | 1997           |            |                                  |          | Line                                    |          |
|----------|------------------------------------|----------------|------------|----------------------------------|----------|---|----------|
| Line No. | Description (a)                    | WKG (b)        | WKGR (c)   | Eliminations and Adjustments (d) |          | Western Kentucky Gas Business Units (e) | Line No. |
|          |                                    |                |            |                                  |          |   |          |
|          | Operating revenues                 |                |            |                                  |          |   |          |
| 1        | Gas                                | \$8,078,726.06 | \$0.00     | \$0.00                           | \$0.00   | \$8,078,726.06                          | 1        |
| 2        | Transportation                     | 615,744.31     | 0.00       | 0.00                             | 0.00     | 615,744.31                              | 2        |
| 3        | Other                              | 0.00           | 0.00       | 0.00                             | 0.00     | 0.00                                    | 3        |
| 4        | Total operating revenues           | 8,694,470.37   | 0.00       | 0.00                             | 0.00     | 8,694,470.37                            | 4        |
| 5        | Purchased gas cost                 | 5,172,217.74   | 0.00       | 0.00                             | 0.00     | 5,172,217.74                            | 5        |
| 6        | Gross profit                       | 3,522,252.63   | 0.00       | 0.00                             | 0.00     | 3,522,252.63                            | 6        |
|          | Operating expenses                 |                |            |                                  |          |   |          |
| 7        | Operation                          | 1,106,875.91   | 0.00       | 0.00                             | 0.00     | 1,106,875.91                            | 7        |
| 8        | Maintenance                        | 81,863.09      | 0.00       | 0.00                             | 0.00     | 81,863.09                               | 8        |
| 9        | Depreciation and amortization      | 545,306.71     | 0.00       | 0.00                             | 0.00     | 545,306.71                              | 9        |
| 10       | Taxes - other than income taxes    | 162,878.14     | 0.00       | 0.00                             | 0.00     | 162,878.14                              | 10       |
| 11       | Shared services - direct           | 291,286.54     | 0.00       | 0.00                             | 0.00     | 291,286.54                              | 11       |
| 12       | Shared services allocation         | 387,057.65     | 0.00       | 437.69                           | 437.69   | 387,495.34                              | 12       |
| 13       | Provision for income taxes         | 143,066.44     | 0.00       | 0.00                             | 0.00     | 143,066.44                              | 13       |
| 14       | Total operating expenses           | 2,718,334.48   | 0.00       | 437.69                           | 437.69   | 2,718,772.17                            | 14       |
| 15       | Operating income (loss)            | 803,918.15     | 0.00       | (437.69)                         | (437.69) | 803,480.46                              | 15       |
|          | Other income                       |                |            |                                  |          |   |          |
| 16       | Merchandise                        | 59,436.30      | 0.00       | 0.00                             | 0.00     | 59,436.30                               | 16       |
| 17       | Interest income                    | 2,158.20       | 0.00       | 0.00                             | 0.00     | 2,158.20                                | 17       |
| 18       | Shared services allocation         | 0.00           | (437.69)   | 437.69                           | 437.69   | 0.00                                    | 17       |
| 19       | Other nonoperating income          | (7,255.46)     | 46.28      | 0.00                             | 0.00     | (7,209.18)                              | 19       |
| 20       | Total other income (loss)          | 54,339.04      | (391.41)   | 437.69                           | 437.69   | 54,385.32                               | 20       |
| 21       | Income (loss) before interest chgs | 858,257.19     | (391.41)   | 0.00                             | 0.00     | 857,865.78                              | 21       |
| 22       | Interest charges                   | 546,578.29     | 0.00       | 0.00                             | 0.00     | 546,578.29                              | 22       |
| 23       | Net income (loss)                  | \$311,678.90   | (\$391.41) | \$0.00                           | \$0.00   | \$311,287.49                            | 23       |



ATMOS ENERGY CORPORATION  
COMBINING BALANCE SHEETS\*  
AS OF 10/31/97

| Line No.      | Description (a)   | ATMOS (b)        | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)    | Line No. |
|---------------|---|------------------|-------------------|--------------------------------|--------------------|----------|
| <b>ASSETS</b> |   |                  |                   |                                |                    |          |
| 1             | Property, plant and equipment                             |                  |                   |                                |                    | 1        |
| 2             | Utility plant   | \$735,538,065.21 | \$501,920,162.00  | \$0.00                         | \$1,237,458,227.21 | 2        |
| 3             | Nonutility plant  | 2,578,186.95     | 0.00              | 0.00                           | 2,578,186.95       | 3        |
| 4             | Construction work in progress                             | 36,570,901.24    | 1,421,262.00      | 0.00                           | 37,992,163.24      | 4        |
| 5             | Less accumulated depreciation and amortization            | 774,687,153.40   | 503,341,424.00    | 0.00                           | 1,278,028,577.40   | 5        |
| 6             | Net property, plant and equipment                         | 298,009,919.62   | 188,734,460.00    | 0.00                           | 486,744,379.62     | 6        |
| 7             | Investments in & advances to subsidiaries                 | 476,677,233.78   | 314,606,964.00    | 0.00                           | 791,284,197.78     | 7        |
| 8             | Current assets  | 3,900,881.01     | 4,452,327.00      | 0.00                           | 8,353,208.01       | 8        |
| 9             | Cash and temporary cash investments                       | (1,680,414.71)   | (40,441.00)       | 0.00                           | (1,720,855.71)     | 9        |
| 10            | Accounts receivable, less allowance for doubtful accounts | 50,009,976.03    | 28,751,259.00     | 0.00                           | 78,761,235.03      | 10       |
| 11            | Inventories   | 7,535,462.89     | 4,275,305.00      | 0.00                           | 11,810,767.89      | 11       |
| 12            | Gas stored underground                                    | 14,682,236.36    | 29,135,591.00     | 0.00                           | 43,817,827.36      | 12       |
| 13            | Other current assets                                      | 4,570,764.92     | 1,752,447.00      | 0.00                           | 6,323,211.92       | 13       |
| 14            | Intercompany accounts                                     | 70,077,954.05    | (64,431,299.92)   | 0.00                           | 5,646,654.13       | 14       |
| 15            | Total current assets                                      | 145,195,979.54   | (557,138.92)      | 0.00                           | 144,638,840.62     | 15       |
| 16            | Deferred charges and other assets                         | 56,127,718.23    | 28,635,905.00     | 0.00                           | 84,763,623.23      | 16       |
|               | Total assets  | \$681,901,812.56 | \$347,138,057.08  | \$0.00                         | \$1,029,039,869.64 |          |

\*This balance sheet combines Energas, Trans La, Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

ATMOS ENERGY CORPORATION  
COMBINING BALANCE SHEETS\*  
AS OF 10/31/97

| Line No.  | Description (a)                            | ATMOS (b)        | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)    | Line No. |
|---|--|------------------|-------------------|--------------------------------|--------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |  |                  |                   |                                |                    |          |
| Shareholders' equity                              |  |                  |                   |                                |                    |          |
| 1   | Common stock                               | \$81,650.15      | \$66,601.11       | \$0.00                         | \$148,251.26       | 1        |
| 2   | Common stock subscribed                    | 0.00             | 0.00              | 0.00                           | 0.00               | 2        |
| 3   | Additional paid-in capital                 | 118,645,860.22   | 132,664,593.89    | 0.00                           | 251,310,454.11     | 3        |
| 4   | Retained earnings                          | 47,534,906.73    | 1,815,798.34      | 0.00                           | 49,350,705.07      | 4        |
| 5   | Total shareholders' equity                 | 166,262,417.10   | 134,546,993.34    | 0.00                           | 300,809,410.44     | 5        |
| Long-term debt (including current maturities) (1) |  |                  |                   |                                |                    |          |
| 6   |  | 162,303,308.00   | 135,000,000.00    | 0.00                           | 297,303,308.00     | 6        |
| 7   | Total capitalization                       | 328,565,725.10   | 269,546,993.34    | 0.00                           | 598,112,718.44     | 7        |
| Current liabilities                               |  |                  |                   |                                |                    |          |
| 8   | Notes payable                              | 180,600,000.00   | 0.00              | 0.00                           | 180,600,000.00     | 8        |
| 9   | Accounts payable                           | 40,823,006.69    | 22,528,539.00     | 0.00                           | 63,351,545.69      | 9        |
| 10  | Accrued taxes                              | 5,691,139.78     | 5,013,156.00      | 0.00                           | 10,704,295.78      | 10       |
| 11  | Income taxes payable                       | (9,008,572.45)   | (9,976,590.61)    | 0.00                           | (18,985,163.06)    | 11       |
| 12  | Dividends declared                         | 0.00             | 0.00              | 0.00                           | 0.00               | 12       |
| 13  | Customers' deposits                        | 9,019,699.43     | 5,806,576.00      | 0.00                           | 14,826,275.43      | 13       |
| 14  | Other current liabilities                  | 30,458,739.96    | 14,125,035.35     | 0.00                           | 44,583,775.31      | 14       |
| 15  | Intercompany accounts                      | 0.00             | 210,719.00        | 0.00                           | 210,719.00         | 15       |
| 16  | Total current liabilities                  | 257,584,013.41   | 37,707,434.74     | 0.00                           | 295,291,448.15     | 16       |
| 17  | Deferred federal income taxes              | 55,294,379.30    | 26,228,349.00     | 0.00                           | 81,522,728.30      | 17       |
| 18  | Deferred credits                           | 40,457,694.75    | 13,655,280.00     | 0.00                           | 54,112,974.75      | 18       |
| 19  | Total liabilities and shareholders' equity | \$681,901,812.56 | \$347,138,057.08  | \$0.00                         | \$1,029,039,869.64 | 19       |

\*This balance sheet combines Energas, Trans La, Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

ATMOS ENERGY CORPORATION  
COMBINING STATEMENTS OF INCOME\*  
FOR THE MONTH ENDED OCTOBER 31, 1997

| Line No. | Description (a)                       | ATMOS (b)       | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)  | Line No. |
|----------|---------------------------------------|-----------------|-------------------|--------------------------------|------------------|----------|
| 1        | Operating revenues                    |                 |                   |                                |                  | 1        |
| 2        | Gas                                   | \$28,006,513.76 | \$16,580,598.00   | \$0.00                         | \$44,587,111.76  | 2        |
| 3        | Transportation                        | 949,808.85      | 1,098,249.00      | 0.00                           | 2,048,057.85     | 3        |
|          | Other                                 | 0.00            | 0.00              | 0.00                           |                  |          |
| 4        | Total operating revenues              | 28,956,322.61   | 17,678,847.00     | 0.00                           | 46,635,169.61    | 4        |
| 5        | Purchased gas cost                    | 17,910,875.06   | 11,001,209.00     | 0.00                           | 28,912,084.06    | 5        |
| 6        | Gross profit                          | 11,045,447.55   | 6,677,638.00      | 0.00                           | 17,723,085.55    | 6        |
|          | Operating expenses                    |                 |                   |                                |                  |          |
| 7        | Operation                             | 5,683,665.96    | 4,605,685.27      | 0.00                           | 10,289,351.23    | 7        |
| 8        | Maintenance                           | 293,146.76      | 627,055.00        | 0.00                           | 920,201.76       | 8        |
| 9        | Depreciation                          | 2,402,496.87    | 1,531,701.00      | 0.00                           | 3,934,197.87     | 9        |
| 10       | Taxes - other than income taxes       | 1,259,806.11    | 1,053,316.00      | 0.00                           | 2,313,122.11     | 10       |
| 11       | Provision for income taxes            | (188,223.09)    | (855,553.61)      | 0.00                           | (1,043,776.70)   | 11       |
| 12       | Total operating expenses              | 9,450,892.61    | 6,962,203.66      | 0.00                           | 16,413,096.27    | 12       |
| 13       | Operating income (loss)               | 1,594,554.94    | (284,565.66)      | 0.00                           | 1,309,989.28     | 13       |
|          | Other income                          |                 |                   |                                |                  |          |
| 14       | Merchandise                           | 57,336.57       | (16,302.00)       | 0.00                           | 41,034.57        | 14       |
| 15       | Interest income                       | 18,899.55       | 112,585.00        | 0.00                           | 131,484.55       | 15       |
| 16       | Other nonoperating income             | (25,347.44)     | 973.00            | 0.00                           | (24,374.44)      | 16       |
| 17       | Total other income (loss)             | 50,888.68       | 97,256.00         | 0.00                           | 148,144.68       | 17       |
| 18       | Income (loss) before interest charges | 1,645,443.62    | (187,309.66)      | 0.00                           | 1,458,133.96     | 18       |
| 19       | Interest charges                      | 2,055,714.01    | 1,021,407.00      | 0.00                           | 3,077,121.01     | 19       |
| 20       | Net income (loss)                     | (\$410,270.39)  | (\$1,208,716.66)  | \$0.00                         | (\$1,618,987.05) | 20       |

\*This statement of income combines Energas, Trans La, Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

ATMOS ENERGY CORPORATION  
PROPERTY, PLANT AND EQUIPMENT  
AS OF OCTOBER 31, 1997

|  | Year to Date          |             |             |             |                       |
|--|-----------------------|-------------|-------------|-------------|-----------------------|
|  | Balance 9/30/97       | Additions   | Retirements | Transfers   | Balance 10/31/97      |
| <b>GAS PLANT</b>                         |                       |             |             |             |                       |
| Atmos                                    |                       |             |             |             |                       |
| Atmos General Office(2)                  | \$39,305,772.63       | \$0.00      | \$0.00      | \$0.00      | \$39,305,772.63       |
| Total Atmos                              | <u>39,305,772.63</u>  | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>39,305,772.63</u>  |
| Energas                                  |                       |             |             |             |                       |
| Amarillo Transmission Div.(1)            | 3,209,615.20          | 0.00        | 0.00        | 0.00        | 3,209,615.20          |
| Amarillo City Plant Dist. Div.(3)        | 48,276,563.22         | 0.00        | 0.00        | 0.00        | 48,276,563.22         |
| Fritch & Sanford City Plt. Dist. Div.(4) | 953,581.61            | 0.00        | 0.00        | 0.00        | 953,581.61            |
| West Texas City Plant Dist. Div.(5)      | 158,615,097.05        | 0.00        | 0.00        | 0.00        | 158,615,097.05        |
| Dalhart City Plant Dist. Div.(6)         | 2,108,641.38          | 0.00        | 0.00        | 0.00        | 2,108,641.38          |
| West Texas Rural Irrigation Div.(8)      | 23,269,273.27         | 0.00        | 0.00        | 0.00        | 23,269,273.27         |
| Energas General Office(10)               | 2,437,569.38          | 0.00        | 0.00        | 0.00        | 2,437,569.38          |
| Faln-Amarillo Creek Transmision(11)      | 71,230.00             | 0.00        | 0.00        | 0.00        | 71,230.00             |
| Amarillo Rural Dist. Div.(13)            | 371,855.76            | 0.00        | 0.00        | 0.00        | 371,855.76            |
| Dalhart Rural Dist. Div.(17)             | 61,651.11             | 0.00        | 0.00        | 0.00        | 61,651.11             |
| Dalhart Rural Irrigation Div.(18)        | 333,690.52            | 0.00        | 0.00        | 0.00        | 333,690.52            |
| West Texas Rural Dist. Div.(21)          | 11,127,951.62         | 0.00        | 0.00        | 0.00        | 11,127,951.62         |
| Meter Shop Facilities & Meters(22)       | 0.00                  | 0.00        | 0.00        | 0.00        | 0.00                  |
| Total Energas                            | <u>250,836,720.12</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>250,836,720.12</u> |
| Trans La                                 |                       |             |             |             |                       |
| Trans La Dist. Div.(7)                   | 111,390,280.93        | 0.00        | 0.00        | 0.00        | 111,390,280.93        |
| Total Trans La                           | <u>111,390,280.93</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>111,390,280.93</u> |
| Western Kentucky Gas                     |                       |             |             |             |                       |
| Western Kentucky Gas Div.(9)             | 189,388,594.45        | 0.00        | 0.00        | 0.00        | 189,388,594.45        |
| Total Western Kentucky Gas               | <u>189,388,594.45</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>189,388,594.45</u> |

**ATMOS ENERGY CORPORATION  
PROPERTY, PLANT AND EQUIPMENT  
AS OF OCTOBER 31, 1997**

|                                    | Year to Date       |           |              |               |                    |
|------------------------------------|--------------------|-----------|--------------|---------------|--------------------|
|                                    | Balance 9/30/97    | Additions | Retirements  | Transfers     | Balance 10/31/97   |
| <b>GAS PLANT</b>                   |                    |           |              |               |                    |
| Greeley                            |                    |           |              |               |                    |
| Meter Shop Facilities & Meters(24) | \$11,380,596.90    | \$0.00    | \$0.00       | \$0.00        | \$11,380,596.90    |
| Missouri Dist. Div.(29)            | 690,434.01         | 0.00      | 0.00         | 0.00          | 690,434.01         |
| Denver Company Office(30)          | 1,797,536.72       | 0.00      | 0.00         | 0.00          | 1,797,536.72       |
| Greeley Dist. Div.(33)             | 23,770,593.23      | 0.00      | 0.00         | 0.00          | 23,770,593.23      |
| Northwest Colorado Dist. Div.(34)  | 17,345,814.60      | 0.00      | 0.00         | 0.00          | 17,345,814.60      |
| Fremont County Dist. Div.(35)      | 23,294,862.37      | 0.00      | 0.00         | 0.00          | 23,294,862.37      |
| Durango Dist. Div.(36)             | 15,387,957.07      | 0.00      | 0.00         | 0.00          | 15,387,957.07      |
| Central Colorado Dist. Div.(37)    | 0.00               | 0.00      | 0.00         | 0.00          | 0.00               |
| Cortez Dist. Div.(38)              | 0.00               | 0.00      | 0.00         | 0.00          | 0.00               |
| Southeast Colorado Dist. Div.(39)  | 0.00               | 0.00      | 0.00         | 0.00          | 0.00               |
| Kaw Valley Dist. Div.(82)          | 14,012,329.00      | 0.00      | 0.00         | 0.00          | 14,012,329.00      |
| Central Kansas Dist. Div.(83)      | 8,127,974.64       | 0.00      | 0.00         | 0.00          | 8,127,974.64       |
| Cane Dist. Div.(84)                | 5,305,815.42       | 0.00      | 0.00         | 0.00          | 5,305,815.42       |
| Eastern Kansas Dist. Div.(85)      | 3,667,121.03       | 0.00      | 0.00         | 0.00          | 3,667,121.03       |
| Southwest Kansas Dist. Div.(86)    | 13,003,584.57      | 0.00      | 0.00         | 0.00          | 13,003,584.57      |
| Total Greeley Gas                  | 137,784,619.56     | 0.00      | 0.00         | 0.00          | 137,784,619.56     |
| United Cities                      |                    |           |              |               |                    |
| United Cities Dist. Divisions      | 495,033,830.05     | 0.00      | 374,792.71   | (22,162.29)   | 494,636,875.05     |
| Total United Cities Gas            | 495,033,830.05     | 0.00      | 374,792.71   | (22,162.29)   | 494,636,875.05     |
| Total Gas Plant                    | \$1,223,739,817.74 | \$0.00    | \$374,792.71 | (\$22,162.29) | \$1,223,342,862.74 |

ATMOS ENERGY CORPORATION  
PROPERTY, PLANT AND EQUIPMENT  
AS OF OCTOBER 31, 1997

|   | Year to Date       |                |              |                |                    |
|---|--------------------|----------------|--------------|----------------|--------------------|
|   | Balance 9/30/97    | Additions      | Retirements  | Transfers      | Balance 10/31/97   |
| <b>OTHER GAS PLANT &amp;<br/>NON-UTILITY PROPERTY</b> |                    |                |              |                |                    |
| Atmos   |                    |                |              |                |                    |
| Atmos General Office                                  |                    |                |              |                |                    |
| Construction Work In Progress                         | \$31,465,829.77    | \$1,882,613.72 | \$0.00       | \$0.00         | \$33,348,443.49    |
| Non-utility Plant                                     | 1,132,200.02       | 124,000.00     | 124,500.00   | 0.00           | 1,131,700.02       |
| Total Atmos   | 32,598,029.79      | 2,006,613.72   | 124,500.00   | 0.00           | 34,480,143.51      |
| Energas   |                    |                |              |                |                    |
| Construction Work In Progress                         | 1,379,247.81       | 779,100.13     | 0.00         | 0.00           | 2,158,347.94       |
| Non-utility Plant                                     | 517,520.24         | 0.00           | 0.00         | 0.00           | 517,520.24         |
| Total Energas   | 1,896,768.05       | 779,100.13     | 0.00         | 0.00           | 2,675,868.18       |
| Trans La  |                    |                |              |                |                    |
| Construction Work In Progress                         | 340,764.90         | 452,209.04     | 0.00         | 0.00           | 792,973.94         |
| Acquisition Adj. - Trans La                           | 2,048,887.47       | 0.00           | 0.00         | 0.00           | 2,048,887.47       |
| Non-utility Plant                                     | 215,890.91         | 0.00           | 0.00         | 0.00           | 215,890.91         |
| Total Trans La  | 2,605,543.28       | 452,209.04     | 0.00         | 0.00           | 3,057,752.32       |
| Western Kentucky Gas                                  |                    |                |              |                |                    |
| Construction Work In Progress                         | 779,599.09         | 722,299.36     | 0.00         | 0.00           | 1,501,898.45       |
| Acquisition Adj. - W.K.G.                             | 3,336,783.64       | 0.00           | 0.00         | 0.00           | 3,336,783.64       |
| Total Western Kentucky Gas                            | 4,116,382.73       | 722,299.36     | 0.00         | 0.00           | 4,838,682.09       |
| Greeley   |                    |                |              |                |                    |
| Construction Work In Progress                         | (1,956,742.97)     | 725,980.39     | 0.00         | 0.00           | (1,230,762.58)     |
| Acquisition Adj. - G.G.C. Prior                       | 1,446,406.41       | 0.00           | 0.00         | 0.00           | 1,446,406.41       |
| Non-utility Plant                                     | 713,075.78         | 0.00           | 0.00         | 0.00           | 713,075.78         |
| Total Greeley Gas                                     | 202,739.22         | 725,980.39     | 0.00         | 0.00           | 928,719.61         |
| United Cities   |                    |                |              |                |                    |
| Construction Work In Progress                         | 631,379.28         | 1,321,567.60   | 0.00         | (531,685.41)   | 1,421,261.47       |
| Acquisition Adj. - U.C.G.C. - Prior                   | 7,283,287.48       | 0.00           | 0.00         | 0.00           | 7,283,287.48       |
| Total United Cities Gas                               | 7,914,666.76       | 1,321,567.60   | 0.00         | (531,685.41)   | 8,704,548.95       |
| Total Other Gas Plt & Non-utility Prop                | 49,334,129.83      | 6,007,770.24   | 124,500.00   | (531,685.41)   | 54,685,714.66      |
| Total Property, Plt. and Equipment                    | \$1,273,073,947.57 | \$6,007,770.24 | \$499,292.71 | (\$553,847.70) | \$1,278,028,577.40 |

**ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF OCTOBER 31, 1997**

|  | Year to Date    |            |             |                  |
|--|-----------------|------------|-------------|------------------|
|  | Balance 9/30/97 | Provision  | Adjustment  | Balance 10/31/97 |
| <b>GAS PLANT</b>                         |                 |            |             |                  |
| <b>Atmos</b>                             |                 |            |             |                  |
| Retirement work in progress              | \$4,900.00      | \$0.00     | \$0.00      | \$4,900.00       |
| Atmos General Office(2)                  | 15,625,575.32   | 521,160.18 | 0.00        | 16,146,735.50    |
| Total accum. prov. for depr. - Atmos     | 15,630,475.32   | 521,160.18 | 0.00        | 16,151,635.50    |
| <b>Energas</b>                           |                 |            |             |                  |
| Retirement work in progress              | 28,638.26       | 0.00       | (37,304.00) | (8,665.74)       |
| Amarillo Transmission Div.(1)            | 2,302,858.65    | 5,764.12   | 0.00        | 2,308,622.77     |
| Amarillo City Plant Dist. Div.(3)        | 18,510,022.40   | 112,946.45 | 0.00        | 18,622,968.85    |
| Fritch & Sanford City Plt. Dist. Div.(4) | 384,725.27      | 1,808.95   | 0.00        | 386,534.22       |
| West Texas City Plant Dist. Div.(5)      | 61,038,208.56   | 458,000.17 | 0.00        | 61,496,208.73    |
| Dalhart City Plant Dist. Div.(6)         | 999,800.33      | 6,019.15   | 0.00        | 1,005,819.48     |
| West Texas Rural Irrigation Div.(8)      | 9,943,565.84    | 41,224.52  | 0.00        | 9,984,790.36     |
| Energas General Office(10)               | 1,135,624.24    | 31,294.99  | 0.00        | 1,166,919.23     |
| Faln-Amarillo Creek Transmslssion(11)    | 71,230.00       | 0.00       | 0.00        | 71,230.00        |
| Amarillo Rural Dist. Div.(13)            | 154,218.32      | 732.30     | 0.00        | 154,950.62       |
| Dalhart Rural Dist. Div.(17)             | 53,743.97       | 140.82     | 0.00        | 53,884.79        |
| Dalhart Rural Irrigation Div.(18)        | 262,696.11      | 852.01     | 0.00        | 263,548.12       |
| West Texas Rural Dist. Div.(21)          | 3,139,533.57    | 24,287.71  | 0.00        | 3,163,821.28     |
| Total accum. prov. for depr. - Energas   | 98,024,865.52   | 683,071.19 | (37,304.00) | 98,670,632.71    |
| <b>Trans La(7)</b>                       |                 |            |             |                  |
| Retirement work in progress              | 0.00            | 0.00       | (19,262.64) | (19,262.64)      |
| Trans La Dist. Div.                      | 31,633,759.74   | 364,319.78 | 0.00        | 31,998,079.52    |
| Total accum. prov. for depr. - Trans La  | 31,633,759.74   | 364,319.78 | (19,262.64) | 31,978,816.88    |
| <b>Western Kentucky Gas(9)</b>           |                 |            |             |                  |
| Retirement work in progress              | (938.81)        | 0.00       | (31,444.24) | (32,383.05)      |
| Western Kentucky Gas Div.                | 85,835,926.90   | 567,422.66 | 0.00        | 86,403,349.56    |
| Total accum. prov. for depr. - WKG       | 85,834,988.09   | 567,422.66 | (31,444.24) | 86,370,966.51    |

ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF OCTOBER 31, 1997

|   | Year to Date            |                       |                         |                         |
|---|-------------------------|-----------------------|-------------------------|-------------------------|
|   | Balance 9/30/97         | Provision             | Adjustment              | Balance 10/31/97        |
| <b>GAS PLANT</b>  |                         |                       |                         |                         |
| <b>Greeley</b>  |                         |                       |                         |                         |
| Retirement work in progress                                 | \$10,580.22             | \$0.00                | (\$4,961.32)            | \$5,618.90              |
| Meter Shop Facilities & Meters(24)                          | 1,863,396.75            | 33,436.28             | 0.00                    | 1,896,833.03            |
| Missouri Dist. Div.(29)                                     | 171,052.82              | 1,859.19              | 0.00                    | 172,912.01              |
| Denver Company Office(30)                                   | 445,376.43              | 23,133.94             | 0.00                    | 468,510.37              |
| Greeley Dist. Div.(33)                                      | 8,401,512.44            | 79,360.62             | 0.00                    | 8,480,873.06            |
| Northwest Colorado Dist. Div.(34)                           | 5,398,662.61            | 57,739.06             | 0.00                    | 5,456,401.67            |
| Fremont County Dist. Div.(35)                               | 13,159,784.27           | 85,265.77             | 0.00                    | 13,245,050.04           |
| Durango Dist. Div.(36)                                      | 5,489,406.90            | 51,474.05             | 0.00                    | 5,540,880.95            |
| Central Colorado Dist. Div.(37)                             | 0.00                    | 0.00                  | 0.00                    | 0.00                    |
| Cortez Dist. Div.(38)                                       | 0.00                    | 0.00                  | 0.00                    | 0.00                    |
| Southeast Colorado Dist. Div.(39)                           | 0.00                    | 0.00                  | 0.00                    | 0.00                    |
| Kaw Valley Dist. Div.(82)                                   | 3,793,572.47            | 44,227.00             | 0.00                    | 3,837,799.47            |
| Central Kansas Dist. Div.(83)                               | 3,116,646.02            | 26,752.62             | 0.00                    | 3,143,398.64            |
| Cane Dist. Div.(84)   | 2,616,430.15            | 17,000.25             | 0.00                    | 2,633,430.40            |
| Eastern Kansas Dist. Div.(85)                               | 879,665.10              | 12,071.70             | 0.00                    | 891,736.80              |
| Southwest Kansas Dist. Div.(86)                             | 7,430,702.63            | 44,091.54             | 0.00                    | 7,474,794.17            |
| Total accum. prov. for depr. - GGC                          | 52,776,788.81           | 476,412.02            | (4,961.32)              | 53,248,239.51           |
| <b>United Cities</b>  |                         |                       |                         |                         |
| Retirement work in progress                                 | (\$6,748.17)            | \$0.00                | (\$63,731.62)           | (\$70,479.79)           |
| United Cities Dist. Divisions                               | 185,859,244.54          | 1,403,034.83          | 0.00                    | 187,262,279.37          |
| Total United Cities Gas                                     | 185,852,496.37          | 1,403,034.83          | (63,731.62)             | 187,191,799.58          |
| <b>Total accumulated prov. for depreciation - Gas Plant</b> | <b>\$469,753,373.85</b> | <b>\$4,015,420.66</b> | <b>(\$156,703.82) *</b> | <b>\$473,612,090.69</b> |



ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF OCTOBER 31, 1997

|  | Year to Date    |             |            |                  |
|--|-----------------|-------------|------------|------------------|
|  | Balance 9/30/97 | Provision   | Adjustment | Balance 10/31/97 |
| <b>OTHER GAS PLANT IN SERVICE</b>                                    |                 |             |            |                  |
| Atmos  |                 |             |            |                  |
| Atmos General Office Division(2)                                     | \$829,702.44    | \$71,333.00 | \$0.00     | \$901,035.44     |
| Total Atmos  | 829,702.44      | 71,333.00   | 0.00       | 901,035.44       |
| Energas  |                 |             |            |                  |
| Amarillo City Plant Dist. Div.(3)                                    | 158,220.56      | 3,469.23    | 0.00       | 161,689.79       |
| Fritch & Sanford City Plant Dist. Div.(4)                            | 5,916.44        | (2.95)      | 0.00       | 5,913.49         |
| West Texas City Plant Dist. Div.(5)                                  | 1,091,563.86    | 14,285.71   | 0.00       | 1,105,849.57     |
| Dalhart Div.(6)  | 7,189.97        | 185.57      | 0.00       | 7,375.54         |
| West Texas Irrigation Div.(8)  | 7,091.04        | 75.94       | 0.00       | 7,166.98         |
| Energas General Office(10)   | 1,875.32        | 175.35      | 0.00       | 2,050.67         |
| Amarillo Rural Div.(13)  | 516.26          | 9.13        | 0.00       | 525.39           |
| Dalhart Irrigation Div.(18)  | 311.30          | 4.55        | 0.00       | 315.85           |
| West Texas Rural Div.(21)  | 31,889.52       | 526.37      | 0.00       | 32,415.89        |
| Total Energas  | 1,304,574.27    | 18,728.90   | 0.00       | 1,323,303.17     |
| Trans La   |                 |             |            |                  |
| Trans La Distribution Division(7)                                    | 220,015.31      | 5,150.69    | 0.00       | 225,166.00       |
| Total Trans La   | 220,015.31      | 5,150.69    | 0.00       | 225,166.00       |
| Western Kentucky Gas   |                 |             |            |                  |
| Western Kentucky Gas Division(9)                                     | 564,100.18      | 0.00        | 0.00       | 564,100.18       |
| Total WKG  | 564,100.18      | 0.00        | 0.00       | 564,100.18       |
| Greeley  |                 |             |            |                  |
| Greeley Dist. Div.(33)   | 60,232.62       | 0.00        | 0.00       | 60,232.62        |
| Northwest Colorado Dist. Div.(34)                                    | 66,924.56       | 0.00        | 0.00       | 66,924.56        |
| Fremont County Dist. Div.(35)  | 94,718.87       | 0.00        | 0.00       | 94,718.87        |
| Durango Dist. Div.(36)   | 23,493.78       | 0.00        | 0.00       | 23,493.78        |
| Central Colorado Dist. Div.(37)                                      | 0.00            | 0.00        | 0.00       | 0.00             |
| Cortez Dist. Div.(38)  | 0.00            | 0.00        | 0.00       | 0.00             |
| Southeast Colorado Dist. Div.(39)                                    | 0.00            | 0.00        | 0.00       | 0.00             |
| Kaw Valley Dist. Div.(82)  | 84,791.05       | 69.41       | 0.00       | 84,860.46        |
| Central Kansas Dist. Div.(83)  | 10,901.94       | 0.00        | 0.00       | 10,901.94        |
| Cane Dist. Div.(84)  | 3,106.06        | 47.47       | 0.00       | 3,153.53         |
| Southwest Kansas(86)   | 88.02           | 14.64       | 0.00       | 102.66           |
| Total Greeley Gas  | 344,256.90      | 131.52      | 0.00       | 344,388.42       |
| Total accumulated provision for amort. of other gas plant in service | \$3,262,649.10  | \$95,344.11 | \$0.00     | \$3,357,993.21   |

**ATMOS ENERGY CORPORATION**  
**ACCUMULATED PROVISION**  
**FOR DEPRECIATION AND AMORTIZATION**  
**AS OF OCTOBER 31, 1997**

|   | Year to Date      |                  |                   |
|---|-------------------|------------------|-------------------|
|   | Balance 9/30/97   | Provision        | Adjustment        |
|   |                   |                  | Balance 10/31/97  |
| <b>NON-UTILITY PLANT IN SERVICE (CNG)</b>                                 |                   |                  |                   |
| Texas   |                   |                  |                   |
| Energas   | \$284,635.61      | \$4,312.66       | \$288,948.27      |
| Total Texas   | 284,635.61        | 4,312.66         | 288,948.27        |
| Louisiana   |                   |                  |                   |
| Trans La  | 118,740.55        | 1,799.10         | 120,539.65        |
| Total Louisiana   | 118,740.55        | 1,799.10         | 120,539.65        |
| Greeley   |                   |                  |                   |
| Greeley Gas   | 434,287.68        | 3,964.70         | 438,252.38        |
| Total Greeley Gas   | 434,287.68        | 3,964.70         | 438,252.38        |
| Total accumulated provision for amort.<br>of non-utility plant in service | <u>837,663.84</u> | <u>10,076.46</u> | <u>847,740.30</u> |

**UTILITY PLANT ACQUISITION ADJUSTMENT**

|   |                         |                       |                         |
|---|-------------------------|-----------------------|-------------------------|
| Louisiana   |                         |                       |                         |
| Trans La  | 3,762,016.75            | (15,191.83)           | 3,746,824.92            |
| Total Louisiana   | 3,762,016.75            | (15,191.83)           | 3,746,824.92            |
| Kentucky  |                         |                       |                         |
| W.K.G.  | 2,277,713.90            | 17,081.77             | 2,294,795.67            |
| Total Kentucky  | 2,277,713.90            | 17,081.77             | 2,294,795.67            |
| Greeley   |                         |                       |                         |
| G.G.C.  | 1,341,129.41            | 1,145.00              | 1,342,274.41            |
| Total Greeley Gas   | 1,341,129.41            | 1,145.00              | 1,342,274.41            |
| United Cities   |                         |                       |                         |
| Acquisition Adj. - U.C.G.C. Prior   | 1,528,772.50            | 13,887.92             | 1,542,660.42            |
| Total United Cities Gas   | 1,528,772.50            | 13,887.92             | 1,542,660.42            |
| Total Accumulated Prov. for Amort. of Utility Plant<br>Acquisition Adjustment | <u>8,909,632.56</u>     | <u>16,922.86</u>      | <u>8,926,555.42</u>     |
| Total accumulated provision for depreciation<br>& amortization                | <u>\$482,763,319.35</u> | <u>\$4,137,764.09</u> | <u>\$486,744,379.62</u> |

|  |                       |
|--|-----------------------|
| Total Depreciation Provision as per Balance Sheet            | \$4,137,764.09        |
| Less: Depreciation Provision charged to other accounts       | 1,725,190.76          |
| Less: Depreciation Provision charged to other accounts (CNG) | 10,076.46             |
| Total Depreciation Expense as per Income Statement           | <u>\$2,402,496.87</u> |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF OCTOBER 31

01/06/98  
01:16 PM

| Reference | No. | Line No. | Acct. No. | Description  | 1998           | 1997           | As of<br>September 30,<br>1997 |
|-----------|-----|----------|-----------|--|----------------|----------------|--------------------------------|
|           |     |          |           | <b>NET PROPERTY, PLANT, AND EQUIPMENT</b>            |                |                |                                |
|           |     |          |           | Atmos  | 476,677,233.78 | 412,800,306.85 | 474,743,400.28                 |
|           |     |          |           | United Cities Gas                                    | 314,606,964.00 | 298,412,109.00 | 314,500,548.00                 |
|           |     |          |           | Total Net Property, Plant and Equipment              | 791,284,197.78 | 711,212,415.85 | 789,333,948.28                 |
| 22        | 6   |          |           |  |                |                |                                |
|           |     |          |           | <b>INVESTMENTS IN &amp; ADVANCES TO SUBSIDIARIES</b> |                |                |                                |
|           |     |          |           | 1230 Investments In Associated Companies             |                |                |                                |
|           |     |          |           | Atmos Energy Services, Inc.                          | 1,000.00       | 1,000.00       | 1,000.00                       |
|           |     |          |           | Egason, Inc.   | 1,000.00       | 1,000.00       | 1,000.00                       |
|           |     |          |           | Enertmart, Inc.                                      | 1,000.00       | 1,000.00       | 1,000.00                       |
|           |     |          |           | Trans La Industrial Gas Company, Inc.                | 2,293,047.89   | 2,293,047.89   | 2,293,047.89                   |
|           |     |          |           | Western Kentucky Gas Resources                       | 1,604,833.12   | 1,604,833.12   | 1,604,833.12                   |
|           |     |          |           | Atmos  | 3,900,881.01   | 3,900,881.01   | 3,900,881.01                   |
|           |     |          |           | United Cities Gas                                    | 4,452,327.00   | 4,452,327.00   | 4,452,327.00                   |
|           |     |          |           | Total Investments in & Advances to Subsidiaries      | 8,353,208.01   | 8,353,208.01   | 8,353,208.01                   |
| 22        | 7   |          |           |  |                |                |                                |
|           |     |          |           | <b>CASLAND TEMPORARY CASH INVESTMENTS</b>            |                |                |                                |
|           |     |          |           | 1310 Cash in Banks                                   |                |                |                                |
|           |     |          |           | Cash - ACIS Refund                                   | (86,388.67)    | (50,019.32)    | (116,646.66)                   |
|           |     |          |           | Cash - Auxiliary Accounts                            | 529,641.56     | 745,560.25     | 540,950.76                     |
|           |     |          |           | Cash - Concentration Account - ANB - 523             | (4,069,439.87) | (7,565,532.07) | (2,639,517.39)                 |
|           |     |          |           | Cash - Concentration Account - Nations Bank          | 1,730,226.06   | 5,041,572.40   | 1,267,873.91                   |
|           |     |          |           | Cash - Customer Refund                               | (40,153.43)    | (90,382.74)    | (78,087.66)                    |
|           |     |          |           | Cash - Other   | 28,962.66      | 29,695.97      | 29,112.43                      |
|           |     |          |           | Cash - Fleet Bank                                    | 178,372.00     | 178,372.00     | 178,372.00                     |
|           |     |          |           | Total Cash in Banks                                  | (1,728,979.71) | (1,710,753.51) | (817,942.61)                   |
|           |     |          |           | 1350 Working Funds                                   | 48,565.00      | 62,015.00      | 52,355.00                      |
|           |     |          |           | 1360 Temporary Cash Investments                      |                |                |                                |
|           |     |          |           | Atmos  | 0.00           | 0.00           | 3,000,000.00                   |
|           |     |          |           | United Cities Gas                                    | (1,680,414.71) | (1,648,738.51) | 2,234,412.39                   |
|           |     |          |           | Total Cash and Temporary Cash Investments            | (1,680,414.71) | (1,586,723.51) | 487,507.00                     |
| 22        | 8   |          |           |  | (1,728,979.71) | (1,391,971.51) | 2,721,919.39                   |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF OCTOBER 31

01/06/98  
01:16 PM

Reference

| Page | Line | Acct. | Description |   | 1998      | 1997      | At of         |
|------|------|-------|-------------|---|-----------|-----------|---------------|
| No.  | No.  | No.   | No.         |   |           |           | September 30, |
|      |      |       |             |   |           |           | 1997          |
|      |      |       |             | <b>ACCOUNTS RECEIVABLE LESS ALLOWANCE</b> |           |           |               |
|      |      |       |             | <b>FOR DOUBTFUL ACCOUNTS</b>              |           |           |               |
|      |      |       |             | 1410 Notes Receivable                     |           |           |               |
|      |      |       |             | (Main Extension Notes)                    |           |           |               |
|      |      |       |             | Tom King & Dr. Thomas Fields              | 2,680.00  | 2,680.00  | 2,680.00      |
|      |      |       |             | Bowers, Michael and Melissa               | 1,785.00  | 1,785.00  | 1,785.00      |
|      |      |       |             | Tayes Estates                             | 154.20    | 440.80    | 154.20        |
|      |      |       |             | Murphy and Rochester, Inc.                | 16,510.00 | 16,510.00 | 16,510.00     |
|      |      |       |             | Ida Road                                  | 230.00    | 230.00    | 230.00        |
|      |      |       |             | The Gardens Subdivision                   | 1,060.00  | 1,060.00  | 1,060.00      |
|      |      |       |             | Dwight W. Andrus, Jr.                     | 4,480.00  | 4,480.00  | 4,480.00      |
|      |      |       |             | Regency Development Co.                   | 3,156.00  | 3,156.00  | 3,156.00      |
|      |      |       |             | Herbert Construction Co., Inc.            | 8,240.00  | 8,240.00  | 8,240.00      |
|      |      |       |             | Oak Park Inc.                             | 1,630.00  | 1,630.00  | 1,630.00      |
|      |      |       |             | Charles Bourgeois                         | 1,470.00  | 1,470.00  | 1,470.00      |
|      |      |       |             | Meyers, Tom                               | 462.00    | 462.00    | 462.00        |
|      |      |       |             | Bailes, Julian                            | 1,318.00  | 4,078.00  | 1,318.00      |
|      |      |       |             | Dupuis, Jason                             | 3,439.00  | 3,439.00  | 3,439.00      |
|      |      |       |             | Chilimacha Tribe of LA                    | 4,415.00  | 4,415.00  | 4,415.00      |
|      |      |       |             | Belt Meade Sub-Division                   | 1,170.00  | 1,170.00  | 1,170.00      |
|      |      |       |             | River Ridge Estates                       | 1,903.00  | 4,661.00  | 1,903.00      |
|      |      |       |             | Austin Village Phase II                   | 11,360.00 | 11,360.00 | 11,360.00     |
|      |      |       |             | Vermillion Bluff                          | 2,680.00  | 2,680.00  | 2,680.00      |
|      |      |       |             | Fernwood Sub. Ph VIII                     | 3,210.00  | 3,210.00  | 3,210.00      |
|      |      |       |             | Patin Place Subdivision                   | 4,260.00  | 4,260.00  | 4,260.00      |
|      |      |       |             | Oak Place Subdivision                     | 9,010.00  | 9,010.00  | 9,010.00      |
|      |      |       |             | Shenandoah Estates Ph VIII                | 7,970.00  | 7,970.00  | 7,970.00      |
|      |      |       |             | Chinquapin Acres Est. #1                  | 2,228.00  | 6,428.00  | 2,228.00      |
|      |      |       |             | Cambridge Drive Est.                      | 5,250.00  | 5,250.00  | 5,250.00      |
|      |      |       |             | Beaulieu Estates                          | 9,557.00  | 9,557.00  | 9,557.00      |
|      |      |       |             | Sugar Ridge                               | 6,750.00  | 6,750.00  | 6,750.00      |
|      |      |       |             | Silver Maple                              | 5,909.00  | 5,909.00  | 5,909.00      |
|      |      |       |             | Albern Acres                              | 990.00    | 5,040.00  | 990.00        |
|      |      |       |             | Bayou Bend                                | 1,620.00  | 2,983.00  | 1,620.00      |
|      |      |       |             | Ingrams Subdivision                       | 8,715.00  | 8,715.00  | 8,715.00      |
|      |      |       |             | Magnolia Landing Est.                     | 15,041.00 | 15,041.00 | 15,041.00     |
|      |      |       |             | Hideaway Acres #2 Est.                    | 475.00    | 2,095.00  | 475.00        |
|      |      |       |             | Pin Oak Estates                           | 5,681.00  | 5,681.00  | 5,681.00      |
|      |      |       |             | Austin Village III                        | 8,970.00  | 8,970.00  | 8,970.00      |
|      |      |       |             | Fernwood Phase IV                         | 4,675.00  | 4,675.00  | 4,675.00      |
|      |      |       |             | Broussard Park Est. Phase #5              | 8,695.00  | 8,695.00  | 8,695.00      |
|      |      |       |             | Summerfield Subdivision                   | 7,500.00  | 7,500.00  | 7,500.00      |
|      |      |       |             | Bear Creek Subdivision                    | 8,030.00  | 8,030.00  | 8,030.00      |
|      |      |       |             | Acadiana Plaza Subdivision                | 7,900.00  | 7,900.00  | 7,900.00      |
|      |      |       |             | Summerset Place                           | 2,640.00  | 2,640.00  | 2,640.00      |
|      |      |       |             | Woodridge Subdivision Phase I             | 4,125.00  | 4,125.00  | 4,125.00      |
|      |      |       |             | Kings Pointe Development                  | 5,325.00  | 5,325.00  | 5,325.00      |
|      |      |       |             | Austin Village Phase 4                    | 8,990.00  | 8,990.00  | 8,990.00      |
|      |      |       |             | New Center Commons                        | 4,745.00  | 4,745.00  | 4,745.00      |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF OCTOBER 31

01/06/98  
01:16 PM

| Reference | Page | Line | Acct. | Description                          | 1998       | 1997       | As of<br>September 30,<br>1997 |
|-----------|------|------|-------|--------------------------------------|------------|------------|--------------------------------|
| No.       | No.  | No.  | No.   |                                      |            |            |                                |
|           |      |      |       | Beallieu Estates Subd. #1            | 5,970.00   | 5,970.00   | 5,970.00                       |
|           |      |      |       | Beallieu Estates Subd. #2            | 4,465.00   | 4,465.00   | 4,465.00                       |
|           |      |      |       | Enclave Development                  | 1,810.00   | 1,810.00   | 1,810.00                       |
|           |      |      |       | Ozene Road                           | 3,520.00   | 3,520.00   | 3,520.00                       |
|           |      |      |       | Sugarland Estates Phase A            | 4,130.00   | 4,130.00   | 4,130.00                       |
|           |      |      |       | The Oaks Subdivision                 | 8,900.00   | 8,900.00   | 8,900.00                       |
|           |      |      |       | Acadian Place Estates                | 1,907.00   | 1,907.00   | 1,907.00                       |
|           |      |      |       | St. Clair V Subdivision              | 10,044.00  | 10,044.00  | 10,044.00                      |
|           |      |      |       | Jean Clair Subdivision               | 8,453.00   | 8,453.00   | 8,453.00                       |
|           |      |      |       | Judice Estates                       | 0.00       | 0.00       | 0.00                           |
|           |      |      |       | Twin Pines Mobile Home               | 12,950.00  | 0.00       | 12,950.00                      |
|           |      |      |       | Brunswick Place                      | 3,235.00   | 0.00       | 3,235.00                       |
|           |      |      |       | Lerionphe Tract II                   | 7,070.00   | 0.00       | 7,070.00                       |
|           |      |      |       | Lerionphe Tract J, PIII              | 3,300.00   | 0.00       | 3,300.00                       |
|           |      |      |       | Copperfield South                    | 22,000.00  | 0.00       | 22,000.00                      |
|           |      |      |       | Woodlake Subdivision                 | 3,295.00   | 0.00       | 3,295.00                       |
|           |      |      |       | Beallieu Place Subdivision - Phase 3 | 6,260.00   | 0.00       | 6,260.00                       |
|           |      |      |       | B.F. Miller Extension                | 4,350.00   | 0.00       | 4,350.00                       |
|           |      |      |       | Hackberry Place                      | 10,420.00  | 0.00       | 10,420.00                      |
|           |      |      |       | E. Bayou Oaks                        | 10,620.00  | 0.00       | 10,620.00                      |
|           |      |      |       | Kingspointe Phase 2                  | 12,120.00  | 0.00       | 0.00                           |
|           |      |      |       | Amy Estates                          | 8,490.00   | 0.00       | 0.00                           |
|           |      |      |       | City of Lafayette                    | 0.00       | (4,702.00) | 0.00                           |
|           |      |      |       | Woodhaven Estates                    | 0.00       | 3,450.00   | 0.00                           |
|           |      |      |       | Collins, Denial W.                   | 0.00       | 8,217.00   | 0.00                           |
|           |      |      |       | St. Clair Estates                    | 0.00       | 5,049.00   | 0.00                           |
|           |      |      |       | St. Clair Unit #3, Phase 2           | 0.00       | 7,256.00   | 0.00                           |
|           |      |      |       | Giverny Gardens                      | 0.00       | 1,610.00   | 0.00                           |
|           |      |      |       | Vienna Bend                          | 0.00       | 4,565.00   | 0.00                           |
|           |      |      |       | Starlite Drive                       | 0.00       | 3,405.00   | 0.00                           |
|           |      |      |       | Total Notes Receivable               | 387,097.20 | 321,463.80 | 366,487.20                     |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF OCTOBER 31

01/06/98  
01:16 PM

Reference

| Page | Line | Acct. | Description                                    | 1998          |                | 1997          |     | As of<br>September 30,<br>1997 |
|------|------|-------|--|---------------|----------------|---------------|-----|--------------------------------|
|      |      |       |  | No.           | No.            | No.           | No. |                                |
|      |      |       | 1420 Customer Accounts Receivable              |               |                |               |     |                                |
|      |      |       | 1420 1,2 - Gas Ledger                          |               |                |               |     |                                |
|      |      |       | General Office                                 |               |                |               |     |                                |
|      |      |       | Unbilled revenue - Energas                     | 4,580,000.00  | 4,146,000.00   | 2,361,000.00  |     |                                |
|      |      |       | Unbilled revenue - GGC                         | 3,117,000.00  | 2,492,000.00   | 1,409,000.00  |     |                                |
|      |      |       | Unbilled revenue - Trans La                    | 1,574,000.00  | 1,049,000.00   | 889,000.00    |     |                                |
|      |      |       | Unbilled revenue - WKG                         | 4,475,000.00  | 1,765,000.00   | 2,373,000.00  |     |                                |
|      |      |       | PGA - Correcting Account - Energas             | 633,000.00    | (3,418,000.00) | 633,000.00    |     |                                |
|      |      |       | PGA - Correcting Account - GGC                 | 8,709,594.00  | (950,000.00)   | 8,709,594.00  |     |                                |
|      |      |       | PGA - Correcting Account - Trans La            | 225,000.00    | (1,018,045.00) | 225,000.00    |     |                                |
|      |      |       | PGA - Correcting Account - WKG                 | 5,010,000.00  | 1,662,000.00   | 5,010,000.00  |     |                                |
|      |      |       | Handbilled Industrial Accounts - Energas       | 153,828.59    | 133,120.52     | 137,781.35    |     |                                |
|      |      |       | Handbilled Industrial Accounts - Trans La      | 102,990.73    | 112,016.91     | 90,031.55     |     |                                |
|      |      |       | Handbilled Industrial Accounts - WKG           | 2,604,546.61  | 3,090,098.22   | 2,386,869.50  |     |                                |
|      |      |       | Energas Div - Amarillo System (City and Rural) | 837,861.81    | 1,177,165.64   | 746,816.67    |     |                                |
|      |      |       | Dalhart City Plant System (City and Rural)     | 54,646.20     | 64,915.69      | 51,269.30     |     |                                |
|      |      |       | Fritch & Sanford System                        | 14,076.72     | 12,296.66      | 11,311.17     |     |                                |
|      |      |       | West Texas City Plant System (City and Rural)  | 10,238,118.41 | 7,987,949.24   | 12,102,435.38 |     |                                |
|      |      |       | Greeley Gas Company Division                   | 2,660,689.91  | 2,288,717.27   | 2,257,484.51  |     |                                |
|      |      |       | Trans La Division                              | 1,620,092.81  | 1,541,555.50   | 1,302,481.08  |     |                                |
|      |      |       | Western Kentucky Gas Division                  | 810,160.35    | (993,440.32)   | 516,088.24    |     |                                |
|      |      |       | Total Gas Ledger Receivables                   | 47,409,546.14 | 21,142,350.33  | 41,002,182.95 |     |                                |
|      |      |       | 1420 3 - Merchandise Ledger                    | 2,216,985.21  | 2,257,130.52   | 2,172,379.34  |     |                                |
|      |      |       | 1420 4 - Service Ledger                        | 322,464.54    | 325,298.34     | 270,935.33    |     |                                |
|      |      |       | 1420 6 - Customer Surcharge - GGC              | 11,041.00     | 49,892.94      | 11,088.80     |     |                                |
|      |      |       | Total Customer Accounts Receivable             | 49,960,036.89 | 23,774,672.13  | 43,456,586.42 |     |                                |
|      |      |       | 1430 Other Accounts Receivable                 |               |                |               |     |                                |
|      |      |       | 1430 1 - Miscellaneous                         |               |                |               |     |                                |
|      |      |       | Additional Billing                             |               |                |               |     |                                |
|      |      |       | Additional Billing - WKG                       | 0.00          | (7,670.99)     | (93,443.42)   |     |                                |
|      |      |       | Clyde Plant Extraction - Koch                  | 15,069.29     | 27,376.00      | (1,488.09)    |     |                                |
|      |      |       | KN - Tahoka Outage                             | 0.00          | 8,419.17       | 0.00          |     |                                |
|      |      |       | Midland Regulator Outage                       | 3,770.00      | 0.00           | 0.00          |     |                                |
|      |      |       | Greeley Outage                                 | (8,249.97)    | 0.00           | 0.00          |     |                                |
|      |      |       | KN - Plainview Linecut                         | 0.00          | 0.00           | 528.22        |     |                                |
|      |      |       | KN - Big Spring OVR/ODOR                       | 9,367.23      | 0.00           | 0.00          |     |                                |
|      |      |       | Monroe Outage                                  | 5,033.34      | 0.00           | 5,033.34      |     |                                |
|      |      |       | Platteville Outage                             | 41,903.25     | 0.00           | 41,903.25     |     |                                |
|      |      |       | Westar - Post Outage                           | 0.00          | 1,178.31       | 0.00          |     |                                |
|      |      |       | Winnfield Outage                               | 5,865.36      | 0.00           | 5,865.36      |     |                                |
|      |      |       | CNG - Amarillo                                 | (37.17)       | (173.32)       | (173.32)      |     |                                |
|      |      |       | CNG - Canyon                                   | 621.72        | 1,044.22       | 510.08        |     |                                |
|      |      |       | CNG - Lafayette                                | 0.00          | 165.50         | 0.00          |     |                                |
|      |      |       | CNG - Lubbock                                  | 0.00          | 604.35         | 0.00          |     |                                |
|      |      |       | CNG - Odessa                                   | 0.00          | 647.75         | 0.00          |     |                                |
|      |      |       | Meter Salvage Receivable                       | 8,056.10      | 23,404.80      | 8,056.10      |     |                                |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF OCTOBER 31

01/06/98  
01:16 PM

| Reference                     | Page | Line | Acct. | Description  | 1998           | 1997          | As of<br>September 30,<br>1997 |
|-------------------------------|------|------|-------|--|----------------|---------------|--------------------------------|
| No.                           | No.  | No.  | No.   |  |                |               |                                |
|                               |      |      |       | Midwestern/Equitable Cash  | 12,926.26      | 52.73         | 12,926.26                      |
|                               |      |      |       | Miscellaneous  | 83,416.02      | 17,605.00     | 83,624.16                      |
|                               |      |      |       | Steubout Springs Incident (Reimbursable Expense)                   | 0.00           | 146,411.12    | 12,126.80                      |
|                               |      |      |       | Total Miscellaneous Receivable                                     | 177,741.43     | 219,064.64    | 75,468.74                      |
|                               |      |      |       | 1430 2 0541 - Employees' Expense Advances (incl. Bridge Loans)     | 28,663.06      | 52,609.77     | 81,131.23                      |
|                               |      |      |       | 1430 2 06XX - Merchandise Employees' Payroll Deductions            | 136,726.09     | 186,448.05    | 139,500.82                     |
|                               |      |      |       | 1430 7 - Trans La Miscellaneous                                    |                |               |                                |
|                               |      |      |       | State Dept. of Transportation                                      | 428,071.99     | 428,071.99    | 428,071.99                     |
|                               |      |      |       | Acadia Parish Police Jury  | 90.00          | 90.00         | 90.00                          |
|                               |      |      |       | LIG  | 8,444.76       | 5,496.83      | 8,440.79                       |
|                               |      |      |       | Total Trans La Miscellaneous Receivables                           | 436,606.75     | 433,668.84    | 436,602.78                     |
|                               |      |      |       | 1430 9 0500 - WKG PAC  | 123.74         | 1,436.87      | 575.98                         |
|                               |      |      |       | 1430 9 07XX - Westar - Chart Reading & Misc.                       | 3,838.09       | 6,688.24      | 3,838.09                       |
|                               |      |      |       | Total Other Accounts Receivable                                    | 783,699.16     | 899,906.41    | 737,117.64                     |
|                               |      |      |       | 1440 Allowance for Doubtful Accounts                               | (1,120,857.22) | (838,816.12)  | (966,451.32)                   |
|                               |      |      |       | Atmos  | 50,009,976.03  | 24,157,226.22 | 43,593,739.94                  |
|                               |      |      |       | United Cities Gas  | 28,751,259.00  | 26,307,621.00 | 24,162,577.00                  |
| 22                            | 9    |      |       | Total Accounts Receivable, Less Allowance<br>for Doubtful Accounts | 78,761,235.03  | 50,464,847.22 | 67,756,316.94                  |
| <b>INVENTORIES</b>            |      |      |       |  |                |               |                                |
|                               |      |      |       | 1540 Plant Materials and Supplies                                  | 5,546,773.36   | 5,641,940.45  | 5,148,721.93                   |
|                               |      |      |       | 1550 Merchandise   | 158,020.91     | 186,203.20    | 160,233.09                     |
|                               |      |      |       | 1630 Stores Expense Undistributed                                  | 1,830,668.62   | 1,368,649.52  | 1,785,741.60                   |
|                               |      |      |       | Atmos  | 7,535,462.89   | 7,196,793.17  | 7,094,696.62                   |
|                               |      |      |       | United Cities Gas  | 4,275,305.00   | 5,722,909.00  | 4,115,542.00                   |
| 22                            | 10   |      |       | Total Inventories  | 11,810,767.89  | 12,919,702.17 | 11,210,238.62                  |
| <b>GAS STORED UNDERGROUND</b> |      |      |       |  |                |               |                                |
|                               |      |      |       | Atmos  | 14,682,236.36  | 15,257,151.75 | 14,683,860.36                  |
|                               |      |      |       | United Cities Gas  | 29,135,591.00  | 27,705,222.00 | 26,905,596.00                  |
| 22                            | 11   |      |       | Total Gas Stored Underground, current                              | 43,817,827.36  | 42,962,373.75 | 41,589,456.36                  |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF OCTOBER 31

01/06/98  
01:16 PM

| Reference | Page No. | Line No. | Acct. No. | Description  | 1998            | 1997            | As of September 30, 1997 |
|-----------|----------|----------|-----------|--|-----------------|-----------------|--------------------------|
|           |          |          |           | <b>OTHER CURRENT ASSETS</b>  |                 |                 |                          |
|           |          |          |           | 1340 Other Special Deposits  |                 |                 |                          |
|           |          |          |           | Guaranty Deposits  | 16,887.74       | 14,762.74       | 16,887.74                |
|           |          |          |           | Total Other Special Deposits   | 16,887.74       | 14,762.74       | 16,887.74                |
|           |          |          |           | 1660 Prepayments   |                 |                 |                          |
|           |          |          |           | Prepaid Gas:   |                 |                 |                          |
|           |          |          |           | Alliance Prepaid Gas   | 1,172,398.13    | 0.00            | 1,172,398.13             |
|           |          |          |           | Team Alliance Prepaid Gas  | 16,816.84       | 0.00            | 16,816.84                |
|           |          |          |           | Cambridge Energy Research (Amort \$2,300/mo thru 01/98)                  | 2,500.00        | 0.00            | 5,000.00                 |
|           |          |          |           | Software Maintenance:  |                 |                 |                          |
|           |          |          |           | SCT Billing Software (Escalating amort to capital 02/97 thru 12/99)      | 750,601.09      | 0.00            | 750,601.09               |
|           |          |          |           | Oracle Database Maint (Escalating amort to IS clearing 02/97 thru 01/00) | 192,591.16      | 0.00            | 192,591.16               |
|           |          |          |           | Dues - AGA   | (14,692.67)     | 39,571.66       | 0.00                     |
|           |          |          |           | Dues - SGA   | 2,666.60        | 2,666.68        | 3,999.94                 |
|           |          |          |           | Franchise Tax - City   | 1,195.39        | 3,244.63        | 1,366.16                 |
|           |          |          |           | Franchise Tax - Texas  | (12,000.00)     | 0.00            | 0.00                     |
|           |          |          |           | Gas - Excess Nominations   | 181,846.68      | 183,895.78      | 181,898.76               |
|           |          |          |           | Gross Receipts Tax - Texas   | 123,313.07      | 130,819.59      | 0.00                     |
|           |          |          |           | Institute of Gas Technology (Amort \$2,108/mo thru 12/97)                | 4,216.00        | 4,216.00        | 6,324.00                 |
|           |          |          |           | Insurance - Prop., Gen. Liab., Auto, etc.                                | 1,169,945.18    | 1,307,774.97    | 358,470.88               |
|           |          |          |           | Insurance - Retirement Cost  | 490,737.97      | 468,518.13      | 559,450.12               |
|           |          |          |           | CPSC Assessment (Quarterly)  | 32,674.77       | 25,939.16       | 12,797.16                |
|           |          |          |           | KPSC Assessment (Amort \$13,368/mo thru 6/97)                            | 0.00            | 106,944.00      | 0.00                     |
|           |          |          |           | Occupational License   | 11,708.00       | 9,608.00        | 17,508.00                |
|           |          |          |           | Postage  | 92,746.99       | 41,412.09       | 96,346.64                |
|           |          |          |           | Prepaid Debt, Exp.-Nations (Amort \$5,000/mo thru 8/98)                  | 49,999.97       | 29,166.66       | 54,999.97                |
|           |          |          |           | Rent - Gilliland Group (Open Co)   | 284,592.01      | 284,592.01      | 284,592.01               |
|           |          |          |           | Total Prepayments  | 4,553,877.18    | 2,626,369.76    | 3,713,160.86             |
|           |          |          |           | Atmos  | 4,570,764.92    | 2,641,132.30    | 3,732,048.60             |
|           |          |          |           | United Cities Gas  | 1,732,447.00    | 2,672,604.00    | 1,807,255.00             |
|           |          |          |           | Total Other Current Assets   | 6,323,211.92    | 5,313,736.50    | 5,539,303.60             |
| 22        | 12       |          |           | <b>INTERCOMPANY ACCOUNTS - NET</b>                                       |                 |                 |                          |
|           |          |          |           | 1460 Accounts Receivable from Assoc. Co.                                 |                 |                 |                          |
|           |          |          |           | Atmos Energy Services, Inc.  | 5,609.98        | 1,149.41        | 5,609.98                 |
|           |          |          |           | Egasco, Inc.   | 889,141.05      | 429,441.54      | 808,349.49               |
|           |          |          |           | Enermart, Inc.   | 21,495,920.57   | 6,396,484.43    | 21,120,195.01            |
|           |          |          |           | Enermart Trust   | (22,345,771.36) | (18,332,647.25) | (23,708,148.28)          |
|           |          |          |           | Trans La Industrial Gas Company, Inc.                                    | (2,541,236.35)  | (1,721,551.96)  | (2,738,776.04)           |
|           |          |          |           | United Cities Gas Company  | 73,543,796.56   | 0.00            | 66,906,326.59            |
|           |          |          |           | Western Kentucky Gas Resources   | (969,486.40)    | (937,044.87)    | (967,305.90)             |
|           |          |          |           | Atmos  | 70,077,954.05   | (14,164,168.70) | 61,426,250.85            |
|           |          |          |           | United Cities Gas  | (64,431,299.92) | 8,854,000.00    | (58,606,626.59)          |
|           |          |          |           | Total Intercompany Accounts - Net  | 3,646,654.13    | (5,310,168.70)  | 2,819,624.26             |
| 22        | 13       |          |           | Total Current Assets   | 144,638,840.62  | 104,958,519.43  | 131,636,859.17           |



ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF OCTOBER 31

01/06/98  
01:16 PM

| Reference                                | Page | Line | Acc't. | Description  | 1998              | 1997                | As of<br>September 30,<br>1997 |
|--|------|------|--------|--|-------------------|---------------------|--------------------------------|
| No.                                      | No.  | No.  | No.    |  |                   |                     |                                |
| <b>DEFERRED CHARGES AND OTHER ASSETS</b> |      |      |        |  |                   |                     |                                |
| 1280                                     |      |      |        | Gilliland Lease Deposits                                   | 737,624.05        | 737,624.05          | 737,624.05                     |
|  |      |      |        | <b>Total Other Special Funds</b>                           | <b>737,624.05</b> | <b>737,624.05</b>   | <b>737,624.05</b>              |
| 1240                                     |      |      |        | <b>Other Investments</b>                                   |                   |                     |                                |
|  |      |      |        | Club Memberships   | 8,301.00          | 8,301.00            | 8,301.00                       |
|  |      |      |        | Herrington Industrial Development                          | 250.00            | 250.00              | 250.00                         |
|  |      |      |        | Windem Industrial Development                              | 750.00            | 750.00              | 750.00                         |
|  |      |      |        | Wordington Industries Inc                                  | 100.00            | 100.00              | 100.00                         |
|  |      |      |        | <b>Total Other Investments</b>                             | <b>9,401.00</b>   | <b>9,401.00</b>     | <b>9,401.00</b>                |
| 1810                                     |      |      |        | <b>Unamortized Debt Expense</b>                            |                   |                     |                                |
|  |      |      |        | John Hancock Notes (9.75% through 12/30/96)                | 0.00              | 4,167.06            | 0.00                           |
|  |      |      |        | John Hancock Notes (11.2% through 12/30/02)                | 42,491.20         | 50,715.28           | 43,176.54                      |
|  |      |      |        | John Hancock Notes (9.76% through 12/30/04)                | 91,648.82         | 106,510.82          | 92,887.32                      |
|  |      |      |        | Var. Annuity Life Ins. (9.57% through 9/30/06)             | 71,683.11         | 79,798.11           | 72,359.36                      |
|  |      |      |        | Var. Annuity Life Ins. (7.95% through 9/01/06)             | 35,385.56         | 39,391.52           | 35,719.39                      |
|  |      |      |        | Var. Annuity Life Ins. (8.07% through 10/01/06)            | 90,501.22         | 100,556.86          | 91,339.19                      |
|  |      |      |        | New York Life Ins. (8.26% through 10/01/14)                | 101,993.32        | 107,992.96          | 102,493.29                     |
|  |      |      |        | First Mortgage Bonds (9.4% through 2021)                   | 534,240.48        | 556,814.04          | 536,121.61                     |
|  |      |      |        | <b>Total Unamortized Debt Expense</b>                      | <b>967,943.71</b> | <b>1,045,946.65</b> | <b>974,096.70</b>              |
| 1840                                     |      |      |        | <b>Clearing Accounts</b>                                   |                   |                     |                                |
|  |      |      |        | Ditchers & Backhoes  | (37.22)           | (55,032.60)         | 0.00                           |
|  |      |      |        | Information Services                                       | (1,118.85)        | 0.00                | 0.00                           |
|  |      |      |        | Meter Shop   | 0.00              | 104,697.82          | 0.00                           |
|  |      |      |        | Meter Loops  | 1,738.76          | 240,485.20          | 1,738.76                       |
|  |      |      |        | Payroll/Taxes  | (20,157.77)       | 0.00                | (25,448.08)                    |
|  |      |      |        | Vehicle System   | 306,853.31        | (104,550.72)        | 0.00                           |
|  |      |      |        | Welders  | 45.08             | (19,216.78)         | 0.00                           |
|  |      |      |        | Fleet Administration                                       | 186.75            | 0.00                | 0.00                           |
|  |      |      |        | <b>Total Clearing Accounts</b>                             | <b>287,510.06</b> | <b>166,382.92</b>   | <b>(23,709.32)</b>             |
| 1860                                     |      |      |        | <b>Miscellaneous Deferred Debits</b>                       |                   |                     |                                |
|  |      |      |        | Advanced Payments to Employers                             | 157,901.62        | 80,136.51           | 218,605.61                     |
|  |      |      |        | Car Allowance (Amort calendar year)                        | 31,998.00         | 31,050.00           | 47,907.00                      |
|  |      |      |        | <b>Company Facilities:</b>                                 |                   |                     |                                |
|  |      |      |        | Moore Office   | 25,188.96         | 25,188.96           | 25,188.96                      |
|  |      |      |        | Natchitoches Service Center (Reimbursable Upon Completion) | (7,435.32)        | 4,635.73            | (7,435.32)                     |
|  |      |      |        | Paducah Remodeling (Reimbursable Upon Completion)          | 97,503.81         | 97,503.81           | 97,503.81                      |
|  |      |      |        | Steamboat Springs Office                                   | 0.00              | 1,277.65            | 0.00                           |
|  |      |      |        | Thibodaux Office   | 38,357.48         | 0.00                | 38,357.48                      |
|  |      |      |        | Colorado Pipeline Refunds                                  | 0.00              | 28,631.85           | 0.00                           |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF OCTOBER 31

11:42 AM

| Reference                   | Page | Line | Acct. | No. | No. | Description                              | 1998           | 1997           | As of<br>September 30,<br>1997 |
|-----------------------------|------|------|-------|-----|-----|--|----------------|----------------|--------------------------------|
| <b>SHAREHOLDERS' EQUITY</b> |      |      |       |     |     |  |                |                |                                |
|                             |      |      |       |     |     | Atmos                                    | 166,262,417.10 | 171,999,763.62 | 166,536,416.24                 |
|                             |      |      |       |     |     | United Cities                            | 134,546,993.34 | 127,936,180.00 | 135,755,714.49                 |
| 23                          | 5    |      |       |     |     | Total Shareholders' Equity               | 300,809,410.44 | 299,935,943.62 | 302,292,130.73                 |
| <b>LONG-TERM DEBT</b>       |      |      |       |     |     |  |                |                |                                |
|                             |      |      |       |     |     | Atmos                                    | 162,303,308.00 | 131,303,308.00 | 162,303,308.00                 |
|                             |      |      |       |     |     | United Cities Gas                        | 135,000,000.00 | 137,000,000.00 | 135,000,000.00                 |
| 23                          | 6    |      |       |     |     | Total Long-Term Debt                     | 297,303,308.00 | 268,303,308.00 | 297,303,308.00                 |
| 23                          | 7    |      |       |     |     | <b>TOTAL CAPITALIZATION</b>              | 598,112,718.44 | 568,239,251.62 | 599,595,438.73                 |
| <b>NOTES PAYABLE</b>        |      |      |       |     |     |  |                |                |                                |
|                             |      |      |       |     |     | Amarillo National Bank Master Note/Other | 12,000,000.00  | 10,000,000.00  | 12,000,000.00                  |
|                             |      |      |       |     |     | Bank of Tokai                            | 900,000.00     | 0.00           | 0.00                           |
|                             |      |      |       |     |     | Societe Generale                         | 0.00           | 10,000,000.00  | 0.00                           |
|                             |      |      |       |     |     | Fuji Bank                                | 20,000,000.00  | 6,600,000.00   | 0.00                           |
|                             |      |      |       |     |     | NationsBank                              | 100,000,000.00 | 0.00           | 140,600,000.00                 |
|                             |      |      |       |     |     | PNC Bank of Pittsburgh                   | 0.00           | 10,000,000.00  | 7,800,000.00                   |
|                             |      |      |       |     |     | 1st National Bank of Commerce            | 4,200,000.00   | 10,000,000.00  | 0.00                           |
|                             |      |      |       |     |     | Wachovia Bank - Georgia                  | 0.00           | 10,000,000.00  | 0.00                           |
|                             |      |      |       |     |     | Mitsubishi Bank - Houston                | 33,500,000.00  | 0.00           | 0.00                           |
|                             |      |      |       |     |     | Sanwa Bank                               | 10,000,000.00  | 0.00           | 0.00                           |
|                             |      |      |       |     |     | Atmos                                    | 180,600,000.00 | 56,600,000.00  | 160,400,000.00                 |
|                             |      |      |       |     |     | United Cities Gas                        | 0.00           | 50,942,000.00  | 0.00                           |
| 23                          | 8    |      |       |     |     | Total Notes Payable                      | 180,600,000.00 | 107,542,000.00 | 160,400,000.00                 |

ATMUS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF OCTOBER 31

11:42 AM

| Reference               | Page No. | Line No. | Acct. No. | Description                                     | 1998          | 1997         | As of September 30, 1997 |
|-------------------------|----------|----------|-----------|---|---------------|--------------|--------------------------|
| <b>ACCOUNTS PAYABLE</b> |          |          |           |   |               |              |                          |
|                         | 2320     |          |           | Accounts Payable                                | 190,430.11    | 146,689.44   | 179,431.90               |
|                         |          |          |           | Accrued Annual Report Costs                     | (63,100.00)   | 4,700.00     | 9,900.00                 |
|                         |          |          |           | Accrued Audit Fees                              | 128,134.85    | 128,304.06   | 111,487.85               |
|                         |          |          |           | Accrued Employee Awards                         | 108,530.17    | 87,948.20    | 30,634.03                |
|                         |          |          |           | Accrued Payroll Labor Distribution              | 527,955.87    | 527,955.87   | 527,955.87               |
|                         |          |          |           | Accrued Vacation                                | 17,942,269.85 | 0.00         | 0.00                     |
|                         |          |          |           | Estimated Gas Cost                              | (677,219.90)  | 0.00         | 0.00                     |
|                         |          |          |           | Customer Service Enhancement                    | 328,472.00    | 38,128.53    | 334,402.02               |
|                         |          |          |           | Def Cr Cleared Currently                        |               |              |                          |
|                         |          |          |           | DSM Program                                     |               |              |                          |
|                         |          |          |           | DSM Program - KY                                | 250,000.00    | 41,674.00    | 250,000.00               |
|                         |          |          |           | DSM Program - KY Payments                       | (250,401.38)  | 0.00         | (217,687.77)             |
|                         |          |          |           | Employees' AD & D Insurance                     | 5,421.00      | 5,933.47     | (123.00)                 |
|                         |          |          |           | Employees' College Donation Deductions          | 42.00         | 42.00        | 28.00                    |
|                         |          |          |           | Employees' Dependent Life Ins.                  | 1,857.00      | 2,092.00     | (21.00)                  |
|                         |          |          |           | Employees' Egsapac                              | 27.50         | 37.50        | 55.00                    |
|                         |          |          |           | Employees' WKG Pac                              | 0.00          | 473.75       | 377.25                   |
|                         |          |          |           | Employees' Credit Union                         | 0.00          | 71,740.51    | 64,398.70                |
|                         |          |          |           | Employees' Long-Term Disability Insurance       | (523.07)      | 360.41       | (27,313.07)              |
|                         |          |          |           | Employees' Medical/Dental Insurance:            |               |              |                          |
|                         |          |          |           | Medical/Dental Liability                        | 1,423,624.13  | 1,574,157.32 | 1,428,983.46             |
|                         |          |          |           | Medical/Dental Premiums/Claims Clearing         | 305,325.55    | (516,526.39) | 289,638.31               |
|                         |          |          |           | Employees' Supplemental Life Insurance          | 15,575.20     | 16,941.32    | (2,184.92)               |
|                         |          |          |           | Employees' United Way                           | 1,622.95      | 1,720.68     | 1,725.18                 |
|                         |          |          |           | Employees' Universal Life Ins.                  | (485.14)      | 10,994.86    | (104.25)                 |
|                         |          |          |           | Employees' U.S. Savings Bonds Deductions        | 6,384.55      | 7,655.69     | 6,410.06                 |
|                         |          |          |           | Employer's ESOP Contributions                   | (4,000.74)    | 1,834,826.00 | 87,652.07                |
|                         |          |          |           | Employer's ESOP Other Expense                   | 17,330.66     | 13,581.98    | 13,597.66                |
|                         |          |          |           | Employees' ESOP Withholding                     | 0.00          | 133,672.80   | 138,345.58               |
|                         |          |          |           | Employer's Group Life Ins.                      | 31,789.87     | 30,651.01    | 47.87                    |
|                         |          |          |           | KN Master Mtr Transfer                          | 300,000.00    | 0.00         | 300,000.00               |
|                         |          |          |           | Mailed Refunds                                  | 16,934.39     | 10,207.90    | 3,600.00                 |
|                         |          |          |           | Miscellaneous Employee Insurance Accruals - GGC | 159.78        | 3.00         | (1,200.28)               |
|                         |          |          |           | Miscellaneous Contingent Liabilities            | 484,018.02    | 0.00         | 509,331.40               |
|                         |          |          |           | Net Payroll Payable                             | 159,036.94    | 1,739,994.19 | 2,129,272.93             |
|                         |          |          |           | Purchase Order Clearing                         | 410,877.31    | 223,979.81   | 234,018.06               |
|                         |          |          |           | Retainage - Northeastern Utility Constr. Co.    | 12,266.53     | 24,691.06    | 12,266.53                |
|                         |          |          |           | Uncashed Checks                                 | 116,546.01    | 88,303.74    | 108,890.30               |
|                         |          |          |           | Unclaimed Pipeline Refund                       | 0.00          | 1,164.87     | 0.00                     |
|                         |          |          |           | Vouchers Payable                                | 1,654,705.76  | 1,650,409.36 | 6,859,380.12             |
|                         |          |          |           | Total Accrued Payables                          | 23,443,647.77 | 7,502,508.94 | 13,383,375.86            |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF OCTOBER 31

11:42 AM

Reference

Page Line Acct.

No. No. No. Description

1998

1997

As of  
September 30,  
1997

| Description                            | 1998          | 1997         | As of<br>September 30,<br>1997 |
|--|---------------|--------------|--------------------------------|
| Gas Purchased - Accounts Payable       | 0.00          | 81,559.88    | 58,363.45                      |
| Acadiana Natural Gas, Co.              | 135,000.00    | 0.00         | 135,000.00                     |
| AMOCO                                  | 46,155.95     | 3,454,313.89 | 1,207,998.30                   |
| Anthem Energy Co. - AOG                | 8,016.52      | 385,667.44   | 174,795.17                     |
| Associated Natural Gas                 | 0.00          | 3,861.00     | 893.25                         |
| Brenco Gas Transmission, Inc.          | 172,663.61    | 1,072,437.45 | 692,739.65                     |
| Chevron                                | (2,000.00)    | 0.00         | 5,000.00                       |
| City of Odessa - Purchase              | 0.00          | 0.00         | 154,000.00                     |
| Coastal Gas Marketing                  | 1,778.14      | 265,577.17   | 132,731.89                     |
| Colorado Interstate Gas Company        | 78,344.67     | 145,524.49   | 78,344.67                      |
| Colorado Natural Gas                   | 0.00          | 28,668.60    | 22,638.40                      |
| Costilla Petroleum Corp.               | 0.00          | 7,239.48     | 17,241.95                      |
| Crescent Oil & Gas Company             | 0.00          | 21.35        | 0.00                           |
| Enron                                  | (404,739.03)  | (565,443.78) | (404,739.03)                   |
| Exchange Gas                           | 45,714.17     | 46,685.87    | 45,714.17                      |
| Gas Payable - LA Imbalance             | 84,662.11     | 344,895.87   | 554,227.95                     |
| Hudson Gas Company                     | 8,264.75      | 1,165.00     | 8,264.75                       |
| Hugoton                                | 622.36        | 231,031.77   | 122,552.36                     |
| Interenergy Resource Corp.             | 3,280.57      | 6,630.11     | 3,280.57                       |
| Kansas Pipeline Partners               | 101,585.66    | 0.00         | 101,585.66                     |
| Kilby                                  | (0.11)        | 112,201.18   | 49,695.82                      |
| Kimball Energy Corp.                   | 8,031.11      | 19,419.51    | 61,386.95                      |
| Koch Gas Services                      | 12,456.30     | 32,258.49    | 28,439.97                      |
| KN Energy                              | 37,879.04     | 17,904.23    | 83,337.69                      |
| K N Gas Supply Services                | 22,275.61     | 59,351.49    | 22,275.61                      |
| KPL Gas Services                       | 16,614.50     | 114,260.08   | 159,402.62                     |
| Local Gas Production                   | (19,178.23)   | 399,211.11   | 274,824.95                     |
| Local Gas Purchases - Fremont County   | 0.00          | 372,811.89   | 0.00                           |
| Louisiana Land/Exploration Company     | 71,384.08     | 305,216.01   | 343,409.77                     |
| Louisiana Intrastate Gas Corp.         | (12,525.29)   | 1,638,564.31 | 848,830.50                     |
| Mesa Limited Partnership               | 0.00          | 607.37       | 466.02                         |
| Mid-Louisiana Gathering                | 9,811.97      | 17,356.25    | 9,811.97                       |
| Moffat Pipeline Corp.                  | (234,603.04)  | 0.00         | (234,603.04)                   |
| Natural Gas Clearinghouse              | 6,309.75      | 8,226.16     | 7,000.23                       |
| Noram Gas Transum Corp                 | 0.00          | (1,278.69)   | 0.00                           |
| Northwest Pipeline Corp.               | 0.00          | 639.30       | 101.50                         |
| Oxy U.S.A., Inc.                       | (12,432.85)   | 10,400.21    | (5,307.85)                     |
| Peoples Natural Gas                    | 10,260,173.85 | 248,665.05   | 470,641.21                     |
| Pipeline Refunds - GGC (Williams)      | 0.00          | 0.00         | 9,789,532.64                   |
| Pipeline Refunds - Trans La (LIG)      | 1,321,274.19  | 1,669,461.95 | 1,322,632.19                   |
| Pipeline Refunds - WKG (Tennessee Gas) | 363,065.98    | 442,498.18   | 363,065.98                     |
| Public Service                         | 52,121.04     | 463,568.23   | 91,647.28                      |
| Rangeline Corporation                  | 0.00          | 17,929.35    | 0.00                           |
| Schreiber & Company, Inc.              | 7,000.01      | 13,714.10    | 7,375.55                       |
| Sonat Marketing                        | (1,053.18)    | 428,178.14   | 259,695.35                     |
| Tennessee Gas Pipeline                 | 0.00          | 579,496.95   | 785,502.00                     |
| Texaco, Inc.                           | 0.00          | 0.00         | 785,502.00                     |
| Texaco Natural Gas Inc.                | 730,793.44    | 0.00         | 1,698,769.24                   |

ATMIOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF OCTOBER 31

11:42 AM

| Reference | Page | Line | Acct. | Description                                      | 1998                 | 1997                 | As of<br>September 30,<br>1997 |
|-----------|------|------|-------|--|----------------------|----------------------|--------------------------------|
| No.       | No.  | No.  | No.   |  |                      |                      |                                |
|           |      |      |       | Texas Gas Transmission                           | 0.00                 | 1,721,351.19         | 1,242,989.87                   |
|           |      |      |       | Trunkline Gas Company                            | (5.05)               | 7,972.67             | 2,321.16                       |
|           |      |      |       | Turcatona Pipeline Company                       | (4,949.66)           | (142.21)             | 7,836.04                       |
|           |      |      |       | Williams Energy Services                         | 9,197.63             | 0.00                 | 129,674.70                     |
|           |      |      |       | Williams Natural Gas Company                     | 70,818.49            | 170,414.63           | 330,024.51                     |
|           |      |      |       | WKG Supplier Imbalance                           | 29,718.34            | 33,034.75            | 29,718.34                      |
|           |      |      |       | WKG Transportation - Bank Gas                    | 782,886.61           | 160,836.64           | 782,886.61                     |
|           |      |      |       | Woodward Marketing                               | 210.00               | 0.00                 | 2,125,826.36                   |
|           |      |      |       | Union Pacific Plets                              | 1,876,855.55         | 2,222,417.90         | 2,136,910.37                   |
|           |      |      |       | Vastar Gas                                       | 0.00                 | 573,774.04           | 0.00                           |
|           |      |      |       | <b>Total Gas Purchased Payable</b>               | <b>15,683,479.54</b> | <b>17,369,096.05</b> | <b>26,338,735.27</b>           |
| 2410      |      |      |       | <b>Tax Collections Payable</b>                   |                      |                      |                                |
|           |      |      |       | Astor Sales Tax                                  | (4,449.77)           | 48,994.68            | (4,449.77)                     |
|           |      |      |       | Astor Franchise Tax                              | 33,812.79            | 33,812.79            | 33,812.79                      |
|           |      |      |       | City Sales Tax - Canon City                      | 951.78               | 3,168.87             | 330.84                         |
|           |      |      |       | City Sales Tax - Durango                         | 3,501.52             | 432.67               | 2,614.46                       |
|           |      |      |       | City Sales Tax - Mount Crested Butte             | 1,492.37             | 2,052.94             | 1,536.18                       |
|           |      |      |       | City Sales Tax - Steamboat Springs               | 11,031.15            | 6,758.92             | 9,684.81                       |
|           |      |      |       | City Sales/Use Tax                               | 20,513.55            | 17,927.42            | 15,295.05                      |
|           |      |      |       | City Sales/Use Tax - Cortez                      | 3,145.51             | 2,997.39             | 2,708.80                       |
|           |      |      |       | City Sales/Use Tax - Greeley                     | 11,515.89            | 11,637.29            | 13,958.94                      |
|           |      |      |       | City Sales/Use Tax - Gunnison                    | 107.24               | 466.73               | 107.24                         |
|           |      |      |       | City Sales/Use Tax - Lamar                       | 2,687.27             | 3,004.80             | 2,373.62                       |
|           |      |      |       | City & Parish Sales Tax - Louisiana              | 3.21                 | 5.91                 | (9.65)                         |
|           |      |      |       | County City/Use Tax - Prowers                    | 179.22               | 228.00               | 210.99                         |
|           |      |      |       | County Sales/Use Tax                             | 14,515.69            | 8,564.10             | 10,277.10                      |
|           |      |      |       | County Use Tax - Fremont                         | 616.74               | 1,028.41             | 499.93                         |
|           |      |      |       | Employees' Federal Income Tax Withheld           | 427,293.97           | 386,355.83           | 754,344.31                     |
|           |      |      |       | Employees' FICA Tax                              | 172,654.86           | 174,250.02           | 235,029.75                     |
|           |      |      |       | Employees' Local Tax Withheld - KY               | 20,766.20            | 14,183.62            | 29,424.88                      |
|           |      |      |       | Employees' State Income Tax Withheld - Colorado  | 14,947.06            | 13,901.88            | 15,877.08                      |
|           |      |      |       | Employees' State Income Tax Withheld - Indiana   | 0.00                 | (10.41)              | 0.00                           |
|           |      |      |       | Employees' State Income Tax Withheld - Kansas    | 4,216.46             | 6,870.75             | 3,007.67                       |
|           |      |      |       | Employees' State Income Tax Withheld - Kentucky  | 61,938.38            | 52,309.33            | 93,394.37                      |
|           |      |      |       | Employees' State Income Tax Withheld - Louisiana | 18,974.81            | 11,881.92            | 12,678.35                      |
|           |      |      |       | Employees' State Income Tax Withheld - Missouri  | 509.41               | 0.00                 | 509.41                         |
|           |      |      |       | Franchise Tax Collected - Colorado               | 144,742.08           | (44,479.24)          | 161,783.77                     |
|           |      |      |       | Franchise Tax Collected - Kansas                 | 61,177.39            | 59,032.99            | 47,495.98                      |
|           |      |      |       | Franchise Tax Collected - Kentucky               | 28,854.58            | 20,169.79            | 44,798.56                      |
|           |      |      |       | Franchise Tax Collected - Louisiana              | 59,780.33            | 55,142.81            | 74,426.73                      |
|           |      |      |       | Franchise Tax Collected - Missouri               | 6,532.03             | 2,731.47             | 6,301.08                       |
|           |      |      |       | Local Tax - Colorado                             | 155.25               | 155.25               | 149.50                         |
|           |      |      |       | Occupational Tax Collections                     | 32,443.99            | 102,844.03           | 21,763.20                      |
|           |      |      |       | State Sales Tax - Colorado                       | 87,359.40            | 104,879.98           | 85,057.13                      |
|           |      |      |       | State Sales Tax - Kentucky                       | 167,388.07           | 99,124.16            | 123,327.75                     |
|           |      |      |       | State Sales Tax - Louisiana                      | 33,286.53            | 30,113.24            | 17,311.93                      |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF OCTOBER 31

11:42 AM

| Reference | Page No. | Line No. | Acct. No. | Description                              | 1998            | 1997           | As of September 30, 1997 |
|-----------|----------|----------|-----------|--|-----------------|----------------|--------------------------|
|           |          |          |           | State Sales Tax - Texas                  | 160,376.65      | 117,247.34     | (69,631.80)              |
|           |          |          |           | State Use Tax - Kansas                   | 217.55          | 724.41         | 638.66                   |
|           |          |          |           | Utility School Tax (Remit monthly)       | 92,640.22       | 96,988.23      | 47,730.41                |
|           |          |          |           | Total Tax Collections Payable            | 1,695,879.38    | 1,443,538.32   | 1,794,270.05             |
|           |          |          |           | Atmos                                    | 40,823,006.69   | 26,717,143.31  | 41,516,381.18            |
|           |          |          |           | United Cities Gas                        | 22,528,539.00   | 18,072,846.00  | 14,933,663.54            |
|           | 23       | 9        |           | Total Accounts Payable                   | 63,351,545.69   | 44,789,989.31  | 56,450,044.72            |
|           |          |          |           | <b>ACCRUED TAXES</b>                     |                 |                |                          |
|           |          |          |           | 2160 Accrued Taxes - Other               | 4,808,986.82    | 5,148,815.30   | 4,992,989.56             |
|           |          |          |           | Ad Valorem                               | 0.00            | 52.94          | 0.00                     |
|           |          |          |           | CNG Use Tax - Kentucky                   | 108.00          | 108.00         | 104.00                   |
|           |          |          |           | Employer's Denver City Tax               | 171,972.71      | 174,250.02     | 235,029.75               |
|           |          |          |           | Employer's FICA Tax                      | (7,956.70)      | (9,933.03)     | (8,448.50)               |
|           |          |          |           | Federal Motor Fuel Tax-CNG               | 226,754.97      | 209,702.49     | 408,345.05               |
|           |          |          |           | Franchise - City                         | (183.38)        | (1,414.18)     | (3,183.38)               |
|           |          |          |           | Louisiana State Supervision & Inspection | 2,239.24        | (5,281.43)     | 6,363.31                 |
|           |          |          |           | Parish & City Use Tax - Louisiana        | (13,531.94)     | (3,603.78)     | (7,737.26)               |
|           |          |          |           | Severance Tax                            | 487,957.68      | 497,116.52     | 462,957.68               |
|           |          |          |           | State Franchise Tax - Texas              | 0.00            | 0.00           | 41,357.44                |
|           |          |          |           | State Gross Receipts - Texas             | 3,909.03        | 4,233.36       | 2,784.31                 |
|           |          |          |           | State Transportation Tax - Texas         | 1,579.85        | 1,698.55       | 2,995.15                 |
|           |          |          |           | State Use Tax - Louisiana                | 246.08          | 382.46         | 696.83                   |
|           |          |          |           | Unemployment Tax - Federal               | 145.07          | 150.88         | 149.25                   |
|           |          |          |           | Unemployment Tax - State - Colorado      | (5.71)          | (9.14)         | (13.12)                  |
|           |          |          |           | Unemployment Tax - State - Kentucky      | (19.97)         | 30.40          | (4.67)                   |
|           |          |          |           | Unemployment Tax - State - Louisiana     | 134.02          | 392.68         | 616.47                   |
|           |          |          |           | Use Tax (City & State) - Texas           | 8,804.01        | 15,733.19      | 76,522.75                |
|           |          |          |           | Atmos                                    | 5,691,139.78    | 6,032,415.23   | 6,211,524.22             |
|           |          |          |           | United Cities Gas                        | 5,013,156.00    | 4,883,327.00   | 5,488,677.46             |
|           | 23       | 10       |           | Total Accrued Taxes                      | 10,704,295.78   | 10,915,742.23  | 11,700,201.68            |
|           |          |          |           | <b>INCOME TAXES PAYABLE</b>              |                 |                |                          |
|           |          |          |           | 2160 Accrued Income Taxes                | (6,751,934.08)  | (4,322,855.95) | (6,384,148.36)           |
|           |          |          |           | Accrued Income Taxes - Federal           | (2,256,638.37)  | (317,415.57)   | (2,236,201.00)           |
|           |          |          |           | Accrued Income Taxes - State             | (9,008,572.45)  | (4,640,271.52) | (8,620,349.36)           |
|           |          |          |           | Atmos                                    | (9,976,500.61)  | (4,475,150.00) | (9,714,291.17)           |
|           |          |          |           | United Cities Gas                        | (18,985,163.06) | (9,115,421.53) | (18,334,640.53)          |
|           | 23       | 11       |           | Total Income Taxes Payable               |                 |                |                          |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF OCTOBER 31

11:42 AM

| Reference | Page | Line | Acct. | Description  | 1998           | 1997          | As of<br>September 30,<br>1997 |
|-----------|------|------|-------|--|----------------|---------------|--------------------------------|
| No.       | No.  | No.  | No.   |  |                |               |                                |
|           |      |      |       | <b>CUSTOMERS' DEPOSITS</b>                             |                |               |                                |
|           |      | 2330 |       | Customers' Deposits                                    |                | 3,352,402.95  | 3,256,848.10                   |
|           |      |      |       | Customers' Deposits - Colorado                         | 3,193,649.61   |               |                                |
|           |      |      |       | Customers' Deposits - Kentucky                         | 1,737,402.47   | 2,044,067.33  | 1,792,539.06                   |
|           |      |      |       | Customers' Deposits - Louisiana                        | 1,450,230.11   | 1,723,177.55  | 1,472,377.99                   |
|           |      |      |       | Customers' Deposits - Texas                            | 2,638,417.24   | 2,949,317.78  | 2,765,269.87                   |
|           |      |      |       | Atmos  | 9,019,699.43   | 10,068,965.61 | 9,287,035.02                   |
|           |      |      |       | United Cities Gas                                      | 5,806,576.00   | 6,700,371.00  | 5,751,958.00                   |
| 23        | 13   |      |       | Total Customers' Deposits                              | 14,826,275.43  | 16,769,336.61 | 15,038,993.02                  |
|           |      |      |       | <b>OTHER CURRENT LIABILITIES</b>                       |                |               |                                |
|           |      | 2370 |       | Interest Accrued                                       | 0.00           | 0.00          | 0.00                           |
|           |      |      |       | Bowling Green Incident                                 |                | 6,936.99      | 1,251.00                       |
|           |      |      |       | Commitment Fee   | 6,630.39       |               |                                |
|           |      |      |       | Customers' Deposits - Colorado                         | 492,409.60     | 465,873.36    | 481,751.04                     |
|           |      |      |       | Customers' Deposits - Kentucky                         | 71,034.35      | 68,675.67     | 63,697.94                      |
|           |      |      |       | Customers' Deposits - Louisiana                        | 50,236.31      | 55,661.93     | 44,735.02                      |
|           |      |      |       | Customers' Deposits - Texas                            | 107,183.02     | 102,330.57    | 96,217.80                      |
|           |      |      |       | Long-Term Debt   | 2,548,760.90   | 2,541,588.78  | 3,007,982.43                   |
|           |      |      |       | Notes Payable  | (1,448,450.81) | 10,749.54     | 34,568.61                      |
|           |      |      |       | Total Interest Accrued                                 | 1,827,803.76   | 3,251,816.84  | 3,730,303.84                   |
|           |      | 2420 |       | Misc. Current & Accrued Liabilities                    |                | 0.00          | 17,000,000.00                  |
|           |      |      |       | Separation/Integration Costs                           | 17,000,000.00  |               |                                |
|           |      |      |       | Capacity Release Credits                               | (79,934.86)    | (7,190.01)    | (79,934.86)                    |
|           |      |      |       | FAS 106 - OPEB   | 5,481,706.50   | 3,003,554.94  | 5,246,416.08                   |
|           |      |      |       | Performance Plan                                       | 1,566,666.00   | 1,173,347.00  | 1,450,000.00                   |
|           |      |      |       | Texas Gas Storage                                      | 2,737,498.56   | (13,372.59)   | 2,737,498.56                   |
|           |      |      |       | Total Misc. Current & Accrued Liabilities              | 26,705,936.20  | 4,156,339.34  | 26,353,979.78                  |
|           |      | 2630 |       | Self Insurance Reserve                                 |                |               |                                |
|           |      |      |       | General Liability                                      | 1,000,000.00   | 1,500,000.00  | 1,000,000.00                   |
|           |      |      |       | Gen. Liab. (Each \$50M Claim Amortized over 12 months) | (275,000.00)   | (82,446.24)   | 0.00                           |
|           |      |      |       | Workers Compensation                                   | 1,200,000.00   | 1,200,000.00  | 1,200,000.00                   |
|           |      |      |       | Total Self Insurance Reserve                           | 1,925,000.00   | 2,617,553.76  | 2,200,000.00                   |
|           |      |      |       | Atmos  | 30,458,739.96  | 10,025,709.94 | 32,284,183.62                  |
|           |      |      |       | United Cities Gas                                      | 14,125,035.35  | 13,269,572.00 | 19,207,929.41                  |
| 23        | 14   |      |       | Total Other Current Liabilities                        | 44,583,775.31  | 23,295,281.94 | 51,382,113.03                  |
|           |      |      |       | Intercompany Accounts - United Cities Gas              | 210,719.00     | 198,261.00    | 276,957.00                     |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF OCTOBER 31

11:42 AM

| Reference                                     | Page No. | Line No. | Acct. No. | Description   | 1998               | 1997             | As of September 30, 1997 |
|---|----------|----------|-----------|---|--------------------|------------------|--------------------------|
|   | 23       | 16       |           | Total Current Liabilities                             | 295,291,448.15     | 194,395,189.57   | 277,113,668.92           |
| <b>DEFERRED INCOME TAXES</b>                  |          |          |           |   |                    |                  |                          |
|   | 282      |          |           | Deferred Federal Income Taxes                         | 48,898,409.68      | 35,888,382.47    | 48,721,572.57            |
|   | 283      |          |           | Deferred State Income Taxes                           | 6,395,969.62       | 3,337,617.55     | 6,372,806.73             |
|   |          |          |           | Atmos   | 55,294,379.30      | 39,226,000.02    | 55,094,379.30            |
|   |          |          |           | United Cities Gas                                     | 26,228,349.00      | 23,637,987.00    | 26,234,437.68            |
| 23  | 17       |          |           | Total Deferred Income Taxes                           | 81,322,728.30      | 62,863,987.02    | 81,328,816.98            |
| <b>DEFERRED CREDITS AND OTHER LIABILITIES</b> |          |          |           |   |                    |                  |                          |
|   | 2520     |          |           | Customer Advances for Construction                    | 9,022,273.52       | 8,491,046.54     | 8,776,173.29             |
|   | 2530     |          |           | Other Deferred Credits                                | 0.00               | 225,000.00       | 0.00                     |
|   |          |          |           | Advance from UP Alliance                              | 108,850.00         | 66,210.38        | 107,850.00               |
|   |          |          |           | Directors' Fees                                       | 142,879.06         | 11,555.82        | 134,289.92               |
|   |          |          |           | Outside Directors' Retirement Plan                    | 6,240,090.61       | 5,847,505.61     | 6,171,915.61             |
|   |          |          |           | FAS 106 - OPEB  | 2,291,234.63       | 2,291,234.63     | 2,291,234.63             |
|   |          |          |           | FAS 109 - Regulatory Liability / Protected            | 200,000.00         | 0.00             | 200,000.00               |
|   |          |          |           | KN Master Mtr Transfer                                | 0.00               | 0.00             | 0.00                     |
|   |          |          |           | Lincoln Ctr Rent                                      | 0.00               | 0.00             | 0.00                     |
|   |          |          |           | LPSC Settlement (Amort. Heating Sys., Fiscal 96 & 97) | 0.00               | 263,420.05       | 0.00                     |
|   |          |          |           | Protected Excess Deferred Tax - GGC                   | 221,780.62         | 221,780.62       | 221,780.62               |
|   |          |          |           | Regulatory Liability - ITC                            | 392,454.15         | 392,454.15       | 392,454.15               |
|   |          |          |           | Rent Amortization - Lafayette Office                  | 157,730.28         | 177,665.52       | 160,546.89               |
|   |          |          |           | Rent Amortization - Midway Bldg.                      | 0.00               | 344,953.97       | 0.00                     |
|   |          |          |           | Rent Amortization - Three Lincoln Centre              | 0.00               | (83,106.46)      | 0.00                     |
|   |          |          |           | Retirement Cost                                       | 20,868,901.07      | 18,495,065.07    | 20,590,905.84            |
|   |          |          |           | Total Other Deferred Credits                          | 30,623,920.42      | 28,253,739.36    | 30,270,977.66            |
|   | 2550     |          |           | Deferred Credits - Accrued I.T.C                      | 811,500.81         | 811,500.81       | 811,500.81               |
|   |          |          |           | Atmos   | 40,457,694.75      | 37,556,286.71    | 39,858,651.76            |
|   |          |          |           | United Cities Gas                                     | 13,655,280.00      | 14,150,394.00    | 13,729,516.00            |
| 23  | 18       |          |           | Total Deferred Credits and Other Liab.                | 54,112,974.75      | 51,706,680.71    | 53,588,167.76            |
| 23  | 19       |          |           | TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY            | \$1,029,039,869.64 | \$877,205,108.92 | \$1,011,626,092.39       |



ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATED OPERATING REVENUE AND STATISTICS  
FOR THE MONTH AND YEAR TO DATE ENDED 10/31/97

| Line No. | Description (a)   | Current Month |            | Year to Date |            |
|----------|---|---------------|------------|--------------|------------|
|          |   | Actual (b)    | Budget (c) | Actual (e)   | Budget (f) |
| 1        | Degree Days   | 240           | 211        | 240          | 211        |
| 2        | Meters in service (1)                                     |               |            |              |            |
| 3        | Residential   | 874,380       | N/A        | 874,380      | N/A        |
| 4        | Commercial  | 93,404        |            | 93,404       |            |
| 5        | Industrial  | 1,937         |            | 1,937        |            |
| 6        | Public Authority & Other                                  | 4,796         |            | 4,796        |            |
| 7        | Agricultural  | 15,264        |            | 15,264       |            |
|          | Total meters in service                                   | 989,781       | N/A        | 989,781      | N/A        |
| 8        | Utility Sales Customers - Regulated (1)                   |               |            |              |            |
| 9        | Residential   | 850,421       | N/A        | 850,421      | N/A        |
| 10       | Commercial  | 89,515        |            | 89,515       |            |
| 11       | Industrial  | 1,450         |            | 1,450        |            |
| 12       | Public Authority & Other                                  | 3,557         |            | 3,557        |            |
| 13       | Agricultural  | 302           |            | 302          |            |
|          | Total Regulated Sales Customers                           | 945,245       | N/A        | 945,245      | N/A        |
| 14       | Utility Sales Customers - Non Regulated (1)               |               |            |              |            |
| 15       | Industrial  | 185           | N/A        | 185          | N/A        |
| 16       | Agricultural  | 6,566         |            | 6,566        |            |
|          | Total Non Regulated Sales Customers                       | 6,751         | N/A        | 6,751        | N/A        |
| 17       | Total Sales Customers (1)                                 | 951,996       | N/A        | 951,996      | N/A        |
| 18       | Transportation Customers (1) (2)                          | 597           | N/A        | 597          | N/A        |
| 19       | Total Utility Customers (1) (2)                           | 952,593       | N/A        | 952,593      | N/A        |
| 20       | Utility Gas Volumes Sold - Regulated (mcf as metered)     |               |            |              |            |
| 21       | Residential   | 2,341,568     | N/A        | 2,341,568    | N/A        |
| 22       | Commercial  | 1,605,289     |            | 1,605,289    |            |
| 23       | Industrial  | 2,090,168     |            | 2,090,168    |            |
| 24       | Public Authority & Other                                  | 228,227       |            | 228,227      |            |
| 25       | Agricultural  | 54,496        |            | 54,496       |            |
| 26       | Unbilled  | 1,820,456     |            | 1,820,456    |            |
|          | Total Regulated Gas Volumes                               | 8,140,204     | NA         | 8,140,204    | NA         |
| 27       | Utility Gas Volumes Sold - Non Regulated (mcf as metered) |               |            |              |            |
| 28       | Industrial  | 550,223       | N/A        | 550,223      | N/A        |
| 29       | Agricultural  | 237,411       |            | 237,411      |            |
|          | Total Non Regulated Gas Volumes                           | 787,634       | NA         | 787,634      | NA         |
| 30       | Total Gas Volumes Sold                                    | 8,927,838     | N/A        | 8,927,838    | N/A        |
| 31       | Transport volumes (mcf as metered) (2)                    | 4,341,422     | N/A        | 4,341,422    | N/A        |
| 32       | Total Operating Volumes (2)                               | 13,269,260    | N/A        | 13,269,260   | N/A        |
|          | Prior Year Actual (g)                                     |               |            |              |            |
|          |   |               |            |              | 861,264    |
|          |   |               |            |              | 91,859     |
|          |   |               |            |              | 1,653      |
|          |   |               |            |              | 4,740      |
|          |   |               |            |              | 17,323     |
|          |   |               |            |              | 976,839    |
|          |   |               |            |              | 838,934    |
|          |   |               |            |              | 88,067     |
|          |   |               |            |              | 1,396      |
|          |   |               |            |              | 3,474      |
|          |   |               |            |              | 310        |
|          |   |               |            |              | 932,181    |
|          |   |               |            |              | 207        |
|          |   |               |            |              | 6,733      |
|          |   |               |            |              | 6,940      |
|          |   |               |            |              | 939,121    |
|          |   |               |            |              | 500        |
|          |   |               |            |              | 939,621    |
|          |   |               |            |              | 2,797,486  |
|          |   |               |            |              | 1,871,906  |
|          |   |               |            |              | 2,363,296  |
|          |   |               |            |              | 244,838    |
|          |   |               |            |              | 14,422     |
|          |   |               |            |              | 1,518,955  |
|          |   |               |            |              | 8,810,903  |
|          |   |               |            |              | 502,343    |
|          |   |               |            |              | 537,768    |
|          |   |               |            |              | 1,040,111  |
|          |   |               |            |              | 9,851,014  |
|          |   |               |            |              | 3,941,479  |
|          |   |               |            |              | 13,792,493 |

N/A = Not Available

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 10/31/97

| Line No. | Description (a)                           | Current Month   |                 |                       | Year to Date    |                 |                       |
|----------|---|-----------------|-----------------|-----------------------|-----------------|-----------------|-----------------------|
|          |   | Actual (b)      | Budget (c)      | Prior Year Actual (d) | Actual (e)      | Budget (f)      | Prior Year Actual (g) |
| 1        | Utility Gas Sales Revenue - Regulated     |                 |                 |                       |                 |                 |                       |
| 2        | Residential                               | 16,782,846.62   | N/A             | 16,557,688            | 16,782,846.62   | N/A             | 16,557,688            |
| 3        | Commercial                                | 9,017,669.95    |                 | 8,707,934             | 9,017,669.95    |                 | 8,707,934             |
| 4        | Industrial                                | 9,000,091.15    |                 | 8,017,104             | 9,000,091.15    |                 | 8,017,104             |
| 5        | Public Authority & Other                  | 1,114,565.49    |                 | 1,043,619             | 1,114,565.49    |                 | 1,043,619             |
| 6        | Agricultural                              | 211,494.82      |                 | 47,340                | 211,494.82      |                 | 47,340                |
| 7        | Unbilled                                  | 8,046,815.00    |                 | 5,199,243             | 8,046,815.00    |                 | 5,199,243             |
|          | Total Regulated Gas Sales Revenue         | 44,173,483.03   | N/A             | 39,572,927            | 44,173,483.03   | N/A             | 39,572,927            |
| 8        | Utility Gas Sales Revenue - Non Regulated |                 |                 |                       |                 |                 |                       |
| 9        | Industrial                                | 1,675,211.96    | N/A             | 1,419,731.12          | 1,675,211.96    | N/A             | 1,419,731.12          |
| 10       | Agricultural                              | 795,137.48      |                 | 1,407,032.25          | 795,137.48      |                 | 1,407,032.25          |
|          | Total Non Regulated Gas Sales Revenue     | 2,470,349.44    | N/A             | 2,826,763.37          | 2,470,349.44    | N/A             | 2,826,763.37          |
| 11       | Total Utility Gas Sales Revenue           | 46,643,832.47   | 47,390,000.00   | 42,399,690.84         | 46,643,832.47   | 47,390,000.00   | 42,399,690.84         |
| 12       | Other Gas Revenue                         | 395,809.94      | 330,000.00      | 459,918.69            | 395,809.94      | 330,000.00      | 459,918.69            |
| 13       | Total Utility Gas Revenue                 | 47,039,642.41   | 47,720,000.00   | 42,859,609.53         | 47,039,642.41   | 47,720,000.00   | 42,859,609.53         |
| 14       | Transportation Revenue (2)                | 1,904,718.73    | 1,784,000.00    | 1,709,704.26          | 1,904,718.73    | 1,784,000.00    | 1,709,704.26          |
| 15       | Other Operating Revenue                   | 0.00            | 0.00            | 0.00                  | 0.00            | 0.00            | 0.00                  |
| 16       | Total Utility Operating Revenue (2)       | \$48,944,361.14 | \$49,504,000.00 | \$44,569,313.79       | \$48,944,361.14 | \$49,504,000.00 | \$44,569,313.79       |
| 17       | Utility Purchased Gas Cost                |                 |                 |                       |                 |                 |                       |
| 18       | Regulated                                 | 28,912,084.06   | N/A             | 24,115,893.53         | 28,912,084.06   | N/A             | 24,115,893.53         |
| 19       | Non Regulated                             | 2,164,203.94    | N/A             | 2,500,459.06          | 2,164,203.94    | N/A             | 2,500,459.06          |
|          | Eliminations                              | (149,820.90)    | N/A             | (184,382.64)          | (149,820.90)    | N/A             | (184,382.64)          |
| 20       | Total Purchased Gas Cost                  | 30,926,467.10   | 30,736,000.00   | 26,431,969.95         | 30,926,467.10   | 30,736,000.00   | 26,431,969.95         |
| 21       | Gas Sales Margin - Regulated (3)          | 15,261,398.97   | N/A             | 15,457,033.94         | 15,261,398.97   | N/A             | 15,457,033.94         |
| 22       | Gas Sales Margin - Non Regulated (4)      | 306,145.50      | N/A             | 326,304.31            | 306,145.50      | N/A             | 326,304.31            |
| 23       | Gas Sales Margin - Total (5)              | 15,717,365.37   | 16,654,000.00   | 15,967,720.89         | 15,717,365.37   | 16,654,000.00   | 15,967,720.89         |
| 24       | Margin per MCF Sold - Regulated (6)       | \$ 1.87         | N/A             | \$ 1.75               | \$ 1.87         | N/A             | \$ 1.75               |
| 25       | Margin per MCF Sold - Non Regulated (6)   | \$ 0.39         | N/A             | \$ 0.31               | \$ 0.39         | N/A             | \$ 0.31               |
| 26       | Margin per MCF Sold - Total (6)           | \$ 1.76         | N/A             | \$ 1.62               | \$ 1.76         | N/A             | \$ 1.62               |

N/A = Not Available

- (1) The current month reflects the actual for the respective period as per the Meter Inventory Mgmt System, year to date and 12 months ended reflect the average for their respective periods.
- (2) Reflects intercompany eliminations.
- (3) Regulated gas sales revenue minus regulated gas costs.
- (4) Non regulated gas sales revenue minus non regulated gas costs.
- (5) Total gas sales revenue minus total gas costs.
- (6) Gas sales margin divided by gas sales volumes as metered.

WESTERN KENTUCKY GAS UTILITY BUSINESS UNIT  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 10/31/97

| Line No. | Description (a)   | Current Month |            | Year to Date |            |                       |
|----------|---|---------------|------------|--------------|------------|-----------------------|
|          |   | Actual (b)    | Budget (c) | Actual (e)   | Budget (f) | Prior Year Actual (g) |
| 1        | Degree Days   | 254           | 239        | 254          | 239        | 204                   |
| 2        | Meters in service (1)                                     |               |            |              |            |                       |
| 3        | Residential   | 154,936       | N/A        | 154,936      | N/A        | 152,524               |
| 4        | Commercial  | 17,871        |            | 17,871       |            | 17,453                |
| 5        | Industrial  | 458           |            | 458          |            | 266                   |
| 6        | Public Authority & Other                                  | 1,581         |            | 1,581        |            | 1,543                 |
| 7        | Agricultural  | 0             |            | 0            |            | 0                     |
|          | Total meters in service                                   | 174,846       | N/A        | 174,846      | N/A        | 171,786               |
| 8        | Utility Sales Customers - Regulated (1)                   |               |            |              |            |                       |
| 9        | Residential   | 148,092       | N/A        | 148,092      | N/A        | 146,162               |
| 10       | Commercial  | 16,785        |            | 16,785       |            | 16,432                |
| 11       | Industrial  | 297           |            | 297          |            | 320                   |
| 12       | Public Authority & Other                                  | 1,570         |            | 1,570        |            | 1,535                 |
| 13       | Agricultural  | 0             |            | 0            |            | 0                     |
|          | Total Regulated Sales Customers                           | 166,744       | N/A        | 166,744      | N/A        | 164,449               |
| 14       | Utility Sales Customers - Non Regulated (1)               |               |            |              |            |                       |
| 15       | Industrial  | 0             | 0          | 0            | 0          | 0                     |
| 16       | Agricultural  | 0             | 0          | 0            | 0          | 0                     |
|          | Total Non Regulated Sales Customers                       | 0             | 0          | 0            | 0          | 0                     |
| 17       | Total Sales Customers (1)                                 | 166,744       | N/A        | 166,744      | N/A        | 164,449               |
| 18       | Transportation Customers (1) (2)                          | 61            | N/A        | 61           | N/A        | 45                    |
| 19       | Total Utility Customers (1) (2)                           | 166,805       | N/A        | 166,805      | N/A        | 164,494               |
| 20       | Utility Gas Volumes Sold - Regulated (mcf as metered)     |               |            |              |            |                       |
| 21       | Residential   | 325,214       | N/A        | 325,214      | N/A        | 381,086               |
| 22       | Commercial  | 271,433       |            | 271,433      |            | 305,318               |
| 23       | Industrial  | 449,705       |            | 449,705      |            | 569,242               |
| 24       | Public Authority & Other                                  | 52,490        |            | 52,490       |            | 52,598                |
| 25       | Agricultural  | 0             |            | 0            |            | 0                     |
| 26       | Unbilled  | 512,819       |            | 512,819      |            | 272,454               |
|          | Total Regulated Gas Volumes                               | 1,611,661     | N/A        | 1,611,661    | N/A        | 1,580,698             |
| 27       | Utility Gas Volumes Sold - Non Regulated (mcf as metered) |               |            |              |            |                       |
| 28       | Industrial  | 0             | 0          | 0            | 0          | 0                     |
| 29       | Agricultural  | 0             | 0          | 0            | 0          | 0                     |
|          | Total Non Regulated Gas Volumes                           | 0             | 0          | 0            | 0          | 0                     |
| 30       | Total Gas Volumes Sold                                    | 1,611,661     | N/A        | 1,611,661    | N/A        | 1,580,698             |
| 31       | Transport volumes (mcf as metered) (2)                    | 1,982,724     | N/A        | 1,982,724    | N/A        | 1,779,829             |
| 32       | Total Operating Volumes (2)                               | 3,594,385     | N/A        | 3,594,385    | N/A        | 3,360,527             |

N/A = Not Available

WESTERN KENTUCKY GAS UTILITY BUSINESS UNIT  
CONSOLIDATED OPERATING REVENUE AND STATISTICS  
FOR THE MONTH AND YEAR TO DATE ENDED 10/31/97

| Line No. | Description (a)                           | Current Month  |                |                       | Year to Date   |                |                       |
|----------|---|----------------|----------------|-----------------------|----------------|----------------|-----------------------|
|          |   | Actual (b)     | Budget (c)     | Prior Year Actual (d) | Actual (e)     | Budget (f)     | Prior Year Actual (g) |
| 1        | Utility Gas Sales Revenue - Regulated     |                |                |                       |                |                |                       |
| 2        | Residential                               | 2,325,714.44   | N/A            | 2,375,818             | 2,325,714.44   | N/A            | 2,375,817.62          |
| 3        | Commercial                                | 1,479,359.22   |                | 1,441,930             | 1,479,359.22   |                | 1,441,929.86          |
| 4        | Industrial                                | 1,835,870.29   |                | 1,777,670             | 1,835,870.29   |                | 1,777,670.20          |
| 5        | Public Authority & Other                  | 266,955.19     |                | 236,873               | 266,955.19     |                | 236,872.69            |
| 6        | Agricultural                              |                |                | 0                     | 0.00           |                | 0.00                  |
| 7        | Unbilled                                  | 2,102,000.00   |                | 910,000               | 2,102,000.00   |                | 910,000.00            |
|          | Total Regulated Gas Sales Revenue         | 8,009,899.14   | 6,194,000.00   | 6,742,290             | 8,009,899.14   | 6,194,000.00   | 6,742,290.37          |
| 8        | Utility Gas Sales Revenue - Non Regulated |                |                |                       |                |                |                       |
| 9        | Industrial                                | 0.00           | 0.00           | 0.00                  | 0.00           | 0.00           | 0.00                  |
| 10       | Agricultural                              | 0.00           | 0.00           | 0.00                  | 0.00           | 0.00           | 0.00                  |
|          | Total Non Regulated Gas Sales Revenue     | 0.00           | 0.00           | 0.00                  | 0.00           | 0.00           | 0.00                  |
| 11       | Total Utility Gas Sales Revenue           | 8,009,899.14   | 6,194,000.00   | 6,742,290.37          | 8,009,899.14   | 6,194,000.00   | 6,742,290.37          |
| 12       | Other Gas Revenue                         | 68,826.92      | 38,000.00      | 74,780.42             | 68,826.92      | 38,000.00      | 74,780.42             |
| 13       | Total Utility Gas Revenue                 | 8,078,726.06   | 6,232,000.00   | 6,817,070.79          | 8,078,726.06   | 6,232,000.00   | 6,817,070.79          |
| 14       | Transportation Revenue (2)                | 615,744.31     | 700,000.00     | 609,016.32            | 615,744.31     | 700,000.00     | 609,016.32            |
| 15       | Other Operating Revenue                   | 0.00           | 0.00           | 0.00                  | 0.00           | 0.00           | 0.00                  |
| 16       | Total Utility Operating Revenue (2)       | \$8,694,470.37 | \$6,932,000.00 | \$7,426,087.11        | \$8,694,470.37 | \$6,932,000.00 | \$7,426,087.11        |
| 17       | Utility Purchased Gas Cost                |                |                |                       |                |                |                       |
| 18       | Regulated                                 | 5,172,217.74   | 5,067,000.00   | 4,740,013.69          | 5,172,217.74   | 5,067,000.00   | 4,740,013.69          |
| 19       | Non Regulated                             | 0.00           | 0.00           | 0.00                  | 0.00           | 0.00           | 0.00                  |
| 20       | Eliminations                              | 0.00           | 0.00           | 0.00                  | 0.00           | 0.00           | 0.00                  |
|          | Total Purchased Gas Cost                  | 5,172,217.74   | 5,067,000.00   | 4,740,013.69          | 5,172,217.74   | 5,067,000.00   | 4,740,013.69          |
| 21       | Gas Sales Margin - Regulated (3)          | 2,837,681.40   | N/A            | 2,002,276.68          | 2,837,681.40   | N/A            | 2,002,276.68          |
| 22       | Gas Sales Margin - Non Regulated (4)      | 2,837,681.40   | 1,127,000.00   | 2,002,276.68          | 2,837,681.40   | 1,127,000.00   | 2,002,276.68          |
| 23       | Gas Sales Margin - Total (5)              | \$             | \$             | \$                    | \$             | \$             | \$                    |
| 24       | Margin per MCF Sold - Regulated (6)       | 1.76           | N/A            | 1.27                  | 1.76           | N/A            | 1.27                  |
| 25       | Margin per MCF Sold - Non Regulated (6)   | 1.76           | N/A            | 1.27                  | 1.76           | N/A            | 1.27                  |
| 26       | Margin per MCF Sold - Total (6)           | \$             | \$             | \$                    | \$             | \$             | \$                    |

N/A = Not Available

- (1) The current month reflects the actual for the respective period as per the Meter Inventory Mgmt System, year to date and 12 months ended reflect the average for their respective periods.
- (2) Reflects intercompany eliminations.
- (3) Regulated gas sales revenue minus regulated gas costs.
- (4) Non regulated gas sales revenue minus non regulated gas costs.
- (5) Total gas sales revenue minus total gas costs.
- (6) Gas sales margin divided by gas sales volumes as metered.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED OPERATION EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 10/31/97

| Line No.                                | Description (a)                           | Current Month |             | Year to Date          |             | Twelve Months Ended |                       |
|---|---|---------------|-------------|-----------------------|-------------|---------------------|-----------------------|
|   |   | Actual (b)    | Budget* (c) | Prior Year Actual (d) | Budget* (f) | Actual (g)          | Prior Year Actual (h) |
| <b>Manufactured Gas Production Exp.</b> |   |               |             |                       |             |                     |                       |
| 1                                       | 717 Liquefied Petroleum Gas Expenses      | \$0.00        | \$0.00      | \$0.00                | \$0.00      | \$0.00              | \$0.00                |
| 2                                       | 723 Fuel for L-P Gas Process              | 0.00          | 0.00        | 0.00                  | 0.00        | 0.00                | 0.00                  |
| 3                                       | 728 L-P Gas - Raw Materials               | 0.00          | 0.00        | 0.00                  | 0.00        | 0.00                | 0.00                  |
| 4                                       | 735 Misc. Production Expenses             | 0.00          | 0.00        | 0.00                  | 0.00        | 0.00                | 0.00                  |
| 5                                       | 736 Rents                                 | 0.00          | 0.00        | 0.00                  | 0.00        | 0.00                | 0.00                  |
| 6                                       | Total Manufactured Gas Prod. Expense      | 0.00          | 0.00        | 0.00                  | 0.00        | 0.00                | 0.00                  |
| <b>Natural Gas Production Expenses</b>  |   |               |             |                       |             |                     |                       |
| 7                                       | 750 Operation Supervision and Engineering | 63.97         | 0           | 325.97                | 0           | 63.97               | 325.97                |
| 8                                       | 751 Production Mfgs & Records             | 0.00          | 0           | 0.00                  | 0           | 0.00                | 0.00                  |
| 9                                       | 752 Gas Well Expenses                     | 0.00          | 0           | 0.00                  | 0           | 0.00                | 0.00                  |
| 10                                      | 753 Field Lines Expenses                  | 393.40        | 0           | 992.68                | 0           | 393.40              | 992.68                |
| 11                                      | 754 Field Compressor Station Expenses     | 3,838.15      | 0           | 2,749.33              | 0           | 3,838.15            | 2,749.33              |
| 12                                      | 755 Field Compressor Station Fuel Exp.    | 4,764.43      | 0           | 0.00                  | 0           | 4,764.43            | 0.00                  |
| 13                                      | 756 Field Meas. & Reg. Station Expenses   | 5,105.33      | 0           | 7,421.02              | 0           | 5,105.33            | 7,421.02              |
| 14                                      | 757 Purification Expenses                 | 892.16        | 0           | 1,422.49              | 0           | 892.16              | 1,422.49              |
| 15                                      | 758 Gas Well Royalties                    | 0.00          | 0           | 0.00                  | 0           | 0.00                | 0.00                  |
| 16                                      | 759 Operating Expenses - Other            | 0.00          | 0           | 0.00                  | 0           | 0.00                | 0.00                  |
| 17                                      | 760 Rents                                 | 0.00          | 0           | 0.00                  | 0           | 0.00                | 0.00                  |
| 18                                      | 798 Other Exploration Exp.                | 94.34         | 0           | 94.34                 | 0           | 94.34               | 94.34                 |
| 19                                      | Total Natural Gas Prod. Expenses          | 15,151.78     | 0           | 13,005.83             | 0           | 15,151.78           | 13,005.83             |
| <b>Production Extraction</b>            |   |               |             |                       |             |                     |                       |
| 20                                      | 770 Operation Supervision and Engineering | 0.00          | 0           | 0.00                  | 0           | 0.00                | 0.00                  |
| 21                                      | 771 Operation Labor                       | 845.02        | 0           | 1,686.47              | 0           | 845.02              | 1,686.47              |
| 22                                      | 772 Gas Shrinkage                         | 4,566.92      | 0           | 10,284.09             | 0           | 4,566.92            | 10,284.09             |
| 23                                      | 773 Fuel                                  | 574.33        | 0           | 569.59                | 0           | 574.33              | 569.59                |
| 24                                      | 774 Power                                 | 1,424.83      | 0           | 1,595.03              | 0           | 1,424.83            | 1,595.03              |
| 25                                      | 777 Gas Production By Others              | 0.00          | 0           | 141.39                | 0           | 0.00                | 141.39                |
| 26                                      | 781 Variation in Product Inv.             | 0.00          | 0           | 0.00                  | 0           | 0.00                | 0.00                  |
| 27                                      | Total Prod. Extraction Expenses           | \$7,411.10    | \$0         | \$14,276.57           | \$0         | \$7,411.10          | \$14,276.57           |
| <b>Other Gas Supply Expenses</b>        |   |               |             |                       |             |                     |                       |
| 1                                       | 7990 1 Transf. to Purch. Gas Accts. - Cr. | \$0.00        | \$0         | \$0.00                | \$0         | \$0.00              | \$0.00                |
| 2                                       | 807 Purchased Gas Expenses                | 997.66        | 0           | 8,478.10              | 0           | 997.66              | 8,478.10              |
| 3                                       | 808 Gas Withdrawn from Storage - Dr.      | 0.00          | 0           | 0.00                  | 0           | 0.00                | 0.00                  |

\* Budget information not available by account and includes UCC.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED OPERATION EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 10/31/97

| Line No.                                      | Description (a)                           | Current Month |             | Year to Date          |             | Twelve Months Ended |                       | Line No. |
|---|---|---------------|-------------|-----------------------|-------------|---------------------|-----------------------|----------|
|   |   | Actual (b)    | Budget* (c) | Prior Year Actual (d) | Budget* (e) | Actual (f)          | Prior Year Actual (g) |          |
| 4   | 809 Gas Delivered to Storage - Cr.        | 0.00          | 0           | 0.00                  | 0           | 0.00                | 0.00                  | 4        |
| 5   | 812 Gas Used for Other Util. Oper. - Cr.  | 0.00          | 0           | 0.00                  | 0           | 0.00                | 0.00                  | 5        |
| 6   | Total Other Gas Supply Expenses           | 977.66        | 0           | 8,478.10              | 0           | 977.66              | 8,478.10              | 6        |
| <b>Underground Storage Operation Expenses</b> |   |               |             |                       |             |                     |                       |          |
| 7   | 814 Oper. Supervision-Engineering         | 18.48         | 0           | 1,487.48              | 0           | 18.48               | 1,487.48              | 7        |
| 8   | 816 Wells Expense                         | 4,172.09      | 0           | 4,030.84              | 0           | 4,172.09            | 4,030.84              | 8        |
| 9   | 817 Lines Expense                         | 2,931.22      | 0           | 2,004.37              | 0           | 2,931.22            | 2,004.37              | 9        |
| 10  | 818 Comp. Station Expenses                | 5,780.49      | 0           | 10,401.72             | 0           | 5,780.49            | 10,401.72             | 10       |
| 11  | 819 Comp. Station Fuel & Power            | 709.92        | 0           | 4,929.96              | 0           | 709.92              | 4,929.96              | 11       |
| 12  | 820 Meas. Reg. Station Expenses           | 2,346.64      | 0           | 729.54                | 0           | 2,346.64            | 729.54                | 12       |
| 13  | 821 Purification Expenses                 | 1,003.83      | 0           | 639.75                | 0           | 1,003.83            | 639.75                | 13       |
| 14  | 824 Other Expenses                        | 259.49        | 0           | 254.87                | 0           | 259.49              | 254.87                | 14       |
| 15  | 825 Storage Well Royalties                | 2,027.67      | 0           | 2,205.78              | 0           | 2,027.67            | 2,205.78              | 15       |
| 16  | 826 Rents                                 | 0.00          | 0           | 1,296.67              | 0           | 0.00                | 1,296.67              | 16       |
| 17  | Total Underground Storage Operation Exp.  | 19,269.83     | 0           | 71,980.98             | 0           | 19,269.83           | 71,980.98             | 17       |
| <b>Transmission Operation Expenses</b>        |   |               |             |                       |             |                     |                       |          |
| 18  | 830 Oper. Supervision-Engineering         | 147.87        | 0           | 3,724.20              | 0           | 147.87              | 3,724.20              | 18       |
| 19  | 831 System Control-Load Dispatch          | 229.50        | 0           | 2,664.94              | 0           | 229.50              | 2,664.94              | 19       |
| 20  | 832 Communications System Expenses        | 0.00          | 0           | 0.00                  | 0           | 0.00                | 0.00                  | 20       |
| 21  | 833 Comp. Station Labor and Exp.          | 4,310.45      | 0           | 6,289.75              | 0           | 4,310.45            | 6,289.75              | 21       |
| 22  | 834 Gas for Comp. Station Fuel            | 17,638.91     | 0           | 10,949.84             | 0           | 17,638.91           | 10,949.84             | 22       |
| 23  | 835 Other Fuel and Pow. for Comp. Station | 0.00          | 0           | 0.00                  | 0           | 0.00                | 0.00                  | 23       |
| 24  | 836 Mains Expense                         | 25,178.20     | 0           | 33,019.45             | 0           | 25,178.20           | 33,019.45             | 24       |
| 25  | 837 Measuring and Reg. Sta. Exp.          | 6,449.00      | 0           | 15,336.61             | 0           | 6,449.00            | 15,336.61             | 25       |
| 26  | 838 Trans. and Comp. of Gas by Oth.       | 0.00          | 0           | 0.00                  | 0           | 0.00                | 0.00                  | 26       |
| 27  | 839 Other Expenses                        | 29.76         | 0           | 614.37                | 0           | 29.76               | 614.37                | 27       |
| 28  | 8600 0 Rents                              | 0.00          | 0           | 0.00                  | 0           | 0.00                | 0.00                  | 28       |
| 29  | 8600 8 Building Service                   | 0.00          | 0           | 0.00                  | 0           | 0.00                | 0.00                  | 29       |
| 30  | Total Transmission Operation Expenses     | \$53,983.69   | \$0         | \$72,599.16           | \$0         | \$53,983.69         | \$72,599.16           | 30       |

\* Budget information not available by account and includes UCC.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED OPERATION EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 10/31/97

| Line No.   | Description (a)                                | Current Month |              |                       | Year to Date |              |                       | Twelve Months Ended |
|--|--|---------------|--------------|-----------------------|--------------|--------------|-----------------------|---------------------|
|  |  | Actual (b)    | Budget * (c) | Prior Year Actual (d) | Actual (e)   | Budget * (f) | Prior Year Actual (g) |                     |
| <b>Distribution Operation Expenses</b>           |  |               |              |                       |              |              |                       |                     |
| 1  | 870 Supervision & Engineering                  | \$688,465.89  | \$0          | \$499,307.34          | \$688,465.89 | \$0          | \$499,307.34          | \$6,363,972.56      |
| 2  | 8710 0 Distribution Load Dispatching           | 38,439.96     | 0            | 49,212.58             | 38,439.96    | 0            | 49,212.58             | 541,577.25          |
| 3  | 8710 3 Obedience Expense                       | 18,892.02     | 0            | 34,868.35             | 18,892.02    | 0            | 34,868.35             | 351,637.24          |
| 4  | 872 Comp. Station Labor & Expenses             | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                |
| 5  | 873 Comp. Station Fuel and Power               | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                |
| 6  | 874 Maint. & Service Expenses                  | 382,500.52    | 0            | 530,738.45            | 382,500.52   | 0            | 530,738.45            | 6,021,575.45        |
| 7  | 875 Mens. & Reg. Sta. Exp. Gen.                | 40,520.94     | 0            | 59,519.10             | 40,520.94    | 0            | 59,519.10             | 655,107.45          |
| 8  | 876 Mens. & Reg. Sta. Exp. Ind.                | 22,518.63     | 0            | 33,633.80             | 22,518.63    | 0            | 33,633.80             | 383,957.82          |
| 9  | 877 Mens. & Reg. Sta. Exp. City Gate           | 13,517.33     | 0            | 25,193.05             | 13,517.33    | 0            | 25,193.05             | 337,676.23          |
| 10   | 878 Meter & House Regulator Exp.               | 485,564.65    | 0            | 561,680.75            | 485,564.65   | 0            | 561,680.75            | 6,230,268.44        |
| 11   | 8790 0 Customer Installation Expenses          | 257,099.72    | 0            | 324,543.17            | 257,099.72   | 0            | 324,543.17            | 3,502,414.62        |
| 12   | 8790 1 Customer Installation Exp. - Flex Conn. | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 755.34              |
| 13   | 8790 8 Irrigation Operating Fee Lines          | 134.85        | 0            | 57.40                 | 134.85       | 0            | 57.40                 | (2,281.46)          |
| 14   | 8790 9 Customer Service - Gas Lights & Grills  | (8,293.25)    | 0            | (7,833.46)            | (8,293.25)   | 0            | (7,833.46)            | (8,696.71)          |
| 15   | 8800 0 Other Expenses                          | 16,962.34     | 0            | 33,820.24             | 16,962.34    | 0            | 33,820.24             | 299,195.49          |
| 16   | 8800 1 Distribution Maps & Records             | 8,947.58      | 0            | 10,505.29             | 8,947.58     | 0            | 10,505.29             | 117,079.27          |
| 17   | 8810 0 Rents                                   | 371,317.15    | 0            | 376,732.98            | 371,317.15   | 0            | 376,732.98            | 4,571,091.68        |
| 18   | 8810 8 Building Service                        | 34,152.79     | 0            | 42,296.32             | 34,152.79    | 0            | 42,296.32             | 510,268.78          |
| 19   | Total Distribution Operation Expenses          | 2,370,741.12  | 0            | 2,574,275.36          | 2,370,741.12 | 0            | 2,574,275.36          | 29,895,599.45       |
| <b>Customer Accounts Expenses</b>                |  |               |              |                       |              |              |                       |                     |
| 20   | 901 Supervision                                | 71,485.18     | 0            | 121,815.31            | 71,485.18    | 0            | 121,815.31            | 1,284,675.01        |
| 21   | 902 Meter Reading Expenses                     | 282,598.15    | 0            | 349,420.37            | 282,598.15   | 0            | 349,420.37            | 4,194,621.63        |
| 22   | 903 Cust. Records & Coll. Expenses             | 840,086.83    | 0            | 1,002,946.22          | 840,086.83   | 0            | 1,002,946.22          | 12,101,161.24       |
| 23   | 904 Uncollectible Accounts                     | 78,492.54     | 0            | 59,849.93             | 78,492.54    | 0            | 59,849.93             | 2,021,447.47        |
| 24   | 905 Miscellaneous Expenses                     | 29,160.60     | 0            | 31,566.43             | 29,160.60    | 0            | 31,566.43             | 366,983.37          |
| 25   | Total Customer Accounts Expenses               | 1,301,823.30  | 0            | 1,565,598.46          | 1,301,823.30 | 0            | 1,565,598.46          | 19,968,888.72       |
| <b>Customer Service and Information Expenses</b> |  |               |              |                       |              |              |                       |                     |
| 26   | 909 Supervision                                | 50,348.42     | 0            | 55,202.54             | 50,348.42    | 0            | 55,202.54             | 638,165.43          |
| 27   | 910 Customer Assistance Expenses               | 159,102.34    | 0            | 249,589.99            | 159,102.34   | 0            | 249,589.99            | 2,255,934.02        |
| 28   | 911 Inform. Instruct. & Aid Expenses           | 44,445.23     | 0            | 12,833.76             | 44,445.23    | 0            | 12,833.76             | 446,187.12          |
| 29   | 912 Misc. Customer Serv. & Info. Exp.          | 1,185.09      | 0            | 790.44                | 1,185.09     | 0            | 790.44                | 9,110.71            |
| 30   | Total Customer Service & Info. Exp.            | \$255,081.08  | \$0          | \$318,416.73          | \$255,081.08 | \$0          | \$318,416.73          | \$3,369,397.28      |

\* Budget information not available by account and includes UCC.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED OPERATION EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 10/31/97

| Line No.   | Description (a)                        | Current Month   |                 | Year to Date          |                 | Twelve Months Ended |                  |
|--|--|-----------------|-----------------|-----------------------|-----------------|---------------------|------------------|
|  |  | Actual (b)      | Budget * (c)    | Prior Year Actual (d) | Budget * (e)    | Actual (f)          | Actual (g)       |
| <b>Sales Promotion Expenses</b>                        |  |                 |                 |                       |                 |                     |                  |
| 1  | 915 Supervision                        |                 |                 |                       |                 |                     |                  |
| 2  | 916 Demonstrating & Selling Expenses   | \$15,505.64     | \$0             | \$13,360.86           | \$0             | \$13,360.86         | \$176,424.83     |
| 3  | 917 Advertising Expenses               | 23,071.69       | 0               | 27,405.97             | 0               | 27,405.97           | 379,598.05       |
| 4  | 918 Miscellaneous Sales Expenses       | 158.73          | 0               | 144.95                | 0               | 144.95              | 1,856.03         |
| 5  | Total Sales Promotion Expenses         | 38,736.06       | 0               | 40,911.78             | 0               | 40,911.78           | 7,813.36         |
| <b>Administrative &amp; General Operation Expenses</b> |  |                 |                 |                       |                 |                     |                  |
| 6  | 920 Salaries                           | 807,727.78      | 0               | 727,215.03            | 0               | 727,215.03          | 9,306,087.93     |
| 7  | 921 Office Supplies and Expenses       | 434,688.48      | 0               | 453,141.70            | 0               | 453,141.70          | 29,042,186.38    |
| 8  | 922 Admin. Exp. Transf.-Cr.            | (1,610,039.91)  | 0               | (830,000.00)          | 0               | (830,000.00)        | (11,860,039.91)  |
| 9  | 923 Outside Services Employed          | 395,206.34      | 0               | 179,383.87            | 0               | 179,383.87          | 2,861,178.71     |
| 10   | 924 Property Insurance                 | 9,134.90        | 0               | 12,364.67             | 0               | 12,364.67           | 130,876.37       |
| 11   | 9250 Injuries and Damages              | 192,887.88      | 0               | 232,545.76            | 0               | 232,545.76          | 1,711,304.48     |
| 12   | 9250 Workmen's Comp. Ins.-Cr.          | (17,679.73)     | 0               | (19,072.68)           | 0               | (19,072.68)         | (239,389.90)     |
| 13   | 9260 Employee Welfare Expenses - Db    | 1,849,153.48    | 0               | 1,733,377.83          | 0               | 1,733,377.83        | 20,124,356.57    |
| 14   | 9260 1 Pensions                        | 44,620.00       | 0               | 30,600.00             | 0               | 30,600.00           | 550,035.62       |
| 15   | 9260 7 Emp. Welfare Exp. - Cr.         | (420,138.17)    | 0               | (420,138.17)          | 0               | (420,138.17)        | (4,629,084.02)   |
| 16   | 9260 9 Pensions - Cr.                  | (14,856.49)     | 0               | (7,367.85)            | 0               | (7,367.85)          | (75,538.70)      |
| 17   | 927 Franchise Requirements             | 223.80          | 0               | 223.80                | 0               | 223.80              | 21,617.57        |
| 18   | 928 Regulatory Commission Exp.         | 9,388.03        | 0               | 20,815.45             | 0               | 20,815.45           | 163,247.65       |
| 19   | 929 Duplicate Charges-Cr.              | (4,368.32)      | 0               | (4,136.12)            | 0               | (4,136.12)          | (91,047.01)      |
| 20   | 9301 General Advertising Expenses      | 0.00            | 0               | 0.00                  | 0               | 0.00                | 0.00             |
| 21   | 9302 Miscellaneous General Expenses    | 211,174.74      | 0               | 166,271.05            | 0               | 166,271.05          | 2,581,714.70     |
| 22   | 9310 0 Rents                           | 193,325.91      | 0               | 194,268.98            | 0               | 194,268.98          | 2,332,727.70     |
| 23   | 9310 8 Building Service                | 0.00            | 0               | 0.00                  | 0               | 0.00                | 0.00             |
| 24   | Total Admin. & Gen. Operation Expenses | 2,080,648.72    | 0               | 2,519,266.76          | 0               | 2,519,266.76        | 51,800,034.14    |
| 25   | Total Operation Expense                | \$6,143,844.34  | \$12,176,000    | \$7,154,809.73        | \$12,176,000    | \$7,154,809.73      | \$107,143,261.39 |
| 26   | UCO Operation Expense                  | 5,424,859.91    | 0.00            | 5,561,033.00          | 0.00            | 5,561,033.00        | 65,392,938.91    |
| 27   | Consolidated Operation Expense         | \$11,568,704.25 | \$12,176,000.00 | \$12,715,842.73       | \$12,176,000.00 | \$12,715,842.73     | \$172,535,800.50 |

\* Budget information not available by account and includes UCO.



ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED MAINTENANCE EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 10/31/77

| Line No.                                  | Description (a)                           | Current Month |             | Year to Date          |             | Twelve Months Ended   |             |
|---|---|---------------|-------------|-----------------------|-------------|-----------------------|-------------|
|   |   | Actual (b)    | Budget* (c) | Prior Year Actual (d) | Budget* (f) | Prior Year Actual (e) | Actual (g)  |
| <b>Manufactured Gas Prod. Maint. Exp.</b> |   |               |             |                       |             |                       |             |
| 1   | 740 Maint. Supervision and Engineering    | \$0.00        | \$0         | \$0.00                | \$0         | \$0.00                | \$0.00      |
| 2   | 741 Structures and Improvements           | 0.00          | 0           | 0.00                  | 0           | 0.00                  | 0.00        |
| 3   | 742 Production Equipment                  | 0.00          | 0           | 0.00                  | 0           | 0.00                  | 0.00        |
| 4   | Total Manufactured Gas Prod. Maint. Exp.  | 0.00          | 0           | 0.00                  | 0           | 0.00                  | 0.00        |
| <b>Natural Gas Production Maint. Exp.</b> |   |               |             |                       |             |                       |             |
| 5   | 761 Maint. Supervision and Engineering    | 0.00          | 0           | 0.00                  | 0           | 0.00                  | 0.00        |
| 6   | 762 Structures and Improvements           | 0.00          | 0           | 0.00                  | 0           | 0.00                  | 0.00        |
| 7   | 763 Maint. of Producing Gas Wells         | 0.00          | 0           | 0.00                  | 0           | 0.00                  | 0.00        |
| 8   | 764 Field Lines                           | 228.27        | 0           | 303.81                | 0           | 303.81                | 4,740.36    |
| 9   | 765 Field Compressor Station Equipment    | 27.27         | 0           | 221.32                | 0           | 221.32                | 10,970.83   |
| 10  | 766 Field Meas. and Reg. Station Equip.   | 142.67        | 0           | 1,692.18              | 0           | 1,692.18              | 3,392.35    |
| 11  | 767 Purification Equip.                   | 1,009.35      | 0           | 2,420.43              | 0           | 2,420.43              | 16,171.58   |
| 12  | 769 Other Equip.                          | 0.00          | 0           | 0.00                  | 0           | 0.00                  | 0.00        |
| 13  | 7990 2 Transf. to Purch. Gas Accts. - Cr. | 0.00          | 0           | 0.00                  | 0           | 0.00                  | 0.00        |
| 14  | Total Natural Gas Prod. Maint. Exp.       | 1,407.56      | 0           | 4,637.74              | 0           | 4,637.74              | 35,225.12   |
| <b>Production Extraction</b>              |   |               |             |                       |             |                       |             |
| 15  | 784 Maint. Supervision-Engineering        | 0.00          | 0           | 70.70                 | 0           | 70.70                 | 1,385.87    |
| 16  | 785 Extraction & Refining Equip.          | 628.22        | 0           | 526.25                | 0           | 526.25                | 8,808.45    |
| 17  | 787 Maint. Of Pipe Lines                  | 0.00          | 0           | 0.00                  | 0           | 0.00                  | 0.00        |
| 18  | Total Production Extraction               | \$628.22      | \$0         | \$596.95              | \$0         | \$596.95              | \$10,194.32 |

\* Budget information not available by account and includes UCC.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED MAINTENANCE EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 10/31/97

| Line No.  | Description (a)                                | Current Month |              | Year to Date          |              | Twelve Months Ended |                       |
|---|--|---------------|--------------|-----------------------|--------------|---------------------|-----------------------|
|   |  | Actual (b)    | Budget * (c) | Prior Year Actual (d) | Actual (e)   | Budget * (f)        | Prior Year Actual (g) |
| <b>Underground Storage Maintenance Expenses</b> |  |               |              |                       |              |                     |                       |
| 1   | 830 Supervision-Engineering                    | \$0.00        | \$0          | \$0.00                | \$0.00       | \$0                 | \$0.00                |
| 2   | 831 Structures & Improvements                  | 357.25        | 0            | 0.00                  | 357.25       | 0                   | 5,279.12              |
| 3   | 832 Reservoirs & Wells                         | 122.79        | 0            | 64.33                 | 122.79       | 0                   | 842.70                |
| 4   | 833 Line Maintenance                           | 0.00          | 0            | 0.00                  | 0.00         | 0                   | 0.00                  |
| 5   | 834 Compressor Station Equipment               | 45.37         | 0            | 237.29                | 45.37        | 0                   | 5,957.81              |
| 6   | 835 Meas. & Reg. Station Equipment             | 0.00          | 0            | 0.00                  | 0.00         | 0                   | 4,127.61              |
| 7   | 836 Purification Equipment                     | 25.50         | 0            | 0.00                  | 25.50        | 0                   | 4,759.36              |
| 8   | 837 Other Equipment                            | 0.00          | 0            | 0.00                  | 0.00         | 0                   | 0.00                  |
| 9   | Total Underground Storage Maintenance Expenses | 550.91        | 0            | 301.62                | 550.91       | 0                   | 20,946.60             |
| <b>Transmission Maintenance Expenses</b>        |  |               |              |                       |              |                     |                       |
| 10  | 861 Supervision-Engineering                    | 141.98        | 0            | 383.09                | 141.98       | 0                   | 383.09                |
| 11  | 862 Structures & Improvements                  | 56.01         | 0            | (110.46)              | 56.01        | 0                   | 3,776.31              |
| 12  | 863 Maintenance of Mains                       | 1,465.17      | 0            | 2,883.52              | 1,465.17     | 0                   | 2,883.52              |
| 13  | 864 Compressor Station Equipment               | 67.54         | 0            | 754.87                | 67.54        | 0                   | 2,597.29              |
| 14  | 865 Meas. & Reg. Station Equipment             | 1,933.25      | 0            | 3,980.48              | 1,933.25     | 0                   | 3,980.48              |
| 15  | 866 Communications Equipment                   | 0.00          | 0            | 0.00                  | 0.00         | 0                   | 0.00                  |
| 16  | 867 Other Equipment                            | 0.00          | 0            | 0.00                  | 0.00         | 0                   | 4,191.11              |
| 17  | Total Transmission Maintenance Expenses        | 3,663.95      | 0            | 7,891.50              | 3,663.95     | 0                   | 86,597.56             |
| <b>Distribution Maintenance Expenses</b>        |  |               |              |                       |              |                     |                       |
| 18  | 885 Supervision-Engineering                    | 63,343.06     | 0            | 92,040.73             | 63,343.06    | 0                   | 1,034,203.87          |
| 19  | 886 Structures & Improvements                  | 9,907.53      | 0            | 12,354.63             | 9,907.53     | 0                   | 108,148.82            |
| 20  | 887 Maintenance of Mains                       | 92,966.80     | 0            | 125,873.99            | 92,966.80    | 0                   | 1,280,633.76          |
| 21  | 888 Compressor Station Equipment               | 0.00          | 0            | 0.00                  | 0.00         | 0                   | 0.00                  |
| 22  | 889 Meas. & Reg. Station Equipment-Gen.        | 8,138.68      | 0            | 12,483.89             | 8,138.68     | 0                   | 170,303.44            |
| 23  | 890 Meas. & Reg. Station Equipment-Ind.        | 7,960.05      | 0            | 14,536.91             | 7,960.05     | 0                   | 127,353.44            |
| 24  | 891 Meas. & Reg. Station Equipment-C. Gate     | 3,541.85      | 0            | 5,363.16              | 3,541.85     | 0                   | 81,867.04             |
| 25  | 892 Maintenance of Services                    | 24,949.23     | 0            | 30,723.63             | 24,949.23    | 0                   | 321,119.21            |
| 26  | 893 Maintenance of Meter & House Regulator     | 71,012.89     | 0            | 27,213.29             | 71,012.89    | 0                   | 940,757.37            |
| 27  | 894 Other Equipment                            | 3,983.68      | 0            | 5,361.16              | 3,983.68     | 0                   | 56,259.01             |
| 28  | Total Distribution Maintenance Expenses        | \$285,803.77  | \$0          | \$325,933.39          | \$285,803.77 | \$0                 | \$4,140,667.96        |

\* Budget information not available by account and includes UCC.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED MAINTENANCE EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 10/31/97

| Line No.   | Description (a)                         | Current Month  |              | Year to Date          |                | Twelve Months Ended |                       | Line No.        |
|--|---|----------------|--------------|-----------------------|----------------|---------------------|-----------------------|-----------------|
|  |   | Actual (b)     | Budget * (c) | Prior Year Actual (d) | Actual (e)     | Budget * (f)        | Prior Year Actual (g) |                 |
| <b>Administrative &amp; General Maintenance Expenses</b> |   |                |              |                       |                |                     |                       |                 |
| 1  | 932 Maintenance of General Plant        | \$1,090.35     | \$0          | \$42.76               | \$1,090.35     | \$0                 | \$42.76               | \$27,919.48     |
| 2  | Total Adm. & Gen. Maintenance Expenses  | 1,090.35       | 0            | 42.76                 | 1,090.35       | 0                   | 42.76                 | 27,919.48       |
| 3  | Total Maintenance Expenses              | \$293,146.76   | \$897,000    | \$339,423.96          | \$293,146.76   | \$897,000           | \$339,423.96          | \$4,321,450.84  |
| 4  | UCG Maintenance Expenses                | 737,788.00     | 0            | 529,489.00            | 737,788.00     | 0.00                | 529,489.00            | 7,813,883.33    |
| 5  | Total Consolidated Maintenance Expenses | \$1,030,934.76 | \$897,000.00 | \$868,912.96          | \$1,030,934.76 | \$897,000.00        | \$868,912.96          | \$12,135,436.17 |

\* Budget information not available by account and includes UCG.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
LABOR STATISTICS BY COMPANY  
FOR THE MONTH AND YEAR TO DATE ENDED 10/31/97

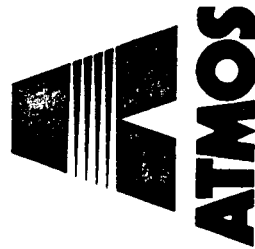
|   | Month          |                | Year to Date   |                |
|---|----------------|----------------|----------------|----------------|
|   | Actual         | Prior Year     | Actual         | Prior Year     |
| <b>Labor Costs Distribution (000's):</b>  |                |                |                |                |
| Atmos (Corporate)                         | \$1,083        | \$1,035        | \$1,083        | \$1,035        |
| Energas                                   | 1,489          | 1,619          | 1,489          | 1,619          |
| Greeley Gas                               | 900            | 919            | 900            | 919            |
| Trans La                                  | 458            | 478            | 458            | 478            |
| UCG                                       | 2,798          | 3,257          | 2,798          | 3,257          |
| UCG - Non Regulated                       | 297            | 308            | 297            | 308            |
| WKG                                       | 995            | 1,081          | 995            | 1,081          |
| <b>Total Labor Costs Distribution</b>     | <b>\$8,020</b> | <b>\$8,697</b> | <b>\$8,020</b> | <b>\$8,697</b> |
| <b>Percentage Labor Capitalized</b>       |                |                |                |                |
| Atmos (Corporate)                         |                |                | 14%            | 6%             |
| Energas                                   |                |                | 25%            | 23%            |
| Greeley Gas                               |                |                | 39%            | 36%            |
| Trans La                                  |                |                | 33%            | 29%            |
| UCG                                       |                |                | 33%            | 22%            |
| UCG - Non Regulated                       |                |                | 1%             | .3%            |
| WKG                                       |                |                | 32%            | 25%            |
|   |                |                | 28%            | 23%            |
| <b>Total Percentage Labor Capitalized</b> |                |                |                |                |
| <b>Average Labor Costs Per Employee:</b>  |                |                |                |                |
| Atmos (Corporate)                         | \$4,835        | \$4,442        | \$4,835        | \$4,442        |
| Energas                                   | 2,788          | 2,680          | 2,788          | 2,680          |
| Greeley Gas                               | 3,543          | 3,481          | 3,543          | 3,481          |
| Trans La                                  | 2,993          | 2,862          | 2,993          | 2,862          |
| UCG                                       | 3,045          | 3,013          | 3,045          | 3,013          |
| UCG - Non Regulated                       | 1,822          | 2,184          | 1,822          | 2,184          |
| WKG                                       | 2,997          | 2,890          | 2,997          | 2,890          |
| <b>Average Labor Costs Per Employee</b>   | <b>\$3,110</b> | <b>\$3,037</b> | <b>\$3,110</b> | <b>\$3,037</b> |

# Atmos Energy Corporation

## FINANCIAL STATEMENTS

NOVEMBER, 1997

*Note: These Financial Statements and the Supplemental information contained herein are confidential. Any unauthorized distribution of all or part of these statements is in violation of company policy.*



**ATMOS ENERGY CORPORATION AND SUBSIDIARIES**  
**FINANCIAL STATEMENTS - TABLE OF CONTENTS**  
**AS OF NOVEMBER 30, 1997**

Description

**MANAGEMENT SUMMARY**

|                                     |  |
|-------------------------------------|--|
| Highlights                          |  |
| Financial Ratios and Key Statistics |  |
| Balance Sheets                      |  |
| Consolidated Income Statements      |  |
| Operating Revenues and Volumes      |  |

**FLASH REPORTS**

|                                    |  |
|------------------------------------|--|
| Net Income                         |  |
| Operation and Maintenance Expenses |  |
| Interest Expense                   |  |
| Billed Shared Services             |  |
| Capital Expenditures               |  |

**I. CONSOLIDATED FINANCIAL STATEMENTS**

|   |   |
|---|---|
| Consolidated Balance Sheets-                |   |
| Assets                                      | 1 |
| Liabilities and Shareholders' Equity        | 2 |
| Consolidated Statements of Income           | 3 |
| Consolidating Balance Sheet -               |   |
| Assets                                      | 4 |
| Liabilities and Shareholders' Equity        | 5 |
| Eliminations to Consolidating Balance Sheet | 6 |
| Consolidating Balance Sheet-                |   |
| -Non Regulated Assets                       | 7 |
| -Non Regulated Liabilities                  | 8 |

**II. CONSOLIDATING - UTILITY/NON-UTILITY**

|  |       |
|--|-------|
| Consolidated Income Statement-                 |       |
| Utility/Non-Utility                            | 9-10  |
| Eliminations - Income Statement                | 11    |
| Consolidating Income Statement - Regulated     | 12-13 |
| Consolidating Income Statement - Non-Regulated | 14-15 |
| Consolidating Income Statement - Non-Utility   | 16-17 |
| Allocation of Shared Services-Summary          | 18    |
| Allocation of Shared Services-Detail           | 19-21 |

**III. INCOME STATEMENTS:**

|                             |       |
|-----------------------------|-------|
| Utility -                   |       |
| Utility Business Units      | 22-23 |
| Energas Business Units      | 24-25 |
| Energas                     | 26    |
| Egasco                      | 27    |
| Emermart                    | 28    |
| Greeley Business Unit       | 29    |
| Trans La Business Units     | 30-31 |
| Trans La                    | 32    |
| TLIG                        | 33    |
| United Cities Business Unit | 34    |
| WKG Business Units          | 35-36 |
| WKG                         | 37    |
| WKGR                        | 38    |
| Non-Utility -               |       |
| Atmos Energy Services       | 39    |
| Propane                     | 40    |
| Leasing                     | 41    |
| Rental                      | 42    |
| Utility Services            | 43    |
| Storage                     | 44    |

**IV. COMBINING FINANCIAL STATEMENTS - ATMOS/UCG REGULATED:**

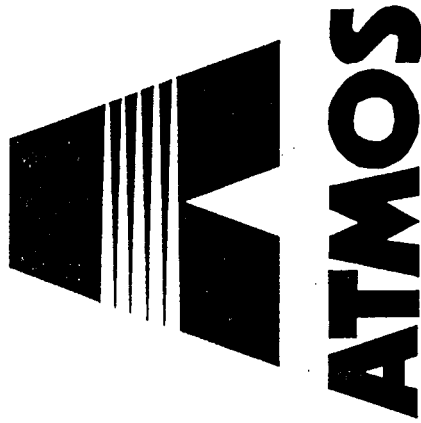
|                                      |       |
|--------------------------------------|-------|
| Combining Balance Sheets-            |       |
| Assets                               | 45    |
| Liabilities and Shareholders' Equity | 46    |
| Combining Statements of Income       | 47-48 |
| Property, Plant and Equipment        | 49-55 |
| Combining Balance Sheet Detail       | 56-72 |

**V. STATISTICS**

|  |       |
|--|-------|
| Operating Revenue and Statistics               | 73-84 |
| Consolidated Operation and Maintenance Expense | 85-91 |
| Labor Statistics by Company                    | 92    |

**Atmos Energy Corporation**  
**Management Summary**

**November 30, 1997**



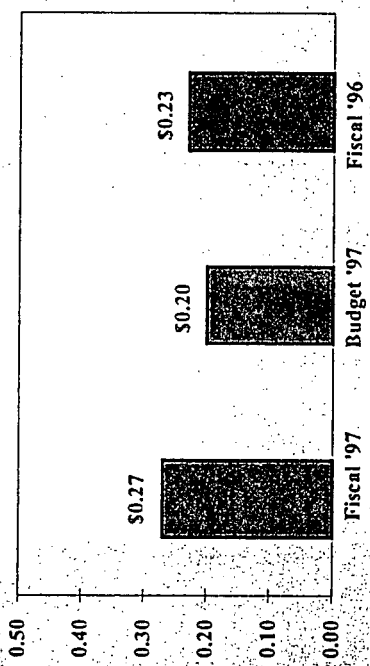
---

This report is confidential. Any unauthorized distribution of all or part of this report is in violation of company policy. This report contains information that is unaudited by the company's outside audit firm.

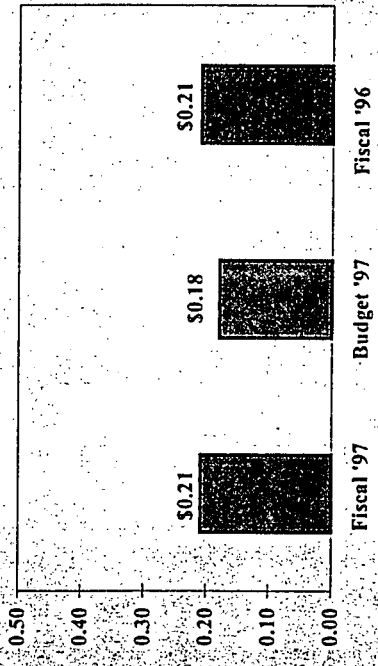
# Atmos Energy Corporation Highlights

|                                    | Actual     | Budget         | Prior Year         |
|------------------------------------|------------|----------------|--------------------|
| <b>Net Income (Loss) Per Share</b> |            |                |                    |
| Month                              | \$0.27     | \$0.20         | \$0.23             |
| Year To Date                       | 0.21       | 0.18           | 0.21               |
| 12 Months Ended                    | 0.81       | 1.26           | 1.39               |
| <b>Net Income (Loss) (000's)</b>   |            |                |                    |
| Month                              | \$8,057    | \$5,822        | \$6,839            |
| Year To Date                       | 6,381      | 5,381          | 6,247              |
| 12 Months Ended                    | 23,973     | 37,471         | 40,380             |
| <b>Dividend Per Share</b>          | \$1.06     |                | \$1.00             |
| <b>Stock Price (Fiscal Y-T-D)</b>  |            |                |                    |
| High                               | 27 1/8     |                | 24 3/4             |
| Low                                | 24 5/16    |                | 22                 |
| Close                              | 26 9/16    |                | 24 5/8             |
| Volume (000's)                     | 1,071      |                | 627                |
| <b>Return on Average Equity</b>    | 7.36%      |                | 12.97%             |
| <b>Book Value Per Share</b>        |            |                |                    |
| End of Month                       | \$11.05    | \$11.17        | \$11.03            |
| <b>Degree Days</b>                 |            |                |                    |
| Month                              | Actual 585 | Prior Year 564 | % of Normal 117.7% |
| Year To Date                       | 825        | 764            | 108.0%             |
| 12 Months Ended                    | 4,294      | 4,276          |                    |

Net Income Per Share  
Month



Year To Date





# Atmos Energy Corporation

## Financial Ratios - Industry Comparison

|  | Atmos  |      | 34 Natural Gas Utility Distribution Companies |                       |       |       | Median |
|--|--------|------|---|-----------------------|-------|-------|--------|
|  | Amount | Rank | Maximum                                       | Minimum               | Mean  |       |        |
| Price/Earnings Ratio                             | 32.8X  | 1    | 32.8X   | 11X <sup>(5)</sup>    | 15.9X | 14.9X |        |
| Yield (Dividend/Market Price)                    | 4.0%   | 29   | 7.0% <sup>(9)</sup>                           | 0.0% <sup>(1)</sup>   | 4.9%  | 5.1%  |        |
| Market Price/Book Value                          | 2.4X   | 1    | 2.4X  | 1.22X <sup>(12)</sup> | 1.72X | 1.72X |        |
| Equity/Total Capitalization (Incl. S/T Debt)     | 38%    | 32   | 65% <sup>(10)</sup>                           | 35% <sup>(1)</sup>    | 53%   | 53%   |        |
| Return on Average Equity                         | 7.36%  | 30   | 15.6% <sup>(6)</sup>                          | 5.8% <sup>(7)</sup>   | 11.2% | 11.6% |        |
| Payout Ratio (Dividend/EPS)                      | 131%   | 2    | 152% <sup>(7)</sup>                           | 48% <sup>(4)</sup>    | 78%   | 75%   |        |
| Book Yield (Dividend/Book Value)                 | 9.6%   | 5    | 12.7% <sup>(9)</sup>                          | 0.0% <sup>(1)</sup>   | 8.3%  | 8.4%  |        |
| Before Tax Interest Coverage                     | 2.05X  | 29   | 7.24X <sup>(6)</sup>                          | 1.76X <sup>(7)</sup>  | 3.34X | 3.2X  |        |
| Total Capitalization (Incl. S/T Debt) (millions) | \$858X | 6    | \$2,648 <sup>(1)</sup>                        | 12 <sup>(11)</sup>    |       |       |        |

**Footnotes:**

- <sup>(1)</sup> Southern Union Company
- <sup>(2)</sup> Pennsylvania Enterprises, Inc.
- <sup>(3)</sup> Pacific Enterprises
- <sup>(4)</sup> Mobile Gas Service Corp.
- <sup>(5)</sup> Berkshire Gas Company
- <sup>(6)</sup> North Carolina Natural Gas Co.
- <sup>(7)</sup> Delta Natural Gas Company
- <sup>(8)</sup> Essex County Gas Company
- <sup>(9)</sup> Fall River Gas Company
- <sup>(10)</sup> Indiana Energy
- <sup>(11)</sup> Corning Natural Gas Co.
- <sup>(12)</sup> Providence Energy Corp.

Source: Edward Jones, Natural Gas Industry, Monthly Financial & Common Stock Information November 30, 1997. Includes selected companies with at least 90% of their operating revenues from the natural gas distribution business. The information for the 34 natural gas distribution utilities is based primarily on the period ended June 30, 1997 and stock prices as of November 30, 1997.

## Key Statistics

|                        | Energas  | GCC      | Trans La | UCG      | WKG      | Non-Utility | Corporate | Consolidated | Peer Group Average |
|------------------------|----------|----------|----------|----------|----------|-------------|-----------|--------------|--------------------|
| Meters Per Employee:   |          |          |          |          |          |             |           |              |                    |
| 11/30/97               | 605      | 465      | 538      | 344      | 539      | -           | -         | 405          |                    |
| 11/30/96               | 491      | 423      | 479      | 284      | 463      | -           | -         | 354          | 331                |
| Net Plant Per Meter:   |          |          |          |          |          |             |           |              |                    |
| 11/30/97               | \$470    | \$730    | \$973    | \$999    | \$600    | -           | -         | \$832        |                    |
| 11/30/96               | \$429    | \$681    | \$925    | \$983    | \$559    | -           | -         | \$753        | \$1,175            |
| O&M Expense Per Meter: |          |          |          |          |          |             |           |              |                    |
| 11/30/97               | \$101.28 | \$168.05 | \$150.44 | \$201.36 | \$138.00 | -           | -         | \$178.93     |                    |
| 11/30/96               | \$114.54 | \$158.13 | \$143.05 | \$203.75 | \$136.17 | -           | -         | \$186.43     | \$247.00           |
| Employees:             |          |          |          |          |          |             |           |              |                    |
| 11/30/97               | 518      | 246      | 150      | 915      | 326      | 160         | 223       | 2,538        |                    |
| 11/30/96               | 604      | 264      | 167      | 1,074    | 374      | 142         | 231       | 2,856        |                    |

# Consolidated Balance Sheets

## November 30, 1997

November 30,

1997      1996

(000's)

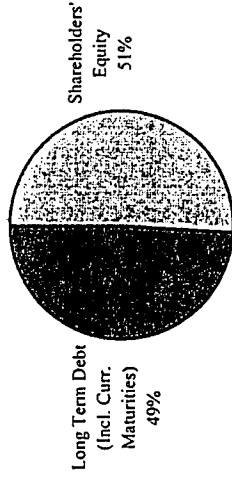
**ASSETS:**

|   |                    |                    |
|---|--------------------|--------------------|
| Property Plant & Equipment:             |                    |                    |
| Gross Property, Plant and Equipment     | \$1,348,598        | \$1,227,461        |
| Accumulated Depreciation & Amortization | <u>492,783</u>     | <u>453,444</u>     |
| <b>Net P, P and E</b>                   | <b>855,815</b>     | <b>774,017</b>     |
| <b>Current Assets:</b>                  |                    |                    |
| Cash and Cash Equivalents               | 2,013              | 4,630              |
| Accounts Receivable                     | 142,603            | 110,285            |
| Inventories                             | 13,101             | 14,224             |
| Gas Stored Underground                  | 50,949             | 47,048             |
| Other Current Assets                    | <u>5,956</u>       | <u>4,892</u>       |
| <b>Total Current Assets</b>             | <b>214,622</b>     | <b>181,079</b>     |
| Deferred Charges & Other Assets         | <u>96,294</u>      | <u>65,931</u>      |
| <b>Total Assets</b>                     | <b>\$1,166,731</b> | <b>\$1,021,027</b> |

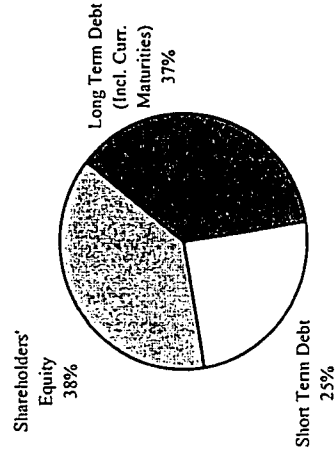
**LIABILITIES AND SHAREHOLDERS' EQUITY:**

|   |                    |                    |
|---|--------------------|--------------------|
| <b>Shareholders' Equity</b>                         | <b>\$328,980</b>   | <b>\$322,444</b>   |
| Long Term Debt (Including Current Maturities)       | <u>317,777</u>     | <u>333,602</u>     |
| <b>Total Capitalization</b>                         | <b>646,757</b>     | <b>656,046</b>     |
| <b>Current Liabilities:</b>                         |                    |                    |
| Notes Payable                                       | 211,626            | 97,467             |
| Accounts Payable                                    | 92,837             | 76,970             |
| Accrued Taxes                                       | 9,507              | 12,334             |
| Income Taxes Payable                                | (6,994)            | 2,436              |
| Dividends Declared                                  | 7,889              | 7,375              |
| Customers' Deposits                                 | 14,734             | 17,124             |
| Other Current Liabilities                           | <u>45,073</u>      | <u>24,703</u>      |
| <b>Total Current Liabilities</b>                    | <b>374,672</b>     | <b>238,409</b>     |
| Deferred Federal Income Taxes                       | 87,711             | 70,618             |
| Deferred Credits & Other Liabilities                | <u>57,591</u>      | <u>55,954</u>      |
| <b>Total Liabilities</b>                            | <b>\$837,751</b>   | <b>\$698,583</b>   |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <b>\$1,166,731</b> | <b>\$1,021,027</b> |

**Capitalization Excluding Short-Term Debt**



**Capitalization Including Short-Term Debt**

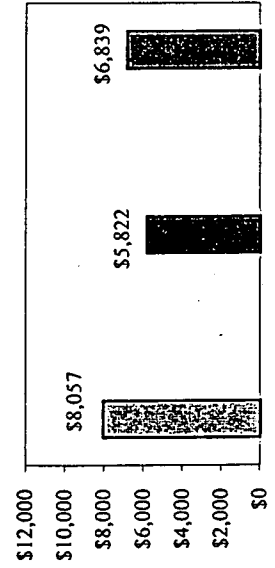


**Consolidated Statements of Income**  
**November 30, 1997**  
**(000's)**

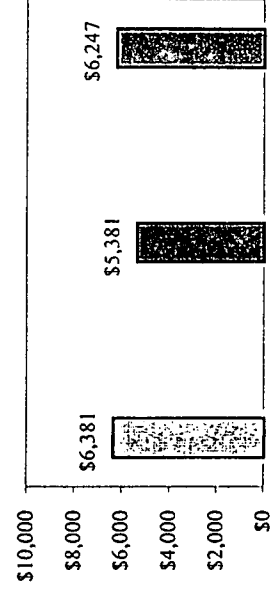
|                                 | Month           |                 | Prior Year      | Year-to-Date    |                 |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                 | Actual          | Budget          |                 | Actual          | Budget          |
| Operating Revenues              | \$105,299       | \$85,307        | \$95,191        | \$139,207       | \$144,490       |
| Purchased Gas Cost              | 71,456          | 53,931          | 62,653          | 86,593          | 91,023          |
| <b>Gross Profit</b>             | <b>\$33,843</b> | <b>\$31,376</b> | <b>\$32,538</b> | <b>\$52,614</b> | <b>\$53,467</b> |
| Operating Expenses              |                 |                 |                 |                 |                 |
| Operation                       | 11,179          | 12,028          | 11,668          | 22,748          | 24,383          |
| Maintenance                     | 695             | 897             | 905             | 1,726           | 1,774           |
| Depreciation & Amortization     | 3,997           | 3,961           | 3,784           | 8,290           | 7,915           |
| Taxes - Other than Inc. Tax     | 2,676           | 2,714           | 2,707           | 5,065           | 4,892           |
| Provision for Inc. Taxes        | 4,948           | 3,494           | 4,091           | 3,879           | 3,723           |
| <b>Total Operating Expenses</b> | <b>23,495</b>   | <b>23,094</b>   | <b>23,155</b>   | <b>41,708</b>   | <b>42,368</b>   |
| Operating Income                | 10,348          | 8,282           | 9,383           | 12,392          | 11,099          |
| Other Income (Expense)          | 572             | 473             | 345             | 137             | 912             |
| Interest Charges                | 2,863           | 2,933           | 2,889           | 6,148           | 5,764           |
| <b>Net Income</b>               | <b>\$8,057</b>  | <b>\$5,822</b>  | <b>\$6,839</b>  | <b>\$6,381</b>  | <b>\$6,247</b>  |

**Net Income**

**Month**



**Year to Date**



# Utility Operating Revenues and Volumes

## November 30, 1997

|   | Month         |          |               | Year-to-Date  |          |               |
|---|---------------|----------|---------------|---------------|----------|---------------|
|   | Actual        | Budget * | Prior Year    | Actual        | Budget * | Prior Year    |
| <b>Volumes Handled (MMcf)(as metered)</b> |               |          |               |               |          |               |
| Gas Sales                                 |               |          |               |               |          |               |
| Residential                               | 9,336         |          | 9,195         | 12,742        |          | 12,907        |
| Commercial                                | 4,246         |          | 4,362         | 6,431         |          | 6,708         |
| Public Authority and Other                | 638           |          | 638           | 1,017         |          | 972           |
| <b>Total Weather Sensitive Sales</b>      | <b>14,240</b> |          | <b>14,195</b> | <b>20,190</b> |          | <b>20,587</b> |
| Industrial                                | 2,938         |          | 3,502         | 5,624         |          | 6,409         |
| Agricultural                              | 128           |          | 349           | 420           |          | 901           |
| <b>Total Gas Sales Volumes</b>            | <b>17,306</b> |          | <b>18,046</b> | <b>26,234</b> |          | <b>27,897</b> |
| Transportation                            | 4,775         |          | 4,006         | 9,116         |          | 7,947         |
| <b>Total Gas Volumes Handled (MMcf)</b>   | <b>22,081</b> |          | <b>22,052</b> | <b>35,350</b> |          | <b>35,844</b> |

|                                      | Month            |                 |                 | Year-to-Date     |                  |                  |
|--------------------------------------|------------------|-----------------|-----------------|------------------|------------------|------------------|
|                                      | Actual           | Budget *        | Prior Year      | Actual           | Budget *         | Prior Year       |
| <b>Operating Revenues (000's)</b>    |                  |                 |                 |                  |                  |                  |
| Gas Sales Revenues                   |                  |                 |                 |                  |                  |                  |
| Residential                          | 56,987           |                 | 50,386          | 78,483           |                  | 70,100           |
| Commercial                           | 24,326           |                 | 21,689          | 35,915           |                  | 32,015           |
| Public Authority and Other           | 3,394            |                 | 3,254           | 5,053            |                  | 4,579            |
| <b>Total Weather Sensitive Sales</b> | <b>84,707</b>    |                 | <b>75,329</b>   | <b>119,451</b>   |                  | <b>106,694</b>   |
| Industrial                           | 13,263           |                 | 12,848          | 24,156           |                  | 22,428           |
| Agricultural                         | 642              |                 | 973             | 1,649            |                  | 2,427            |
| <b>Total Gas Sales Revenues</b>      | <b>98,612</b>    |                 | <b>89,150</b>   | <b>145,256</b>   |                  | <b>131,549</b>   |
| Other Gas Revenues                   | 652              |                 | 547             | 1,047            |                  | 1,007            |
| Transportation                       | 2,530            |                 | 1,731           | 4,435            |                  | 3,441            |
| <b>Total Operating Revenues</b>      | <b>\$101,794</b> | <b>\$80,373</b> | <b>\$91,428</b> | <b>\$150,738</b> | <b>\$129,877</b> | <b>\$135,997</b> |

\* Budget information other than total operating revenues not available

NET INCOME BY BUSINESS UNIT

Atmos Energy Corporation  
Net Income

For the Month and Year to Date Ended November 30, 1997

|                                | Current          |                  |                  | Month            |                  |                  | Year-to-Date        |                  |                  |                  |       |      |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------------|------------------|------------------|------------------|-------|------|
|                                | Year             | Actual           |                  | Over (Under)     | Budget           | Prior            | Year                | Actual           |                  | Over (Under)     | Prior | Year |
|                                |                  | Actual           | Budget           |                  |                  |                  |                     | Budget           | Budget           |                  |       |      |
| Energas                        | 2,059,265        | 1,500,000        | 559,265          | 1,937,391        | 121,874          | 1,543,425        | 1,532,000           | 11,425           | 1,869,751        | (326,326)        | (2)   |      |
| Emermart & Egasco              | (48,681)         | (188,000.00)     | 139,319          | (300,594)        | 251,913          | (225,286)        | (375,000.00)        | 149,714          | (533,127)        | 307,841          |       |      |
| GGC                            | 1,291,549        | 535,000          | 756,549          | 1,042,204        | 249,345          | 1,099,355        | 440,000             | 659,355          | 966,751          | 132,604          |       |      |
| TransLa                        | 429,544          | 449,000          | (19,456)         | 233,214          | 196,330          | 415,845          | 379,000             | 36,845           | 165,446          | 250,399          |       |      |
| TLIG                           | 44,869           | 22,000           | 22,869           | 7,902            | 36,967           | 93,038           | 43,000              | 50,038           | 32,012           | 61,026           |       |      |
| UCGC                           | 3,361,894        | 2,488,000        | 873,894          | 3,333,265        | 28,629           | 2,153,177        | 2,449,000           | (295,823)        | 2,404,309        | (251,132)        |       |      |
| WKG                            | 435,969          | 506,000          | (70,031)         | 363,773          | 72,196           | 747,648          | (248,000)           | 995,648          | 139,574          | 608,074          |       |      |
| WKGR                           | 421              | 3,000            | (2,579)          | (6,021)          | 6,442            | 29               | 6,000               | (5,971)          | (11,439)         | 11,468           |       |      |
| <b>Total Utility</b>           | <b>7,574,830</b> | <b>5,315,000</b> | <b>2,259,830</b> | <b>6,611,134</b> | <b>963,696</b>   | <b>5,827,231</b> | <b>4,226,000</b>    | <b>1,601,231</b> | <b>5,033,277</b> | <b>793,954</b>   |       |      |
| Rental                         | 87,290           | 63,000           | 24,290           | 81,296           | 5,994            | 151,702          | 125,000             | 26,702           | 170,688          | (18,986)         |       |      |
| Utility Services-Woodward      | 215,757          | 172,000          | 43,757           | 106,215          | 109,542          | (197,722)        | 238,000             | (435,722)        | 252,187          | (449,909)        |       |      |
| Leasing                        | 30,717           | 23,000           | 7,717            | 22,305           | 8,412            | 56,324           | 46,000              | 10,324           | 43,922           | 12,402           |       |      |
| Propane                        | 65,414           | 220,000          | (154,586)        | (41,544)         | 106,958          | 409,804          | 685,000             | (275,196)        | 623,775          | (213,971)        |       |      |
| <b>Total Energy</b>            | <b>399,178</b>   | <b>478,000</b>   | <b>(78,822)</b>  | <b>168,272</b>   | <b>230,906</b>   | <b>420,108</b>   | <b>1,094,000.00</b> | <b>(673,892)</b> | <b>1,090,572</b> | <b>(670,464)</b> |       |      |
| UCG Storage                    | 87,610           | 29,000           | 58,610           | 67,738           | 19,872           | 139,327          | 61,000              | 78,327           | 137,588          | 1,739            |       |      |
| Atmos Energy Service           | 0                | 0                | 0                | (279)            | 0                | (25)             | 0                   | (25)             | (1,553)          | 0                |       |      |
| <b>Total Non-Utility</b>       | <b>486,788</b>   | <b>507,000</b>   | <b>(20,212)</b>  | <b>235,731</b>   | <b>250,778</b>   | <b>559,410</b>   | <b>1,155,000.00</b> | <b>(595,590)</b> | <b>1,226,607</b> | <b>(668,725)</b> |       |      |
| Unallocated Shared Svc. (1)    | (5,000)          | 0                | (5,000)          | (7,860)          | 2,860            | (5,215)          | 0                   | (5,215)          | (13,042)         | 7,827            |       |      |
| <b>Consolidated Net Income</b> | <b>8,056,618</b> | <b>5,822,000</b> | <b>2,234,618</b> | <b>6,839,005</b> | <b>1,217,334</b> | <b>6,381,426</b> | <b>5,381,000</b>    | <b>1,000,426</b> | <b>6,246,842</b> | <b>133,056</b>   |       |      |

(1) Unallocated shared services amount due to late entries and other items which are cleared the following month.

(2) Due to an error in calibration of total flow measurement device in Mesa from May - September 1996, a pretax adjustment of \$1,062,578 was made to purchased gas cost in November 1996. The after tax effect of this adjustment was an increase in revenue of \$658,798.

O + M EXPENSE BY BUSINESS UNIT

Almos Energy Corporation  
 Operation and Maintenance Expenses  
 For the Month and Year To Date Ended November 30, 1997

|                                 | Current Year |            |              | Month      |           |              | Year-to-Date |             |              | Actual      |        |              |            |
|---------------------------------|--------------|------------|--------------|------------|-----------|--------------|--------------|-------------|--------------|-------------|--------|--------------|------------|
|                                 | Actual       | Budget     | Over (Under) | Actual     | Budget    | Over (Under) | Actual       | Budget      | Over (Under) | Actual      | Budget | Over (Under) | Prior Year |
|                                 |              |            |              |            |           |              |              |             |              |             |        |              |            |
| Energas                         | 2,296,158    | 2,161,000  | 135,158      | 2,412,264  | (116,106) | 4,621,737    | 4,559,000    | 62,737      | 5,036,871    | (415,134)   |        |              |            |
| Enermart & Egasco               | 446,269      | 440,000    | 6,269        | 500,433    | (54,164)  | 887,563      | 887,000      | 563         | 1,044,028    | (156,465)   |        |              |            |
| GCC                             | 1,382,679    | 1,584,000  | (201,321)    | 1,355,206  | 27,473    | 2,709,519    | 3,185,000    | (475,481)   | 2,768,576    | (59,057)    |        |              |            |
| TransLa                         | 830,401      | 924,000    | (93,599)     | 927,123    | (96,722)  | 1,656,057    | 1,913,000    | (256,943)   | 1,839,312    | (183,255)   |        |              |            |
| TLIG                            | 18,185       | 20,000     | (1,815)      | 26,304     | (8,119)   | 33,855       | 39,000       | (5,145)     | 52,751       | (18,896)    |        |              |            |
| UCGC                            | 4,587,474    | 4,984,000  | (396,526)    | 4,687,968  | (100,494) | 9,593,449    | 9,708,000    | (114,551)   | 9,774,748    | (181,299)   |        |              |            |
| WKG                             | 1,630,762    | 1,916,000  | (285,238)    | 1,899,030  | (268,268) | 3,398,473    | 3,940,000    | (541,527)   | 3,867,393    | (468,920)   |        |              |            |
| WKGR                            | 210          | -          | 210          | 3,505      | (3,295)   | 520          | 1,000        | (480)       | 7,889        | (7,369)     |        |              |            |
| Total Utility                   | 11,192,138   | 12,029,000 | (836,862)    | 11,811,833 | (619,695) | 22,901,173   | 24,232,000   | (1,330,827) | 24,391,568   | (1,490,395) |        |              |            |
| Rental                          | 61,687       | 45,000     | 16,687       | 51,030     | 10,657    | 82,444       | 91,000       | (8,556)     | 79,598       | 2,846       |        |              |            |
| Utility Svcs-Woodward           | (8,058)      | 4,000      | (12,058)     | 20,414     | (28,472)  | 7,292        | 8,000        | (708)       | 119,489      | (112,197)   |        |              |            |
| Leasing                         | (1,508)      | 4,000      | (5,508)      | 7,538      | (9,046)   | 5,124        | 8,000        | (2,876)     | 13,941       | (8,817)     |        |              |            |
| Propane                         | 600,163      | 768,000    | (167,837)    | 651,660    | (51,497)  | 1,389,816    | 1,518,000    | (128,184)   | 1,476,300    | (86,484)    |        |              |            |
| Total Energy                    | 652,284      | 821,000    | (168,716)    | 730,642    | (78,358)  | 1,484,676    | 1,625,000    | (140,324)   | 1,689,328    | (204,652)   |        |              |            |
| Storage                         | 25,493       | 75,000     | (49,507)     | 29,819     | (4,326)   | 83,465       | 141,000      | (57,535)    | 74,879       | 8,586       |        |              |            |
| Atmos Energy Services           | 677,777      | 896,000    | (218,223)    | 760,740    | (279)     | 1,568,166    | 1,766,000    | (197,834)   | 1,765,760    | (197,594)   |        |              |            |
| Unallocated Shared Services (1) | 4,766        | -          | 4,766        | -          | 4,766     | 4,981        | -            | 4,981       | -            | 4,981       |        |              |            |
| Consolidated O & M Expense      | 11,874,681   | 12,925,000 | (1,050,319)  | 12,572,573 | (697,892) | 24,474,320   | 25,998,000   | (1,523,680) | 26,157,328   | (1,683,008) |        |              |            |

(1) Current year unallocated shared services due to charges to call center.

**INTEREST EXPENSE BY BUSINESS UNIT**

Atmos Energy Corporation  
Interest Expense

For the Month And Year To Date Ended November 30, 1997

|                                   | Month            |                  |                 |                  | Year-to-Date     |                  |                  |                  |                |
|-----------------------------------|------------------|------------------|-----------------|------------------|------------------|------------------|------------------|------------------|----------------|
|                                   | Current          |                  | Actual          |                  | Current          |                  | Actual           |                  |                |
|                                   | Year             | Budget           | Over (Under)    | Prior Year       | Year             | Budget           | Over (Under)     | Prior Year       |                |
| Energy                            | 507,723          | 646,000          | (138,277)       | 456,630          | 1,220,214        | 1,287,000        | (66,786)         | 916,673          | 303,541        |
| Enermart & Egasco                 | 0                | 25,000           | (25,000)        | 43,513           | 0                | 50,000           | (50,000)         | 88,353           | (88,353)       |
| GGC                               | 299,190          | 324,000          | (24,810)        | 279,358          | 734,890          | 643,000          | 91,890           | 559,880          | 175,010        |
| TransLa                           | 258,112          | 226,000          | 32,112          | 231,993          | 619,056          | 450,000          | 169,056          | 465,444          | 153,612        |
| TLIG                              | 245              | 0                | 245             | 237              | 491              | 0                | 491              | 474              | 17             |
| UCGC                              | 1,179,577        | 1,013,000        | 166,577         | 1,333,781        | 2,200,984        | 2,018,000        | 182,984          | 2,643,255        | (442,271)      |
| WKG                               | 398,092          | 428,000          | (29,908)        | 359,001          | 944,671          | 858,000          | 86,671           | 719,650          | 225,021        |
| WKGR                              | 0                | 0                | 0               | 0                | 0                | 0                | 0                | 0                | 0              |
| <b>Total Utility</b>              | <b>2,642,939</b> | <b>2,662,000</b> | <b>(19,061)</b> | <b>2,704,513</b> | <b>5,720,306</b> | <b>5,306,000</b> | <b>414,306</b>   | <b>5,393,729</b> | <b>326,577</b> |
| Rental                            | 65,193           | 99,000           | (33,807)        | 40,599           | 121,481          | 200,000          | (78,519)         | 88,691           | 32,790         |
| Utility Svs-Woodward              | 0                | 0                | 0               | 0                | 0                | 0                | 0                | 0                | 0              |
| Leasing                           | 13,794           | 14,000           | (206)           | 14,656           | 27,587           | 28,000           | (413)            | 29,311           | (1,724)        |
| Propane                           | 62,402           | 68,000           | (5,598)         | 57,371           | 125,442          | 134,000          | (8,558)          | 105,772          | 19,670         |
| <b>Total Energy</b>               | <b>141,389</b>   | <b>181,000</b>   | <b>(39,611)</b> | <b>112,626</b>   | <b>274,510</b>   | <b>362,000</b>   | <b>(87,490)</b>  | <b>223,774</b>   | <b>50,736</b>  |
| UCG Storage                       | 78,193           | 90,000           | (11,807)        | 72,155           | 153,117          | 185,000          | (31,883)         | 146,827          | 6,290          |
| Atmos Energy Service              | 0                | 0                | 0               | 0                | 0                | 0                | 0                | 0                | 0              |
| <b>Total Non-Utility</b>          | <b>219,582</b>   | <b>271,000</b>   | <b>(51,418)</b> | <b>184,781</b>   | <b>427,627</b>   | <b>547,000</b>   | <b>(119,373)</b> | <b>370,601</b>   | <b>57,026</b>  |
| <b>Consolidated Interest Exp.</b> | <b>2,862,521</b> | <b>2,933,000</b> | <b>(70,479)</b> | <b>2,889,294</b> | <b>6,147,933</b> | <b>5,853,000</b> | <b>294,933</b>   | <b>5,764,330</b> | <b>383,603</b> |

# SHARED SERVICES - BILLED BY BUSINESS UNIT

Atmos Energy Corporation  
Billed Shared Services

For the Month and Year to Date Ended November 30, 1997

|   | Current Year     |                  |                  | Month            |                 |                  | Year-to-Date     |                  |                  |                |
|---|------------------|------------------|------------------|------------------|-----------------|------------------|------------------|------------------|------------------|----------------|
|   | Actual           | Budget           | Over (Under)     | Actual           | Budget          | Over (Under)     | Actual           | Budget           | Over (Under)     |                |
|   |                  |                  |                  |                  |                 |                  |                  |                  |                  | Year           |
| Energas                                 | 780,779          | 860,185          | (79,406)         | 924,407          | (143,628)       | 1,712,529        | 1,783,144        | (70,615)         | 2,001,862        | (289,333)      |
| Enermart & Egasco (1)                   | 18,857           | 21,202           | (2,345)          | 45,609           | (26,752)        | 40,453           | 49,435           | (8,982)          | 98,421           | (57,968)       |
| GGC                                     | 286,104          | 409,148          | (123,044)        | 292,520          | (6,416)         | 641,144          | 847,493          | (206,349)        | 625,095          | 16,049         |
| TransLa                                 | 229,614          | 270,581          | (40,967)         | 286,214          | (56,600)        | 530,088          | 559,447          | (29,359)         | 600,862          | (70,774)       |
| TLIG                                    | 4,991            | 6,649            | (1,658)          | 17,142           | (12,151)        | 10,325           | 14,124           | (3,799)          | 35,501           | (25,176)       |
| UCGC                                    | 362,134          | 439,501          | (77,367)         | -                | 362,134         | 1,014,459        | 923,761          | 90,698           | 1,271,723        | (1,014,459)    |
| WKG                                     | 428,229          | 563,877          | (135,648)        | 593,359          | (165,130)       | 1,106,573        | 1,170,320        | (63,747)         | 9,847            | (165,150)      |
| WKGR                                    | 283              | 262              | 21               | 4,510            | (4,227)         | 721              | 550              | 171              | 9,847            | (9,126)        |
| <b>Total Utility</b>                    | <b>2,110,991</b> | <b>2,571,405</b> | <b>(460,414)</b> | <b>2,163,761</b> | <b>(52,770)</b> | <b>5,056,292</b> | <b>5,348,274</b> | <b>(291,982)</b> | <b>4,643,311</b> | <b>412,981</b> |
| Rental                                  | (2,269)          | 4,000            | (6,269)          | -                | (2,269)         | 8,640            | 8,640            | -                | -                | 8,640          |
| Utility Svc-Woodward                    | (142)            | 250              | (392)            | -                | (142)           | 540              | 540              | -                | -                | 540            |
| Leasing                                 | (709)            | 1,250            | (1,959)          | -                | (709)           | 2,700            | 2,700            | -                | -                | 2,700          |
| Propane                                 | (11,062)         | 19,500           | (30,562)         | -                | (11,062)        | 42,120           | 42,120           | -                | -                | 42,120         |
| <b>Total Energy</b>                     | <b>(14,182)</b>  | <b>25,000</b>    | <b>(39,182)</b>  | <b>-</b>         | <b>(14,182)</b> | <b>54,000</b>    | <b>54,000</b>    | <b>-</b>         | <b>-</b>         | <b>42,120</b>  |
| UCG Storage                             | (8,533)          | 485              | (9,018)          | -                | (8,533)         | -                | -                | -                | -                | 54,000         |
| Atmos Energy Service                    | (36,897)         | 50,485           | (87,382)         | -                | (36,897)        | 108,000          | 109,367          | (1,367)          | -                | 54,000         |
| <b>Total Non-Utility</b>                | <b>2,074,094</b> | <b>2,621,890</b> | <b>(547,796)</b> | <b>2,163,761</b> | <b>(89,667)</b> | <b>108,000</b>   | <b>109,367</b>   | <b>(1,367)</b>   | <b>4,643,311</b> | <b>108,000</b> |
| <b>Consolidated Direct &amp; Billed</b> |                  |                  |                  |                  |                 | <b>5,164,292</b> | <b>5,457,641</b> | <b>(293,349)</b> | <b>4,643,311</b> | <b>520,981</b> |

(1) Irrigation allocation from Energas to Enermart and Egasco is \$404,890.44 for the month and \$815,934.59 for the year to date.



**CAPITAL EXPENDITURES BY BUSINESS UNIT**

Atmos Energy Corporation  
Capital Expenditures

For the Month and Year to Date Ended November 30, 1997

|  | Month            |                  |                            |                  | Year-to-Date   |                   |                            |                    |                   |                    |
|--|------------------|------------------|----------------------------|------------------|----------------|-------------------|----------------------------|--------------------|-------------------|--------------------|
|  | Current Year     |                  | Actual Over (Under) Budget |                  | Current Year   |                   | Actual Over (Under) Budget |                    | Prior Year        |                    |
|  | Actual           | Budget           | Over (Under)               | Budget           | Actual         | Budget            | Over (Under)               | Budget             | Year              | Prior Year         |
| Atmos Corporate                          | 4,551,153        | 3,185,000        | 1,366,153                  | 791,201          | 3,759,952      | 6,413,955         | 6,499,000                  | (85,045)           | 1,753,531         | 4,660,424          |
| Energas                                  | 894,110          | 1,285,000        | (390,890)                  | 1,328,103        | (433,993)      | 1,710,514         | 2,456,000                  | (745,486)          | 2,505,038         | (794,524)          |
| Energart & Egasco                        | -                | -                | -                          | -                | -              | -                 | -                          | -                  | -                 | -                  |
| GCC                                      | 782,224          | 1,059,000        | (276,776)                  | 1,180,965        | (398,741)      | 1,513,166         | 2,055,000                  | (541,834)          | 2,432,032         | (918,866)          |
| TransLa                                  | 478,275          | 373,000          | 105,275                    | 499,845          | (21,571)       | 949,746           | 757,000                    | 192,746            | 984,632           | (34,885)           |
| TLJG                                     | -                | -                | -                          | (979)            | 979            | -                 | -                          | -                  | -                 | -                  |
| UCCG                                     | 1,315,461        | 2,455,000        | (1,139,539)                | 3,051,125        | (1,735,664)    | 3,041,079         | 4,499,000                  | (1,457,921)        | 5,943,880         | (2,902,801)        |
| WKG                                      | 1,026,339        | 816,000          | 210,339                    | 1,331,553        | (305,214)      | 1,780,083         | 1,325,000                  | 455,083            | 2,377,478         | (597,395)          |
| WKGR                                     | -                | -                | -                          | -                | -              | -                 | -                          | -                  | -                 | -                  |
| <b>Total Utility</b>                     | <b>9,047,562</b> | <b>9,173,000</b> | <b>(125,438)</b>           | <b>8,181,813</b> | <b>865,748</b> | <b>15,408,544</b> | <b>17,591,000</b>          | <b>(2,182,456)</b> | <b>15,996,592</b> | <b>(588,049)</b>   |
| Rental                                   | -                | 8,000            | (8,000)                    | 134,249          | (134,249)      | -                 | 16,000                     | (16,000)           | 412,485           | (412,485)          |
| Utility Svs-Woodward                     | -                | -                | -                          | -                | -              | -                 | -                          | -                  | -                 | -                  |
| Leasing                                  | -                | -                | -                          | 15,096           | (15,096)       | -                 | -                          | -                  | 45,733            | (45,733)           |
| Propane                                  | 228,735          | 233,000          | (4,265)                    | 49,645           | 179,090        | 234,035           | 535,000                    | (300,965)          | 289,155           | (55,119)           |
| <b>Total Energy</b>                      | <b>228,735</b>   | <b>241,000</b>   | <b>(12,265)</b>            | <b>198,990</b>   | <b>29,745</b>  | <b>234,035</b>    | <b>551,000</b>             | <b>(316,965)</b>   | <b>747,372</b>    | <b>(513,337)</b>   |
| Storage                                  | 1,857            | -                | 1,857                      | 20,032           | (18,174)       | 41,229            | 190,000                    | (148,771)          | 29,758            | 11,472             |
| Atmos Energy Service                     | -                | -                | -                          | -                | -              | -                 | -                          | -                  | -                 | -                  |
| <b>Total Non-Utility</b>                 | <b>230,593</b>   | <b>241,000</b>   | <b>(10,407)</b>            | <b>219,022</b>   | <b>11,571</b>  | <b>275,265</b>    | <b>741,000</b>             | <b>(465,735)</b>   | <b>777,130</b>    | <b>(501,865)</b>   |
| <b>Consolidated Capital Expenditures</b> | <b>9,278,155</b> | <b>9,414,000</b> | <b>(135,846)</b>           | <b>8,400,835</b> | <b>877,319</b> | <b>15,683,808</b> | <b>18,332,000</b>          | <b>(2,648,192)</b> | <b>16,773,722</b> | <b>(1,089,914)</b> |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
AS OF 11/30/97

| Line No.      | Description (a)   | 1997 (b)           | 1996 (c)           | As of September 30, 1997 (d) | Line No. |
|---------------|---|--------------------|--------------------|------------------------------|----------|
| <b>ASSETS</b> |   |                    |                    |                              |          |
| 1             | Property, plant and equipment                             |                    |                    |                              | 1        |
|               | Utility plant   | \$1,221,078,921.66 | \$1,123,587,996.03 | \$1,218,370,929.56           | 2        |
| 2             | Nonutility plant  | 82,859,554.14      | 78,777,165.64      | 82,632,468.53                | 3        |
| 3             | Construction work in progress                             | 44,660,172.00      | 25,095,989.66      | 31,668,205.31                | 4        |
| 4             | Less accumulated depreciation and amortization            | 1,348,598,647.80   | 1,227,461,151.33   | 1,332,671,603.40             | 5        |
| 5             | Net property, plant and equipment                         | 492,783,230.99     | 453,444,091.02     | 483,544,361.22               | 6        |
| 6             | Investments in & advances to subsidiaries                 | 855,815,416.81     | 774,017,060.31     | 849,127,242.18               | 7        |
| 7             | Current assets  | 0.00               | 0.00               | 0.00                         | 8        |
| 8             | Cash and temporary cash investments                       | 2,012,978.58       | 4,630,147.58       | 6,015,412.91                 | 9        |
| 9             | Accounts receivable, less allowance for doubtful accounts | 142,602,441.13     | 110,284,517.18     | 71,217,214.52                | 10       |
| 10            | Inventories   | 13,101,145.06      | 14,224,326.15      | 12,332,807.62                | 11       |
| 11            | Gas stored underground                                    | 50,949,218.94      | 47,048,309.16      | 48,122,006.36                | 12       |
| 12            | Other current assets                                      | 5,955,930.06       | 4,891,774.43       | 6,017,201.01                 | 13       |
| 13            | Intercompany accounts - net                               | 0.00               | 0.00               | 0.00                         | 14       |
| 14            | Total current assets                                      | 214,621,713.77     | 181,079,074.50     | 143,704,642.42               | 15       |
| 15            | Deferred charges and other assets                         | 96,293,976.41      | 65,931,033.44      | 95,479,101.77                | 16       |
| 16            | Total assets  | \$1,166,731,106.99 | \$1,021,027,168.25 | \$1,088,310,986.37           |          |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS (Continued)  
AS OF 11/30/97

| Line No.                                      | Description (a)                            | 1997 (b)           | 1996 (c)           | As of September 30, 1997 (d) | Line No. |
|---|--|--------------------|--------------------|------------------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |  |                    |                    |                              |          |
| Shareholders' equity                          |  |                    |                    |                              |          |
| 1   | Common stock                               | \$148,850.44       | \$146,156.23       | \$148,212.18                 | 1        |
| 2   | Common stock subscribed                    | 0.00               | 0.00               | 0.00                         | 2        |
| 3   | Additional paid-in capital                 | 254,401,492.62     | 241,548,126.14     | 251,174,227.94               | 3        |
| 4   | Retained earnings                          | 74,429,644.99      | 80,749,374.80      | 75,937,292.59                | 4        |
| 5   | Total shareholders' equity                 | 328,979,988.05     | 322,443,657.17     | 327,259,732.71               | 5        |
| Long-term debt (including current maturities) |  |                    |                    |                              |          |
| 6   |  | 317,777,168.00     | 333,602,228.00     | 318,181,824.00               | 6        |
| 7   | Total capitalization                       | 646,757,156.05     | 656,045,885.17     | 645,441,556.71               | 7        |
| Current liabilities                           |  |                    |                    |                              |          |
| 8   | Notes payable                              | 211,626,000.00     | 97,467,000.00      | 167,300,000.00               | 8        |
| 9   | Accounts payable                           | 92,836,976.21      | 76,969,998.71      | 62,625,499.15                | 9        |
| 10  | Accrued taxes                              | 9,506,462.29       | 12,334,228.70      | 12,119,647.37                | 10       |
| 11  | Income taxes payable                       | (6,993,844.86)     | 2,436,130.62       | (11,703,609.67)              | 11       |
| 12  | Dividends declared                         | 7,889,073.32       | 7,374,446.25       | 0.00                         | 12       |
| 13  | Customers' deposits                        | 14,734,402.62      | 17,123,757.59      | 15,097,975.19                | 13       |
| 14  | Other current liabilities                  | 45,073,132.72      | 24,701,150.64      | 52,582,230.67                | 14       |
| 15  | Total current liabilities                  | 374,672,202.30     | 238,408,712.51     | 298,021,742.71               | 15       |
| 16  | Deferred income taxes                      | 87,710,837.20      | 70,618,347.02      | 87,828,170.44                | 16       |
| 17  | Deferred credits and other liabilities     | 57,590,911.44      | 55,954,223.55      | 57,019,516.51                | 17       |
| 18  | Total liabilities and shareholders' equity | \$1,166,731,106.99 | \$1,021,027,168.25 | \$1,088,310,986.37           | 18       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF INCOME  
 FOR THE MONTH, YEAR TO DATE AND TWELVE MONTHS ENDED 11/30/97

| Line No. | Description (a)                       | Current Month   |              | Year to Date          |                  | Twelve Months Ended |                       |                  |
|----------|---------------------------------------|-----------------|--------------|-----------------------|------------------|---------------------|-----------------------|------------------|
|          |                                       | Actual (b)      | Budget (c)   | Prior Year Actual (d) | Actual (e)       | Budget (f)          | Prior Year Actual (g) | Actual (e)       |
| 1        | Operating revenues                    |                 |              |                       |                  |                     |                       |                  |
| 2        | Gas                                   | \$99,264,706.04 | \$78,737,000 | \$89,696,022.81       | \$146,304,348.45 | \$126,474,000       | \$132,555,631.34      | \$858,583,899.25 |
| 3        | Transportation                        | 2,529,574.91    | 1,636,000    | 1,730,734.74          | 4,434,291.64     | 3,230,000           | 3,440,439.00          | 20,878,899.81    |
| 4        | Other                                 | 3,504,480.00    | 4,934,000    | 3,764,007.00          | 7,162,317.00     | 9,503,000           | 8,494,061.99          | 40,783,071.31    |
| 5        | Total operating revenues              | 105,298,760.95  | 85,307,000   | 95,190,764.55         | 157,900,959.09   | 139,207,000         | 144,490,132.33        | 920,245,870.37   |
| 6        | Purchased gas cost                    | 71,456,148.92   | 53,931,000   | 62,653,080.30         | 103,800,678.89   | 86,593,000          | 91,022,574.24         | \$589,959,518.61 |
| 7        | Gross profit                          | 33,842,612.03   | 31,376,000   | 32,537,684.25         | 54,100,280.20    | 52,614,000          | 53,467,558.09         | 330,286,351.76   |
| 8        | Operating expenses                    |                 |              |                       |                  |                     |                       |                  |
| 9        | Operation                             | 11,179,211.21   | 12,028,000   | 11,667,302.93         | 22,747,915.46    | 24,204,000          | 24,383,145.66         | \$172,047,708.78 |
| 10       | Maintenance                           | 695,469.67      | 897,000      | 905,269.35            | 1,726,404.43     | 1,794,000           | 1,774,182.31          | 11,925,636.49    |
| 11       | Depreciation and amortization         | 3,996,562.89    | 3,961,000    | 3,784,107.95          | 8,290,040.76     | 7,915,000           | 7,595,542.37          | 45,951,437.84    |
| 12       | Taxes - other than income taxes       | 2,675,802.88    | 2,714,000    | 2,707,234.60          | 5,064,915.12     | 5,043,000           | 4,892,083.31          | 32,303,664.23    |
| 13       | Provision for income taxes            | 4,948,093.00    | 3,494,000    | 4,091,114.00          | 3,879,081.59     | 3,201,000           | 3,723,247.00          | 14,454,067.96    |
| 14       | Total operating expenses              | 23,495,139.65   | 23,094,000   | 23,155,028.83         | 41,708,357.36    | 42,157,000          | 42,368,200.65         | 276,682,515.30   |
| 15       | Operating income (loss)               | 10,347,472.38   | 8,282,000    | 9,382,655.42          | 12,391,922.84    | 10,457,000          | 11,099,357.44         | 53,603,836.46    |
| 16       | Other income                          |                 |              |                       |                  |                     |                       |                  |
| 17       | Merchandise                           | 9,245.76        | 12,000       | (18,900.17)           | 50,280.33        | 24,000              | 31,815.48             | 58,097.94        |
| 18       | Interest income                       | 179,743.07      | 80,000       | 161,812.70            | 364,263.62       | 161,000             | 309,778.34            | 2,210,450.37     |
| 19       | Other nonoperating income             | (11,291.86)     | 381,000      | 39,075.41             | (34,229.97)      | 592,000             | 114,006.90            | (475,731.24)     |
| 20       | Equity in earnings - Woodward         | 393,969.00      | 0            | 163,654.00            | (242,878.00)     | 0                   | 456,214.00            | 2,554,719.00     |
| 21       | Total other income (loss)             | 571,665.97      | 473,000      | 345,641.94            | 137,435.98       | 777,000             | 911,814.72            | 4,347,536.07     |
| 22       | Income (loss) before interest charges | 10,919,138.35   | 8,755,000    | 9,728,297.36          | 12,529,358.82    | 11,234,000          | 12,011,172.16         | 57,951,372.53    |
| 23       | Interest charges                      | 2,862,521.15    | 2,933,000    | 2,889,292.81          | 6,147,932.50     | 5,853,000           | 5,764,329.86          | 33,978,626.86    |
| 24       | Net income (loss)                     | \$8,056,617.20  | \$5,822,000  | \$6,839,004.55        | \$6,381,426.32   | \$5,381,000         | \$6,246,842.30        | \$23,972,745.67  |
| 25       | Earnings (loss) per share             | \$0.27          | \$0.20       | \$0.23                | \$0.21           | \$0.18              | \$0.21                | \$0.81           |
| 26       | Average common shares outstanding     | 29,729,445      | 29,728,000   | 29,222,837            | 29,685,626       | 29,728,000          | 29,214,852            | 29,464,636       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEETS  
AS OF 11/30/97

| Line No.              | Description (a)   | Atmos Operating Divisions (b) | Atmos Non Regulated (c) | Eliminations and Adjustments (d) | Consolidated (e)   | Line No. |
|-----------------------|---|-------------------------------|-------------------------|----------------------------------|--------------------|----------|
| <b>ASSETS</b>         |   |                               |                         |                                  |                    |          |
|                       | Property, plant and equipment                             |                               |                         |                                  |                    |          |
| 1                     | Utility plant   | \$1,239,936,281.89            | \$859,549.26            | (\$19,716,909.49)                | \$1,221,078,921.66 | 1        |
| 2                     | Nonutility plant  | 2,858,055.56                  | 80,001,498.58           | 0.00                             | 82,859,554.14      | 2        |
| 3                     | Construction work in progress                             | 44,655,365.29                 | 4,806.71                | 0.00                             | 44,660,172.00      | 3        |
| 4                     | Less accumulated depreciation and amortization            | 1,287,449,702.74              | 80,865,854.55           | (19,716,909.49)                  | 1,348,598,647.80   | 4        |
| 5                     |   | 490,886,921.88                | 23,909,537.86           | (22,013,228.75)                  | 492,783,230.99     | 5        |
| 6                     | Net property, plant and equipment                         | 796,562,780.86                | 56,956,316.69           | 2,296,319.26                     | 855,815,416.81     | 6        |
| 7                     | Investments in & advances to subsidiaries                 | 8,353,208.01                  | 0.00                    | (8,353,208.01)                   | 0.00               | 7        |
| <b>Current assets</b> |   |                               |                         |                                  |                    |          |
| 8                     | Cash and temporary cash investments                       | (1,022,953.66)                | 3,035,932.24            | 0.00                             | 2,012,978.58       | 8        |
| 9                     | Accounts receivable, less allowance for doubtful accounts | 137,305,990.50                | 5,189,367.63            | 107,083.00                       | 142,602,441.13     | 9        |
| 10                    | Inventories   | 12,268,026.06                 | 833,119.00              | 0.00                             | 13,101,145.06      | 10       |
| 11                    | Gas stored underground                                    | 43,608,776.94                 | 7,340,442.00            | 0.00                             | 50,949,218.94      | 11       |
| 12                    | Other current assets                                      | 4,730,284.12                  | 1,626,601.94            | (400,956.00)                     | 5,955,930.06       | 12       |
| 13                    | Intercompany accounts - net                               | 6,224,870.34                  | 4,664,345.78            | (10,889,216.12)                  | 0.00               | 13       |
| 14                    | Total current assets                                      | 203,114,994.30                | 22,689,808.59           | (11,183,089.12)                  | 214,621,713.77     | 14       |
| 15                    | Deferred charges and other assets                         | 83,468,988.29                 | 12,506,767.77           | 318,220.35                       | 96,293,976.41      | 15       |
| 16                    | Total assets  | \$1,091,499,971.46            | \$92,152,893.05         | (\$16,921,757.52)                | \$1,166,731,106.99 | 16       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEETS (Continued)  
AS OF 11/30/97

| Line No.                                    | Description (a)                               | Atmos Operating Divisions (b) | Atmos Non Regulated (c) | Eliminations and Adjustments (d) | Consolidated (e)   | Line No. |
|---|---|-------------------------------|-------------------------|----------------------------------|--------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |   |                               |                         |                                  |                    |          |
| Shareholders' equity                        |   |                               |                         |                                  |                    |          |
| 1   | Common stock                                  | \$148,850.44                  | \$1,005,100.00          | (\$1,005,100.00)                 | \$148,850.44       | 1        |
| 2   | Common stock subscribed                       | 0.00                          | 0.00                    | 0.00                             | 0.00               | 2        |
| 3   | Additional paid-in capital                    | 254,401,492.62                | 7,348,108.01            | (7,348,108.01)                   | 254,401,492.62     | 3        |
| 4   | Retained earnings                             | 49,034,848.97                 | 25,194,796.02           | 0.00                             | 74,429,644.99      | 4        |
| 5   | Total shareholders' equity                    | 303,585,192.03                | 33,748,004.03           | (8,353,208.01)                   | 328,979,988.05     | 5        |
| 6   | Long-term debt (including current maturities) | 297,303,308.00                | 20,473,860.00           | 0.00                             | 317,777,168.00     | 6        |
| 7   | Total capitalization                          | 600,888,500.03                | 54,221,864.03           | (8,353,208.01)                   | 646,757,156.05     | 7        |
| Current liabilities                         |   |                               |                         |                                  |                    |          |
| 8   | Notes payable                                 | 204,900,000.00                | 6,726,000.00            | 0.00                             | 211,626,000.00     | 8        |
| 9   | Accounts payable                              | 88,242,094.88                 | 4,594,881.33            | 0.00                             | 92,836,976.21      | 9        |
| 10  | Accrued taxes                                 | 9,213,364.85                  | 293,097.44              | 0.00                             | 9,506,462.29       | 10       |
| 11  | Income taxes payable                          | (13,989,193.60)               | 6,995,348.74            | 0.00                             | (6,993,844.86)     | 11       |
| 12  | Dividends declared                            | 7,889,073.32                  | 0.00                    | 0.00                             | 7,889,073.32       | 12       |
| 13  | Customers' deposits                           | 14,675,420.45                 | 459,938.17              | (400,956.00)                     | 14,734,402.62      | 13       |
| 14  | Other current liabilities                     | 43,931,424.40                 | 1,092,497.32            | 49,211.00                        | 45,073,132.72      | 14       |
| 15  | Intercompany accounts - net                   | 346,400.00                    | 10,483,743.12           | (10,830,143.12)                  | 0.00               | 15       |
| 16  | Total current liabilities                     | 355,208,584.30                | 30,645,506.12           | (11,181,888.12)                  | 374,672,202.30     | 16       |
| 17  | Deferred income taxes                         | 81,216,639.30                 | 6,494,197.90            | 0.00                             | 87,710,837.20      | 17       |
| 18  | Deferred credits and other liabilities        | 54,186,247.83                 | 791,325.00              | 2,613,338.61                     | 57,590,911.44      | 18       |
| 19  | Total liabilities and shareholders' equity    | \$1,091,499,971.46            | \$92,152,893.05         | (\$16,921,757.52)                | \$1,166,731,106.99 | 19       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
ELIMINATIONS TO CONSOLIDATING BALANCE SHEET  
AS OF 11/30/97

| ELIMINATIONS                                 |                 |
|--|-----------------|
| 1. Common Stock                              | \$1,005,100.00  |
| Investment in and advances to subs           |                 |
| To eliminate common stock of subs            |                 |
| 2. Paid-in Capital                           |                 |
| Trans La Industrial                          | 2,292,947.89    |
| WKG Resources                                | 1,603,833.12    |
| United-Cities Storage                        | 3,451,327.00    |
| Investment in and advances to subs           |                 |
| To eliminate paid-in capital of subs         |                 |
| 3. Atmos Utility Plant                       |                 |
| Atmos Deferred Debit                         | 2,296,319.26    |
| Atmos Deferred Credit                        | 317,019.35      |
| To adjust for capital leases associated      |                 |
| with the sale/lease back transaction         |                 |
| with the Gilliland Group                     |                 |
| 4. Intercompany Accounts- UCGC               |                 |
| Customer Deposits                            | 400,956.00      |
| Prepays                                      |                 |
| To eliminate UCGS deposit from UCGC          |                 |
| 5. Intercompany Accounts UCGC                |                 |
| Accounts Receivable - Service                | 107,083.00      |
| Misc. Deferred Debits                        | 1,201.00        |
| Misc. Current Liabilities                    |                 |
| To eliminate intercompany accounts           |                 |
| 6. Intercompany Accounts Payable - Egasco    |                 |
| - Services                                   | 858,489.14      |
| - United Cities Gas                          | 5,609.98        |
| - United Cities Energy                       | 346,400.00      |
| - United Cities Storage                      | 5,769,674.00    |
| - United Cities Storage                      | 3,849,970.00    |
| Intercompany Accounts Receivable             |                 |
| To eliminate Intercompany - Net              | 10,889,216.12   |
| Total Net Eliminations                       | \$17,079,252.52 |
| ADJUSTMENTS                                  |                 |
| 7. WKG Accumulated Provision                 |                 |
| WKG Division Utility Plant                   | \$17,153,185.32 |
| To adjust 11-30-1987 depreciation on         |                 |
| WKG Division - amortization Month            | \$280,000       |
| To date                                      | 33,600,000      |
| 8. Trans La Accumulated Provision            |                 |
| Trans La Division Utility Plant              | 4,816,054.51    |
| To adjust 12-31-85 depreciation on           |                 |
| Trans La Division - amortization Month       | 48,202          |
| To date                                      | 6,876,726       |
| 9. Trans La Industrial Accumulated Provision |                 |
| Trans La Industrial Utility Plant            | 43,988.92       |
| To adjust 12-31-85 depreciation on           |                 |
| Trans La Industrial - amortization Month     | 550             |
| To date                                      | 78,650          |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEET - NON REGULATED  
AS OF 11/30/97

1997

| Line No.              | Description (a)   | ATMOS SERVICES (b) | EGASCO INC. (c) | ENERMART (d)   | TRANS LA INDUSTRIAL (e) | UCG ENERGY CORP. (f) | UCG STORAGE CO. (g) | WKG RESOURCES (h) | Eliminations    |                  | Line No.        |
|-----------------------|---|--------------------|-----------------|----------------|-------------------------|----------------------|---------------------|-------------------|-----------------|------------------|-----------------|
|                       |   |                    |                 |                |                         |                      |                     |                   | Adjustments (i) | Consolidated (j) |                 |
| <b>ASSETS</b>         |   |                    |                 |                |                         |                      |                     |                   |                 |                  |                 |
| 1                     | Property, plant and equipment                             |                    |                 |                |                         |                      |                     |                   |                 |                  |                 |
| 2                     | Utility plant   | \$0.00             | \$0.00          | \$0.00         | \$859,549.26            | \$0.00               | \$0.00              | \$0.00            | \$0.00          | \$0.00           | \$859,549.26    |
| 3                     | Nonutility plant  | 0.00               | 0.00            | 0.00           | 0.00                    | 59,469,008.00        | 19,978,687.00       | 553,803.58        | 0.00            | 0.00             | 80,001,498.58   |
| 4                     | Construction work in progress                             | 0.00               | 0.00            | 0.00           | 4,806.71                | 0.00                 | 0.00                | 0.00              | 0.00            | 0.00             | 4,806.71        |
| 5                     | Less accumulated depreciation and amortization            | 0.00               | 0.00            | 0.00           | 864,355.97              | 59,469,008.00        | 19,978,687.00       | 553,803.58        | 0.00            | 0.00             | 80,865,854.55   |
| 6                     | Net property, plant and equipment                         | 0.00               | 0.00            | 0.00           | 457,945.06              | 20,764,928.00        | 2,580,619.00        | 106,045.80        | 0.00            | 0.00             | 23,909,537.86   |
| 7                     | Investments in & advances to subsidiaries                 | 0.00               | 0.00            | 0.00           | 406,410.91              | 38,704,080.00        | 17,398,068.00       | 447,757.78        | 0.00            | 0.00             | 56,956,316.69   |
| <b>Current assets</b> |   |                    |                 |                |                         |                      |                     |                   |                 |                  |                 |
| 8                     | Cash and temporary cash investments                       | 1,366.00           | (1,799.46)      | 10,900.48      | 3,818.19                | 448,317.00           | 2,568,317.00        | 5,013.03          | 0.00            | 0.00             | 3,035,932.24    |
| 9                     | Accounts receivable, less allowance for doubtful accounts | 0.00               | 18,750.00       | 3,150,489.14   | 823,633.21              | 1,183,790.00         | 5,151.00            | 7,554.28          | 0.00            | 0.00             | 5,189,367.63    |
| 10                    | Inventories   | 0.00               | 0.00            | 0.00           | 0.00                    | 831,707.00           | 1,412.00            | 0.00              | 0.00            | 0.00             | 833,119.00      |
| 11                    | Gas stored underground                                    | 0.00               | 0.00            | 0.00           | 0.00                    | 409,580.00           | 6,930,862.00        | 0.00              | 0.00            | 0.00             | 7,340,442.00    |
| 12                    | Other current assets                                      | 0.00               | 0.00            | 29,159.91      | 4,254.15                | 1,571,648.00         | 6,998.00            | 14,541.88         | 0.00            | 0.00             | 1,626,601.94    |
| 13                    | Intercompany accounts - net                               | 0.00               | 0.00            | 710,674.74     | 2,480,410.35            | 386,847.85           | 29,554.89           | 1,056,857.95      | 0.00            | 0.00             | 4,664,345.78    |
| 14                    | Total current assets                                      | 1,366.00           | 16,950.54       | 3,901,224.27   | 3,312,115.90            | 4,831,889.85         | 9,542,294.89        | 1,083,967.14      | 0.00            | 0.00             | 22,689,808.59   |
| 15                    | Deferred charges and other assets                         | 0.00               | 634,696.12      | 0.00           | 224.73                  | 11,450,035.00        | 363,930.00          | 57,881.92         | 0.00            | 0.00             | 12,506,767.77   |
| 16                    | Total assets  | \$1,366.00         | \$651,646.66    | \$3,901,224.27 | \$3,718,751.54          | \$54,986,004.85      | \$27,304,292.89     | \$1,589,606.84    | \$0.00          | \$0.00           | \$92,152,893.05 |



ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEET - NON REGULATED  
AS OF 11/30/97

1997

| Line No.                                      | Description (a)                            | Eliminations and Adjustments (i) |                  |                |                         |                      |                     |                     |                 |                 |                  | Line No. |
|---|--|----------------------------------|------------------|----------------|-------------------------|----------------------|---------------------|---------------------|-----------------|-----------------|------------------|----------|
|   |  | ATMOS SERVICES (b)               | EGASCO, INC. (c) | ENERMART (d)   | TRANS/LA INDUSTRIAL (e) | UCG ENERGY CORP. (f) | UCG STORAGE CO. (g) | W K G RESOURCES (h) | Adjustments (i) |                 | Consolidated (j) |          |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |  |                                  |                  |                |                         |                      |                     |                     |                 |                 |                  |          |
| Shareholders' equity                          |  |                                  |                  |                |                         |                      |                     |                     |                 |                 |                  |          |
| 1   | Common stock                               | \$1,000.00                       | \$1,000.00       | \$1,000.00     | \$100.00                | \$1,000,000.00       | \$1,000.00          | \$1,000.00          | \$0.00          | \$0.00          | \$1,005,100.00   | 1        |
| 2   | Common stock subscribed                    | 0.00                             | 0.00             | 0.00           | 0.00                    | 0.00                 | 0.00                | 0.00                | 0.00            | 0.00            | 0.00             | 2        |
| 3   | Additional paid-in capital                 | 0.00                             | 0.00             | 0.00           | 2,292,947.89            | 0.00                 | 0.00                | 3,451,327.00        | 0.00            | 1,603,833.12    | 7,348,108.01     | 3        |
| 4   | Retained earnings                          | (3,417.33)                       | (465,173.96)     | 967,517.71     | 325,881.75              | 20,731,706.85        | 3,862,998.89        | (24,717.89)         | 0.00            | (24,717.89)     | 25,394,796.02    | 4        |
| 5   | Total shareholders' equity                 | (2,417.33)                       | (464,173.96)     | 968,517.71     | 2,618,929.64            | 21,731,706.85        | 7,315,325.89        | 1,580,115.23        | 0.00            | 0.00            | 33,748,004.03    | 5        |
| Long-term debt (including current maturities) |  |                                  |                  |                |                         |                      |                     |                     |                 |                 |                  |          |
| 6   |  | 0.00                             | 0.00             | 0.00           | 0.00                    | 11,686,678.00        | 8,787,182.00        | 0.00                | 0.00            | 0.00            | 20,473,860.00    | 6        |
| 7   | Total capitalization                       | (2,417.33)                       | (464,173.96)     | 968,517.71     | 2,618,929.64            | 33,418,384.85        | 16,102,507.89       | 1,580,115.23        | 0.00            | 0.00            | 54,221,864.03    | 7        |
| Current liabilities                           |  |                                  |                  |                |                         |                      |                     |                     |                 |                 |                  |          |
| 8   | Notes payable                              | 0.00                             | 0.00             | 0.00           | 0.00                    | 6,726,000.00         | 0.00                | 0.00                | 0.00            | 0.00            | 6,726,000.00     | 8        |
| 9   | Accounts payable                           | 0.00                             | 283,510.08       | 2,549,560.39   | 737,240.69              | 1,019,111.00         | 3,812.00            | 1,647.17            | 0.00            | 4,594,881.33    | 9                |          |
| 10  | Accrued taxes                              | 0.00                             | 2,802.40         | 36,887.12      | 28,212.74               | 227,389.00           | 0.00                | (2,193.82)          | 0.00            | 293,097.44      | 10               |          |
| 11  | Income taxes payable                       | (1,826.65)                       | (28,981.00)      | 346,259.05     | 177,318.29              | 5,231,561.00         | 1,280,318.00        | (9,299.95)          | 0.00            | 6,995,348.74    | 11               |          |
| 12  | Dividends declared                         | 0.00                             | 0.00             | 0.00           | 0.00                    | 0.00                 | 0.00                | 0.00                | 0.00            | 0.00            | 0.00             | 12       |
| 13  | Customers' deposits                        | 0.00                             | 0.00             | 0.00           | 58,882.17               | 100.00               | 400,956.00          | 0.00                | 0.00            | 459,938.17      | 13               |          |
| 14  | Other current liabilities                  | 0.00                             | 0.00             | 0.00           | 16,648.32               | 764,880.00           | 310,969.00          | 0.00                | 0.00            | 1,092,497.32    | 14               |          |
| 15  | Intercompany accounts - net                | 5,609.98                         | 858,489.14       | 0.00           | 0.00                    | 5,769,674.00         | 3,849,970.00        | 0.00                | 0.00            | 10,483,743.12   | 15               |          |
| 16  | Total current liabilities                  | 3,783.33                         | 1,115,820.62     | 2,932,706.56   | 1,018,302.21            | 19,738,715.00        | 5,846,025.00        | (9,846.60)          | 0.00            | 30,645,506.12   | 16               |          |
| 17  | Deferred income taxes                      | 0.00                             | 0.00             | 0.00           | 81,519.69               | 1,270,603.00         | 5,122,737.00        | 19,338.21           | 0.00            | 6,494,197.90    | 17               |          |
| 18  | Deferred credits and other liabilities     | 0.00                             | 0.00             | 0.00           | 0.00                    | 558,302.00           | 233,023.00          | 0.00                | 0.00            | 791,325.00      | 18               |          |
| 19  | Total liabilities and shareholders' equity | \$1,366.00                       | \$651,646.66     | \$3,901,224.27 | \$3,718,751.54          | \$54,986,004.85      | \$27,304,292.89     | \$1,589,606.84      | \$0.00          | \$92,152,893.05 | 19               |          |

ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME  
FOR THE MONTH ENDED NOVEMBER 30, 1997

| Line No. | Description (a)                       | Current Month   |                |                    |                 |                            |                | Total Atmos Consolidated (h) | Line No. |
|----------|---------------------------------------|-----------------|----------------|--------------------|-----------------|----------------------------|----------------|------------------------------|----------|
|          |                                       | Regulated (1)   |                | Utility Operations |                 | Non-Utility Operations (3) |                |                              |          |
|          |                                       | (b)             | (c)            | (d)                | (e)             | (f)                        | (g)            |                              |          |
| 1        | Operating revenues                    |                 |                |                    |                 |                            |                |                              |          |
| 2        | Gas                                   | \$96,947,288.93 | \$2,317,417.11 | \$0.00             | \$99,264,706.04 | \$0.00                     | \$0.00         | \$99,264,706.04              | 1        |
| 3        | Transportation                        | 2,695,583.69    | 6,741.35       | (172,750.13)       | 2,529,574.91    | 0.00                       | 0.00           | 2,529,574.91                 | 2        |
| 4        | Other                                 | 0.00            | 0.00           | 0.00               | 0.00            | 3,504,480.00               | 0.00           | 3,504,480.00                 | 3        |
| 4        | Total operating revenues              | 99,642,872.62   | 2,324,158.46   | (172,750.13)       | 101,794,280.95  | 3,504,480.00               | 0.00           | 105,298,760.95               | 4        |
| 5        | Purchased gas cost                    | 67,905,125.35   | 1,844,603.21   | (172,392.64)       | 69,577,335.92   | 1,878,813.00               | 0.00           | 71,456,148.92                | 5        |
| 6        | Gross profit                          | 31,737,747.27   | 479,555.25     | (357.49)           | 32,216,945.03   | 1,625,667.00               | 0.00           | 33,842,612.03                | 6        |
| 7        | Operating expenses                    |                 |                |                    |                 |                            |                |                              |          |
| 8        | Operation                             | 8,366,672.71    | 442,251.63     | 0.00               | 8,808,924.34    | 608,825.82                 | 982,425.73     | 10,400,175.89                | 7        |
| 9        | Maintenance                           | 638,198.06      | 0.00           | 0.00               | 638,198.06      | 52,124.00                  | 5,147.61       | 695,469.67                   | 8        |
| 9        | Depreciation                          | 3,388,360.47    | 2,865.00       | 0.00               | 3,391,225.47    | 353,212.00                 | 252,125.42     | 3,996,562.89                 | 9        |
| 10       | Taxes - other than income taxes       | 2,522,256.57    | 9,999.04       | 0.00               | 2,532,255.61    | 69,005.00                  | 74,543.27      | 2,675,802.88                 | 10       |
| 11       | Shared Services - direct              | 779,035.32      | 0.00           | 0.00               | 779,035.32      | 0.00                       | 0.00           | 779,035.32                   | 11       |
| 12       | Shared Services - billed              | 1,307,824.07    | 23,848.27      | 283.05             | 1,331,955.39    | (22,714.64)                | (1,309,240.75) | 0.00                         | 12       |
| 13       | Provision for income taxes            | 4,646,457.85    | (7,716.85)     | 0.00               | 4,638,741.00    | 309,352.00                 | 0.00           | 4,948,093.00                 | 13       |
| 14       | Total operating expenses              | 21,648,805.05   | 471,247.09     | 283.05             | 22,120,335.19   | 1,369,804.18               | 5,000.28       | 23,495,139.65                | 14       |
| 15       | Operating income (loss)               | 10,088,942.22   | 8,308.16       | (640.54)           | 10,096,609.84   | 255,862.82                 | (5,000.28)     | 10,347,472.38                | 15       |
| 16       | Other income                          |                 |                |                    |                 |                            |                |                              |          |
| 16       | Merchandise                           | 9,245.76        | 0.00           | 0.00               | 9,245.76        | 0.00                       | 0.00           | 9,245.76                     | 16       |
| 17       | Interest income                       | 138,757.07      | 0.00           | 0.00               | 138,757.07      | 40,986.00                  | 0.00           | 179,743.07                   | 17       |
| 18       | Shared Services - billed              | 0.00            | (283.05)       | 283.05             | 0.00            | 0.00                       | 0.00           | 0.00                         | 18       |
| 19       | Other nonoperating income             | (16,029.74)     | (11,171.61)    | 357.49             | (26,843.86)     | 15,552.00                  | 0.00           | (11,291.86)                  | 19       |
| 20       | Equity in earnings - Woodward         | 0.00            | 0.00           | 0.00               | 0.00            | 393,969.00                 | 0.00           | 393,969.00                   | 20       |
| 21       | Total other income (loss)             | 131,973.09      | (11,454.66)    | 640.54             | 121,158.97      | 450,507.00                 | 0.00           | 571,665.97                   | 21       |
| 22       | Income (loss) before interest charges | 10,220,915.31   | (3,146.50)     | 0.00               | 10,217,768.81   | 706,369.82                 | (5,000.28)     | 10,919,138.35                | 22       |
| 23       | Interest charges                      | 2,642,693.81    | 245.34         | 0.00               | 2,642,939.15    | 219,582.00                 | 0.00           | 2,862,521.15                 | 23       |
| 24       | Net income (loss)                     | \$7,578,221.50  | (\$3,391.84)   | \$0.00             | \$7,574,829.66  | \$486,787.82               | (\$5,000.28)   | \$8,056,617.20               | 24       |

Footnotes: (1) Regulated Utility Operations includes Energas, GGC, Trans I.a., UCG, WKG and CNG.  
(2) Non-Regulated Utility Operations includes Egasco, Enermart, TIG and WKGR.  
(3) Non-Utility Operations includes Atmos Energy Services, UCG Energy and UCG Storage.  
(4) Includes all Shared Services expenses booked directly to the business units.  
(5) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.

ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME  
FOR THE TWO MONTHS ENDED NOVEMBER 30, 1997

| Line No. | Description (a)                       | Year To Date      |                       |                  |                  |                                |                     | Total Atmos Consolidated (h) | Line No. |
|----------|---------------------------------------|-------------------|-----------------------|------------------|------------------|--------------------------------|---------------------|------------------------------|----------|
|          |                                       | Regulated (1) (b) | Non-Regulated (2) (c) | Eliminations (d) | Total (e)        | Non-Utility Operations (3) (f) | Shared Services (g) |                              |          |
|          | Operating revenues                    |                   |                       |                  |                  |                                |                     |                              |          |
| 1        | Gas                                   | \$141,534,400.69  | \$4,769,947.76        | \$0.00           | \$146,304,348.45 | \$0.00                         | \$0.00              | \$146,304,348.45             | 1        |
| 2        | Transportation                        | 4,743,641.54      | 13,737.85             | (323,085.75)     | 4,434,293.64     | 0.00                           | 0.00                | 4,434,293.64                 | 2        |
| 3        | Other                                 | 0.00              | 0.00                  | 0.00             | 0.00             | 7,162,317.00                   | 0.00                | 7,162,317.00                 | 3        |
| 4        | Total operating revenues              | 146,278,042.23    | 4,783,685.61          | (323,085.75)     | 150,738,642.09   | 7,162,317.00                   | 0.00                | 157,900,959.09               | 4        |
| 5        | Purchased gas cost                    | 96,817,709.41     | 4,008,807.15          | (322,220.67)     | 100,503,795.89   | 3,296,883.00                   | 0.00                | 103,800,678.89               | 5        |
| 6        | Gross profit                          | 49,460,832.82     | 774,878.46            | (865.08)         | 50,234,846.20    | 3,865,434.00                   | 0.00                | 54,100,280.20                | 6        |
|          | Operating expenses                    |                   |                       |                  |                  |                                |                     |                              |          |
| 7        | Operation                             | 16,378,828.25     | 875,037.78            | 0.00             | 17,253,866.03    | 1,351,310.82                   | 2,529,768.23        | 21,134,945.08                | 7        |
| 8        | Maintenance                           | 1,557,309.47      | 0.00                  | 0.00             | 1,557,309.47     | 162,857.00                     | 6,237.96            | 1,726,404.43                 | 8        |
| 9        | Depreciation                          | 6,730,798.48      | 5,730.00              | 0.00             | 6,736,528.48     | 709,627.00                     | 843,885.28          | 8,290,040.76                 | 9        |
| 10       | Taxes - other than income taxes       | 4,787,275.70      | 18,261.17             | 0.00             | 4,805,536.87     | 136,733.00                     | 122,645.25          | 5,064,915.12                 | 10       |
| 11       | Shared Services - direct              | 1,612,970.38      | 0.00                  | 0.00             | 1,612,970.38     | 0.00                           | 0.00                | 1,612,970.38                 | 11       |
| 12       | Shared Services - billed              | 3,391,822.89      | 50,777.81             | 720.74           | 3,443,321.44     | 54,000.00                      | (3,497,321.44)      | 0.00                         | 12       |
| 13       | Provision for income taxes            | 3,602,681.15      | (75,000.00)           | 0.00             | 3,527,681.15     | 351,400.44                     | 0.00                | 3,879,081.59                 | 13       |
|          | Total operating expenses              | 38,061,686.32     | 874,806.76            | 720.74           | 38,937,213.82    | 2,765,928.26                   | 5,215.28            | 41,708,357.36                | 14       |
| 14       | Operating income (loss)               | 11,399,146.50     | (99,928.30)           | (1,585.82)       | 11,297,632.38    | 1,099,505.74                   | (5,215.28)          | 12,391,922.84                | 15       |
|          | Other income                          |                   |                       |                  |                  |                                |                     |                              |          |
| 15       | Merchandise                           | 50,280.33         | 0.00                  | 0.00             | 50,280.33        | 0.00                           | 0.00                | 50,280.33                    | 16       |
| 16       | Interest income                       | 270,241.62        | 0.00                  | 0.00             | 270,241.62       | 94,022.00                      | 0.00                | 364,263.62                   | 17       |
| 18       | Shared Services - billed              | 0.00              | (720.74)              | 720.74           | 0.00             | 0.00                           | 0.00                | 0.00                         | 18       |
| 19       | Other nonoperating income             | (40,404.18)       | (31,077.87)           | 865.08           | (70,616.97)      | 36,387.00                      | 0.00                | (34,229.97)                  | 19       |
| 20       | Equity in earnings - Woodward         | 0.00              | 0.00                  | 0.00             | 0.00             | (242,878.00)                   | 0.00                | (242,878.00)                 | 20       |
| 21       | Total other income (loss)             | 280,117.77        | (31,798.61)           | 1,585.82         | 249,904.98       | (112,469.00)                   | 0.00                | 137,435.98                   | 21       |
| 22       | Income (loss) before interest charges | 11,679,264.27     | (131,726.91)          | (0.00)           | 11,547,537.36    | 987,036.74                     | (5,215.28)          | 12,529,358.82                | 22       |
| 23       | Interest charges                      | 5,719,814.82      | 490.68                | 0.00             | 5,720,305.50     | 427,627.00                     | 0.00                | 6,147,932.50                 | 23       |
| 24       | Net income (loss)                     | \$5,959,449.45    | (\$132,217.59)        | (\$0.00)         | \$5,827,231.86   | \$559,409.74                   | (\$5,215.28)        | \$6,381,426.32               | 24       |

Footnotes: (1) Regulated Utility Operations includes EnerGas, GGC, Trans La, UCG, WKG and CNG.  
(2) Non-Regulated Utility Operations includes Figasco, Enermart, TLIG and WKGR.  
(3) Non-Utility Operations includes Atmos Energy Services, UCG Energy and UCG Storage.  
(4) Includes all Shared Services expenses booked directly to the business units.  
(5) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 ELIMINATIONS TO CONSOLIDATING INCOME STATEMENT  
 11/30/97

|  | Current Month |            | YEAR TO DATE |            |
|--|---------------|------------|--------------|------------|
|  | Dr            | Cr         | Dr           | Cr         |
| 1. Gas Revenue<br>Purchased Gas Cost<br>To eliminate gas sales to Atmos<br>from Trans La Industrial  | \$0.00        | \$0.00     | \$0.00       | \$0.00     |
| 2. Transportation Revenue<br>Purchased Gas Cost<br>To eliminate transportation charges<br>to Enermart Trust from Atmos   | 111,245.87    | 111,245.87 | 229,905.04   | 229,905.04 |
| 3. Transportation Revenue<br>Purchased Gas Cost<br>To eliminate transportation charges<br>to Trans La Industrial from Atmos  | 29,265.31     | 29,265.31  | 60,434.17    | 60,434.17  |
| 4. Transportation Revenue<br>Purchased Gas Cost<br>To eliminate transportation charges to<br>Amarillo Distribution Division from<br>Amarillo Transmission Division-Atmos | 31,881.46     | 31,881.46  | 31,881.46    | 31,881.46  |
| 5. Transportation Revenue<br>Other Nonoperating Income<br>To eliminate transportation charges for<br>CNG sales at public fill stations from Atmos                        | 357.49        | 357.49     | 865.08       | 865.08     |
| 6. Operation Expense<br>Other Nonoperating Income<br>To eliminate allocation of Corporate<br>Division expenses to WKGR from Atmos  | 283.05        | 283.05     | 720.74       | 720.74     |

ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME - REGULATED  
FOR THE MONTH ENDED NOVEMBER 30, 1997

| Line No. | Description (a)                       | Current Month    |                 |                  |                 |                 |                     |    | Line No. |
|----------|---------------------------------------|------------------|-----------------|------------------|-----------------|-----------------|---------------------|----|----------|
|          |                                       | Energas (1) (b)  | Greeley (c)     | Trans La (1) (d) | UCG (e)         | WKG (f)         | Total Regulated (g) |    |          |
| 1        | Operating revenues                    |                  |                 |                  |                 |                 |                     |    |          |
| 2        | Gas                                   | \$23,099,437.41  | \$11,227,726.42 | \$4,729,517.48   | \$41,292,500.00 | \$16,598,107.62 | \$96,947,288.93     | 1  |          |
| 3        | Transportation                        | 231,392.60       | 140,310.43      | 33,322.51        | 1,484,148.00    | 806,410.15      | 2,695,583.69        | 2  |          |
| 4        | Other                                 | 0.00             | 0.00            | 0.00             | 0.00            | 0.00            | 0.00                | 3  |          |
| 4        | Total operating revenues              | 23,330,830.01    | 11,368,036.85   | 4,762,839.99     | 42,776,648.00   | 17,404,517.77   | 99,642,872.62       | 4  |          |
| 5        | Purchased gas cost                    | 15,779,749.80    | 7,004,744.64    | 2,448,916.90     | 28,877,396.00   | 13,794,318.01   | 67,905,125.35       | 5  |          |
| 6        | Gross profit                          | 7,551,080.21     | 4,363,292.21    | 2,313,923.09     | 13,899,252.00   | 3,610,199.76    | 31,737,747.27       | 6  |          |
| 7        | Operating expenses                    |                  |                 |                  |                 |                 |                     |    |          |
| 8        | Operation                             | (2) 1,515,736.72 | 1,097,638.31    | 589,014.08       | 3,971,834.00    | 1,192,449.60    | 8,366,672.71        | 7  |          |
| 9        | Maintenance                           | 90,111.58        | 42,963.92       | 42,551.49        | 391,992.00      | 70,579.07       | 638,198.06          | 8  |          |
| 10       | Depreciation                          | 594,405.40       | 412,978.80      | 303,468.56       | 1,532,201.00    | 545,306.71      | 3,388,360.47        | 9  |          |
| 10       | Taxes - other than income taxes       | 930,480.04       | 212,821.89      | 184,904.09       | 1,035,649.00    | 158,401.55      | 2,522,256.57        | 10 |          |
| 11       | Shared Services - direct              | 343,124.76       | 129,963.56      | 117,465.17       | 0.00            | 188,481.83      | 779,035.32          | 11 |          |
| 12       | Shared Services - billed              | 437,654.10       | 156,140.03      | 112,149.14       | 362,133.70      | 239,747.10      | 1,307,824.07        | 12 |          |
| 13       | Provision for income taxes            | (1,077,771.25)   | 743,520.66      | 269,141.65       | 2,166,234.76    | 389,783.53      | 4,646,457.85        | 13 |          |
| 13       | Total operating expenses              | 4,989,289.85     | 2,796,027.17    | 1,618,694.18     | 9,460,044.46    | 2,784,749.39    | 21,648,805.05       | 13 |          |
| 14       | Operating income (loss)               | 2,561,790.36     | 1,567,265.04    | 695,228.91       | 4,439,207.54    | 825,450.37      | 10,088,942.22       | 14 |          |
| 15       | Other income                          |                  |                 |                  |                 |                 |                     |    |          |
| 15       | Merchandise                           | 10,820.37        | (3.50)          | 2,941.00         | (15,568.00)     | 11,055.89       | 9,245.76            | 15 |          |
| 16       | Interest income                       | 13,931.93        | 0.00            | 259.38           | 122,765.00      | 1,800.76        | 138,757.07          | 16 |          |
| 17       | Other nonoperating income             | (19,554.58)      | 23,477.55       | (10,773.00)      | (4,934.00)      | (4,245.71)      | (16,029.74)         | 17 |          |
| 17       | Equity in earnings - Woodward         | 0.00             | 0.00            | 0.00             | 0.00            | 0.00            | 0.00                | 17 |          |
| 18       | Total other income (loss)             | 5,197.72         | 23,474.05       | (7,572.62)       | 102,263.00      | 8,610.94        | 131,973.09          | 18 |          |
| 19       | Income (loss) before interest charges | 2,566,988.08     | 1,590,739.09    | 687,656.29       | 4,541,470.54    | 834,061.31      | 10,220,915.31       | 19 |          |
| 20       | Interest charges                      | 507,722.70       | 299,189.71      | 258,111.98       | 1,179,577.00    | 398,092.42      | 2,642,691.81        | 20 |          |
| 21       | Net income (loss)                     | \$2,059,265.38   | \$1,291,549.38  | \$429,544.31     | \$3,361,893.54  | \$435,968.89    | \$7,578,221.50      | 21 |          |

Footnote: (1) Includes CNG.  
(2) Operations expense in the business units does not include any shared services costs.  
(3) Includes all Shared Services expenses booked directly to the business units.  
(4) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.

ATMOS ENERGY CORPORATION  
 CONSOLIDATING STATEMENTS OF INCOME - REGULATED  
 FOR THE TWO MONTHS ENDED NOVEMBER 30, 1997

| Line No. | Description (a)                       | Year To Date    |                 |                   |                 |                 |                     |    | Line No. |
|----------|---------------------------------------|-----------------|-----------------|-------------------|-----------------|-----------------|---------------------|----|----------|
|          |                                       | Energy (1) (b)  | Creeley (c)     | Trans. Ia (1) (d) | UCG (e)         | WKG (f)         | Total Regulated (g) |    |          |
| 1        | Operating revenues:                   |                 |                 |                   |                 |                 |                     |    |          |
| 2        | Gas                                   | \$34,537,519.40 | \$16,618,273.67 | \$7,828,675.94    | \$57,873,098.00 | \$34,676,833.68 | \$141,534,400.69    | 1  |          |
| 3        | Transportation                        | 418,221.63      | 252,337.52      | 68,530.93         | 2,582,397.00    | 1,422,154.46    | 4,743,641.54        | 2  |          |
| 4        | Other                                 | 0.00            | 0.00            | 0.00              | 0.00            | 0.00            | 0.00                | 3  |          |
| 4        | Total operating revenues              | 34,955,741.03   | 16,870,611.19   | 7,897,206.87      | 60,455,495.00   | 26,098,988.14   | 146,278,042.23      | 4  |          |
| 5        | Purchased gas cost                    | 23,754,141.50   | 10,346,391.21   | 3,871,535.95      | 39,878,605.00   | 18,966,535.75   | 96,817,209.41       | 5  |          |
| 6        | Gross profit                          | 11,201,599.53   | 6,524,219.98    | 4,025,670.92      | 20,576,890.00   | 7,132,452.39    | 49,460,832.82       | 6  |          |
| 7        | Operating expenses:                   |                 |                 |                   |                 |                 |                     |    |          |
| 8        | Operation                             | 2,929,531.21    | 2,096,523.14    | 1,128,254.39      | 7,925,194.00    | 2,299,325.51    | 16,378,828.25       | 7  |          |
| 9        | Maintenance                           | 218,914.78      | 87,926.10       | 78,979.43         | 1,019,047.00    | 152,442.16      | 1,557,309.47        | 8  |          |
| 10       | Depreciation                          | 1,143,330.46    | 825,955.30      | 606,997.30        | 3,063,902.00    | 1,090,613.42    | 6,730,798.48        | 9  |          |
| 10       | Taxes - other than income taxes       | 1,586,478.84    | 420,404.45      | 370,147.72        | 2,088,965.00    | 321,279.69      | 4,787,275.70        | 10 |          |
| 11       | Shared Services - direct              | 635,473.61      | 246,357.56      | 251,370.84        | 0.00            | 479,768.37      | 1,612,970.38        | 11 |          |
| 11       | Shared Services - allocations         | 1,077,055.43    | 394,786.82      | 278,716.92        | 1,014,458.97    | 626,804.75      | 3,391,822.89        | 11 |          |
| 12       | Provision for income taxes            | 840,996.69      | 655,299.99      | 262,853.35        | 1,310,681.15    | 532,849.97      | 3,602,681.15        | 12 |          |
| 13       | Total operating expenses              | 8,431,781.02    | 4,727,253.36    | 2,977,319.95      | 16,422,248.12   | 5,503,083.87    | 38,061,686.32       | 13 |          |
| 14       | Operating income (loss)               | 2,769,818.51    | 1,796,966.62    | 1,048,350.97      | 4,154,641.88    | 1,629,368.52    | 11,399,146.50       | 14 |          |
| 15       | Other income:                         |                 |                 |                   |                 |                 |                     |    |          |
| 15       | Merchandise                           | 5,364.14        | (1,105.58)      | 7,399.58          | (31,870.00)     | 70,492.19       | 50,280.33           | 15 |          |
| 16       | Interest income                       | 30,141.72       | 201.97          | 588.97            | 235,350.00      | 3,958.96        | 270,241.62          | 16 |          |
| 17       | Other nonoperating income             | (41,685.40)     | 38,182.37       | (21,438.98)       | (3,961.00)      | (11,501.17)     | (40,404.18)         | 17 |          |
| 17       | Equity in earnings - Woodward         | 0.00            | 0.00            | 0.00              | 0.00            | 0.00            | 0.00                | 17 |          |
| 18       | Total other income (loss)             | (6,179.54)      | 37,278.76       | (13,450.43)       | 199,519.00      | 62,949.98       | 280,117.77          | 18 |          |
| 19       | Income (loss) before interest charges | 2,763,638.97    | 1,834,245.38    | 1,034,900.54      | 4,354,160.88    | 1,692,318.50    | 11,679,264.27       | 19 |          |
| 20       | Interest charges                      | 1,220,214.37    | 734,890.08      | 619,055.66        | 2,200,984.00    | 944,670.71      | 5,719,814.82        | 20 |          |
| 21       | Net income (loss)                     | \$1,543,424.60  | \$1,099,355.30  | \$415,844.88      | \$2,153,176.88  | \$747,647.79    | \$5,959,449.45      | 21 |          |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF INCOME - NON-REGULATED UTILITY  
FOR THE MONTH ENDED 11/30/97

| Line No. | Description (a)                       | 1997             |                |                         |                   |                                  |                         | Line No. |
|----------|---------------------------------------|------------------|----------------|-------------------------|-------------------|----------------------------------|-------------------------|----------|
|          |                                       | EGASCO, INC. (b) | ENERMART (c)   | TRANS LA INDUSTRIAL (d) | WKG RESOURCES (e) | ELIMINATIONS and ADJUSTMENTS (f) | ATMOS NON REGULATED (g) |          |
|          | Operating revenues                    |                  |                |                         |                   |                                  |                         |          |
| 1        | Gas                                   | \$99,736.52      | \$1,690,120.26 | \$527,560.33            | \$0.00            | \$0.00                           | \$2,317,417.11          |          |
| 2        | Transportation                        | 0.00             | 0.00           | 6,741.35                | 0.00              | 0.00                             | 6,741.35                |          |
| 3        | Other                                 | 0.00             | 0.00           | 0.00                    | 0.00              | 0.00                             | 0.00                    |          |
| 4        | Total operating revenues              | 99,736.52        | 1,690,120.26   | 534,301.68              | 0.00              | 0.00                             | 2,324,158.46            |          |
| 5        | Purchased gas cost                    | 75,782.47        | 1,332,872.12   | 435,948.62              | 0.00              | 0.00                             | 1,844,603.21            |          |
| 6        | Gross profit                          | 23,954.05        | 357,248.14     | 98,353.06               | 0.00              | 0.00                             | 479,555.25              |          |
|          | Operating expenses                    |                  |                |                         |                   |                                  |                         |          |
| 7        | Operation                             | 65,577.19        | 363,224.60     | 13,449.84               | 0.00              | 0.00                             | 442,251.63              |          |
| 8        | Maintenance                           | 0.00             | 0.00           | 0.00                    | 0.00              | 0.00                             | 0.00                    |          |
| 9        | Depreciation and amortization         | 0.00             | 0.00           | 2,865.00                | 0.00              | 0.00                             | 2,865.00                |          |
| 10       | Taxes - other than income taxes       | 0.00             | 5,066.04       | 4,933.00                | 0.00              | 0.00                             | 9,999.04                |          |
| 11       | Shared services - billed              | 1,113.50         | 17,743.55      | 4,991.22                | 0.00              | 0.00                             | 23,848.27               |          |
| 12       | Provision for income taxes            | (25,000.00)      | (9,716.85)     | 27,000.00               | 0.00              | 0.00                             | (7,716.85)              |          |
| 13       | Total operating expenses              | 41,690.69        | 376,317.34     | 53,239.06               | 0.00              | 0.00                             | 471,247.09              |          |
| 14       | Operating income (loss)               | (17,736.64)      | (19,069.20)    | 45,114.00               | 0.00              | 0.00                             | 8,308.16                |          |
|          | Other income                          |                  |                |                         |                   |                                  |                         |          |
| 15       | Merchandise                           | 0.00             | 0.00           | 0.00                    | 0.00              | 0.00                             | 0.00                    |          |
| 16       | Interest income                       | 0.00             | 0.00           | 0.00                    | 0.00              | 0.00                             | 0.00                    |          |
| 17       | Shared services - billed              | 0.00             | 0.00           | 0.00                    | (283.05)          | 0.00                             | (283.05)                |          |
| 18       | Other nonoperating income             | (11,875.55)      | 0.00           | 0.00                    | 703.94            | 0.00                             | (11,171.61)             |          |
| 19       | Total other income (loss)             | (11,875.55)      | 0.00           | 0.00                    | 420.89            | 0.00                             | (11,454.66)             |          |
| 20       | Income (loss) before interest charges | (29,612.19)      | (19,069.20)    | 45,114.00               | 420.89            | 0.00                             | (3,146.50)              |          |
| 21       | Interest charges                      | 0.00             | 0.00           | 245.34                  | 0.00              | 0.00                             | 245.34                  |          |
| 22       | Net income (loss)                     | (\$29,612.19)    | (\$19,069.20)  | \$44,868.66             | \$420.89          | \$0.00                           | (\$3,391.84)            |          |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF INCOME - NON-REGULATED UTILITY  
FOR THE TWO ENDED MONTHS 11/30/97

| Line No. | Description (a)                       | 1997             |                |                         |                     |                                  |                         | Line No. |
|----------|---------------------------------------|------------------|----------------|-------------------------|---------------------|----------------------------------|-------------------------|----------|
|          |                                       | EGASCO, INC. (b) | ENFRMART (c)   | TRANS LA INDUSTRIAL (d) | W K G RESOURCES (e) | ELIMINATIONS and ADJUSTMENTS (f) | ATMOS NON REGULATED (g) |          |
|          | Operating revenues                    |                  |                |                         |                     |                                  |                         |          |
| 1        | Gas                                   | \$351,948.98     | \$3,344,050.05 | \$1,073,948.73          | \$0.00              | \$0.00                           | \$4,769,947.76          |          |
| 2        | Transportation                        | 0.00             | 0.00           | 13,737.85               | 0.00                | 0.00                             | 13,737.85               |          |
| 3        | Other                                 | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00                             | 0.00                    |          |
| 4        | Total operating revenues              | 351,948.98       | 3,344,050.05   | 1,087,686.58            | 0.00                | 0.00                             | 4,783,685.61            |          |
| 5        | Purchased gas cost                    | 287,450.35       | 2,837,289.74   | 884,067.06              | 0.00                | 0.00                             | 4,008,807.15            |          |
| 6        | Gross profit                          | 64,498.63        | 506,760.31     | 203,619.52              | 0.00                | 0.00                             | 774,878.46              |          |
|          | Operating expenses                    |                  |                |                         |                     |                                  |                         |          |
| 7        | Operation                             | 120,591.01       | 730,277.17     | 24,169.60               | 0.00                | 0.00                             | 875,037.78              |          |
| 8        | Maintenance                           | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00                             | 0.00                    |          |
| 9        | Depreciation and amortization         | 0.00             | 0.00           | 5,730.00                | 0.00                | 0.00                             | 5,730.00                |          |
| 10       | Taxes - other than income taxes       | 0.00             | 8,395.17       | 9,866.00                | 0.00                | 0.00                             | 18,261.17               |          |
| 11       | Shared services - billed              | 2,770.36         | 37,682.67      | 10,324.78               | 0.00                | 0.00                             | 50,777.81               |          |
| 12       | Provision for income taxes            | (41,000.00)      | (94,000.00)    | 60,000.00               | 0.00                | 0.00                             | (75,000.00)             |          |
| 13       | Total operating expenses              | 82,361.37        | 682,355.01     | 110,090.38              | 0.00                | 0.00                             | 874,806.76              |          |
| 14       | Operating income (loss)               | (17,862.74)      | (175,594.70)   | 93,529.14               | 0.00                | 0.00                             | (99,928.30)             |          |
|          | Other income                          |                  |                |                         |                     |                                  |                         |          |
| 15       | Merchandise                           | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00                             | 0.00                    |          |
| 16       | Interest income                       | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00                             | 0.00                    |          |
| 17       | Shared services - billed              | 0.00             | 0.00           | 0.00                    | (720.74)            | 0.00                             | (720.74)                |          |
| 18       | Other nonoperating income             | (31,828.09)      | 0.00           | 0.00                    | 750.22              | 0.00                             | (31,077.87)             |          |
| 19       | Total other income (loss)             | (31,828.09)      | 0.00           | 0.00                    | 29.48               | 0.00                             | (31,798.61)             |          |
| 20       | Income (loss) before interest charges | (49,690.83)      | (175,594.70)   | 93,529.14               | 29.48               | 0.00                             | (131,726.91)            |          |
| 21       | Interest charges                      | 0.00             | 0.00           | 490.68                  | 0.00                | 0.00                             | 490.68                  |          |
| 22       | Net income (loss)                     | (\$49,690.83)    | (\$175,594.70) | \$93,038.46             | \$29.48             | \$0.00                           | (\$132,217.59)          |          |



NON-UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME- NON-UTILITY  
FOR THE MONTH ENDED 11/30/97

| Line No. | Description (a)                 | 1997            |                 |                     |                            |                                  |                                   |                           |                     |        |              | Total Non-Utility | Line No.     |    |
|----------|---------------------------------|-----------------|-----------------|---------------------|----------------------------|----------------------------------|-----------------------------------|---------------------------|---------------------|--------|--------------|-------------------|--------------|----|
|          |                                 | UCG Leasing (b) | UCG Propane (c) | Rental Division (d) | Utility Serv. Division (e) | Eliminations and Adjustments (f) | UCG Energy Corp. Consolidated (g) | Atmos Energy Services (h) | UCG Storage Co. (i) | (j)    |              |                   |              |    |
| 1        | Operating revenues              |                 |                 |                     |                            |                                  |                                   |                           |                     |        |              |                   |              |    |
| 2        | Gas                             | \$0.00          | \$0.00          | \$0.00              | \$0.00                     | \$0.00                           | \$0.00                            | \$0.00                    | \$0.00              | \$0.00 | \$0.00       | \$0.00            | \$0.00       | 1  |
| 3        | Transportation                  | 0.00            | 0.00            | 0.00                | 0.00                       | 0.00                             | 0.00                              | 0.00                      | 0.00                | 0.00   | 0.00         | 0.00              | 0.00         | 2  |
| 3        | Other                           | 91,594.00       | 2,773,851.00    | 283,518.00          | 56,865.00                  | 0.00                             | 3,205,828.00                      | 0.00                      | 298,652.00          | 0.00   | 3,504,480.00 | 0.00              | 3,504,480.00 | 3  |
| 4        | Total operating revenues        | 91,594.00       | 2,773,851.00    | 283,518.00          | 56,865.00                  | 0.00                             | 3,205,828.00                      | 0.00                      | 298,652.00          | 0.00   | 3,504,480.00 | 0.00              | 3,504,480.00 | 4  |
| 5        | Purchased gas cost              | 0.00            | 1,787,405.00    | 0.00                | 91,408.00                  | 0.00                             | 1,878,813.00                      | 0.00                      | 0.00                | 0.00   | 1,878,813.00 | 0.00              | 1,878,813.00 | 5  |
| 6        | Gross profit                    | 91,594.00       | 986,446.00      | 283,518.00          | (34,543.00)                | 0.00                             | 1,327,015.00                      | 0.00                      | 298,652.00          | 0.00   | 1,625,667.00 | 0.00              | 1,625,667.00 | 6  |
| 7        | Operating expenses              |                 |                 |                     |                            |                                  |                                   |                           |                     |        |              |                   |              |    |
| 7        | Operation                       | (1,366.61)      | 564,549.55      | 27,858.39           | (7,774.21)                 | 0.00                             | 583,267.12                        | 0.00                      | 25,558.70           | 0.00   | 608,825.82   | 0.00              | 608,825.82   | 7  |
| 8        | Maintenance                     | 0.00            | 48,519.00       | 0.00                | 0.00                       | 0.00                             | 48,519.00                         | 0.00                      | 3,605.00            | 0.00   | 52,124.00    | 0.00              | 52,124.00    | 8  |
| 9        | Depreciation and amortization   | 32,940.00       | 184,428.00      | 67,547.00           | 34,664.00                  | 0.00                             | 319,579.00                        | 0.00                      | 33,633.00           | 0.00   | 353,212.00   | 0.00              | 353,212.00   | 9  |
| 10       | Taxes - other than income taxes | 0.00            | 24,560.00       | 11,056.00           | 0.00                       | 0.00                             | 35,616.00                         | 0.00                      | 33,389.00           | 0.00   | 69,005.00    | 0.00              | 69,005.00    | 10 |
| 11       | Shared services - billed        | (141.81)        | (12,905.17)     | (850.90)            | (283.63)                   | 0.00                             | (14,181.51)                       | 0.00                      | (8,533.13)          | 0.00   | (22,714.64)  | 0.00              | (22,714.64)  | 11 |
| 12       | Provision for income taxes      | 19,259.00       | 51,578.00       | 56,554.00           | 128,518.00                 | 0.00                             | 255,909.00                        | 0.00                      | 53,443.00           | 0.00   | 309,352.00   | 0.00              | 309,352.00   | 12 |
| 13       | Total operating expenses        | 50,690.58       | 860,729.38      | 162,164.49          | 155,124.16                 | 0.00                             | 1,228,708.61                      | 0.00                      | 141,095.57          | 0.00   | 1,369,804.18 | 0.00              | 1,369,804.18 | 13 |
| 14       | Operating income (loss)         | 40,903.42       | 125,716.62      | 121,353.51          | (189,667.16)               | 0.00                             | 98,306.39                         | 0.00                      | 157,556.43          | 0.00   | 255,862.82   | 0.00              | 255,862.82   | 14 |
|          | Other income                    |                 |                 |                     |                            |                                  |                                   |                           |                     |        |              |                   |              |    |
| 15       | Merchandise                     | 0.00            | 0.00            | 0.00                | 0.00                       | 0.00                             | 0.00                              | 0.00                      | 0.00                | 0.00   | 0.00         | 0.00              | 0.00         | 15 |
| 16       | Interest income                 | 3,514.00        | 7,908.00        | 32,163.00           | 28,025.00                  | (38,871.00)                      | 32,739.00                         | 0.00                      | 8,247.00            | 0.00   | 40,986.00    | 0.00              | 40,986.00    | 16 |
| 17       | Other nonoperating income       | 93.00           | 3,411.00        | (1,034.00)          | 13,082.00                  | 0.00                             | 15,552.00                         | 0.00                      | 0.00                | 0.00   | 15,552.00    | 0.00              | 15,552.00    | 17 |
| 18       | Equity in earnings - Woodward   | 0.00            | 0.00            | 0.00                | 393,969.00                 | 0.00                             | 393,969.00                        | 0.00                      | 0.00                | 0.00   | 393,969.00   | 0.00              | 393,969.00   | 18 |
| 19       | Total other income (loss)       | 3,607.00        | 11,319.00       | 31,129.00           | 435,076.00                 | (38,871.00)                      | 442,660.00                        | 0.00                      | 8,247.00            | 0.00   | 450,907.00   | 0.00              | 450,907.00   | 19 |
| 20       | Income (loss) before int chgs   | 44,510.42       | 137,035.62      | 152,482.51          | 245,408.84                 | (38,871.00)                      | 540,566.39                        | 0.00                      | 165,803.43          | 0.00   | 706,369.82   | 0.00              | 706,369.82   | 20 |
| 21       | Interest charges                | 13,793.00       | 71,622.00       | 65,193.00           | 29,652.00                  | (38,871.00)                      | 141,389.00                        | 0.00                      | 78,193.00           | 0.00   | 219,582.00   | 0.00              | 219,582.00   | 21 |
| 22       | Net income (loss)               | \$30,717.42     | \$65,413.62     | \$87,289.51         | \$215,756.84               | \$0.00                           | \$399,177.39                      | \$0.00                    | \$87,610.43         | \$0.00 | \$486,787.82 | \$0.00            | \$486,787.82 | 22 |

NON-UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME- NON UTILITY  
FOR THE TWO MONTHS ENDED 11/30/97

1997

| Line No. | Description (a)                 | Eliminations    |                 |                     |                            |                 |                                   |                     |                     |           |              | Total Non-Utility (g) | Line No.     |    |
|----------|---------------------------------|-----------------|-----------------|---------------------|----------------------------|-----------------|-----------------------------------|---------------------|---------------------|-----------|--------------|-----------------------|--------------|----|
|          |                                 | UCG Leasing (b) | UCG Propane (c) | Rental Division (d) | Utility Serv. Division (e) | Adjustments (f) | UCG Energy Corp. Consolidated (g) | Energy Services (h) | UCG Storage Co. (i) | Total (j) |              |                       |              |    |
|          | Operating revenues              |                 |                 |                     |                            |                 |                                   |                     |                     |           |              |                       |              |    |
| 1        | Gas                             | \$0.00          | \$0.00          | \$0.00              | \$0.00                     | \$0.00          | \$0.00                            | \$0.00              | \$0.00              | \$0.00    | \$0.00       | \$0.00                | \$0.00       | 1  |
| 2        | Transportation                  | 0.00            | 0.00            | 0.00                | 0.00                       | 0.00            | 0.00                              | 0.00                | 0.00                | 0.00      | 0.00         | 0.00                  | 0.00         | 2  |
| 3        | Other                           | 183,473.00      | 5,744,291.00    | 547,050.00          | 114,426.00                 | 0.00            | 6,589,240.00                      | 0.00                | 573,077.00          | 0.00      | 7,162,317.00 | 0.00                  | 7,162,317.00 | 3  |
| 4        | Total operating revenues        | 183,473.00      | 5,744,291.00    | 547,050.00          | 114,426.00                 | 0.00            | 6,589,240.00                      | 0.00                | 573,077.00          | 0.00      | 7,162,317.00 | 0.00                  | 7,162,317.00 | 4  |
| 5        | Purchased gas cost              | 0.00            | 3,142,629.00    | 0.00                | 154,254.00                 | 0.00            | 3,296,883.00                      | 0.00                | 0.00                | 0.00      | 3,296,883.00 | 0.00                  | 3,296,883.00 | 5  |
| 6        | Gross profit                    | 183,473.00      | 2,601,662.00    | 547,050.00          | (39,828.00)                | 0.00            | 3,292,357.00                      | 0.00                | 573,077.00          | 0.00      | 3,865,434.00 | 0.00                  | 3,865,434.00 | 6  |
|          | Operating expenses              |                 |                 |                     |                            |                 |                                   |                     |                     |           |              |                       |              |    |
| 7        | Operation                       | 3,902.39        | 1,205,492.55    | 79,204.39           | 6,893.79                   | 0.00            | 1,295,493.12                      | 0.00                | 55,792.70           | 25.00     | 1,351,310.82 | 0.00                  | 1,351,310.82 | 7  |
| 8        | Maintenance                     | 0.00            | 135,184.00      | 0.00                | 0.00                       | 0.00            | 135,184.00                        | 0.00                | 27,673.00           | 0.00      | 162,857.00   | 0.00                  | 162,857.00   | 8  |
| 9        | Depreciation and amortization   | 66,039.00       | 368,147.00      | 138,959.00          | 69,328.00                  | 0.00            | 642,473.00                        | 0.00                | 67,154.00           | 0.00      | 709,627.00   | 0.00                  | 709,627.00   | 9  |
| 10       | Taxes - other than income taxes | 0.00            | 47,511.00       | 22,112.00           | 0.00                       | 0.00            | 69,623.00                         | 0.00                | 67,110.00           | 0.00      | 136,733.00   | 0.00                  | 136,733.00   | 10 |
| 11       | Shared services - billed        | 1,221.82        | 49,140.00       | 3,239.99            | 398.19                     | 0.00            | 54,000.00                         | 0.00                | 0.00                | 0.00      | 54,000.00    | 0.00                  | 54,000.00    | 11 |
| 12       | Provision for income taxes      | 35,730.82       | 258,000.84      | 96,009.46           | (124,741.09)               | 0.00            | 265,000.03                        | 0.00                | 86,400.41           | 0.00      | 351,400.44   | 0.00                  | 351,400.44   | 12 |
| 13       | Total operating expenses        | 106,894.03      | 2,063,475.39    | 339,524.84          | (48,121.11)                | 0.00            | 2,461,773.15                      | 0.00                | 304,130.11          | 25.00     | 2,765,928.26 | 0.00                  | 2,765,928.26 | 13 |
| 14       | Operating income (loss)         | 76,578.97       | 538,186.61      | 207,525.16          | 8,293.11                   | 0.00            | 830,583.85                        | (25.00)             | 268,946.89          | 0.00      | 1,099,505.74 | 0.00                  | 1,099,505.74 | 14 |
|          | Other income                    |                 |                 |                     |                            |                 |                                   |                     |                     |           |              |                       |              |    |
| 15       | Merchandise                     | 0.00            | 0.00            | 0.00                | 0.00                       | 0.00            | 0.00                              | 0.00                | 0.00                | 0.00      | 0.00         | 0.00                  | 0.00         | 15 |
| 16       | Interest income                 | 7,145.00        | 14,185.00       | 69,046.00           | 62,262.00                  | (82,113.00)     | 70,525.00                         | 0.00                | 23,497.00           | 0.00      | 94,022.00    | 0.00                  | 94,022.00    | 16 |
| 17       | Other nonoperating income       | 186.00          | (1,629.00)      | (367.00)            | 38,197.00                  | 0.00            | 36,387.00                         | 0.00                | 0.00                | 0.00      | 36,387.00    | 0.00                  | 36,387.00    | 17 |
| 18       | Equity in earnings - Woodward   | 0.00            | 0.00            | 0.00                | (242,878.00)               | 0.00            | (242,878.00)                      | 0.00                | 0.00                | 0.00      | (242,878.00) | 0.00                  | (242,878.00) | 18 |
| 19       | Total other income (loss)       | 7,331.00        | 12,556.00       | 68,679.00           | (142,419.00)               | (82,113.00)     | (135,956.00)                      | 0.00                | 23,497.00           | 0.00      | (112,469.00) | 0.00                  | (112,469.00) | 19 |
| 20       | Income (loss) before int chgs   | 83,909.97       | 550,742.61      | 276,204.16          | (134,125.89)               | (82,113.00)     | 694,617.85                        | (25.00)             | 292,443.89          | 0.00      | 987,036.74   | 0.00                  | 987,036.74   | 20 |
| 21       | Interest charges                | 27,586.00       | 140,919.00      | 124,502.00          | 63,596.00                  | (82,113.00)     | 274,510.00                        | 0.00                | 153,117.00          | 0.00      | 427,627.00   | 0.00                  | 427,627.00   | 21 |
| 22       | Net income (loss)               | \$56,323.97     | \$409,803.61    | \$151,702.16        | (\$197,721.89)             | \$0.00          | \$420,107.85                      | (\$25.00)           | \$139,326.89        | 0.00      | \$559,409.74 | 0.00                  | \$559,409.74 | 22 |

ATMOS ENERGY CORPORATION  
Allocation of Division 02 - Corporate Cost  
For The Month Ended 11/30/97

ALLOCATED DOLLARS

| DEPARTMENT                     | Total O&M    | Total        | Energys      | GGC          | Trans. Ia   | UCG          | WKG          | Expaso   | Enemart   | TLIG     | UCG Energy  | UCG Storage | WKGR   |
|--------------------------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|----------|-----------|----------|-------------|-------------|--------|
| ACCOUNTING:                    | (633,490.18) | (610,617.50) | (126,838.52) | (130,034.25) | (75,761.84) | (209,648.85) | (142,003.58) | (90.41)  | (419.68)  | (90.41)  | 74,059.86   | 2,812.82    | (2.64) |
| BUSINESS DEVELOPMENT:          | 42,222.46    | 42,222.46    | 10,465.06    | 5,100.47     | 3,567.80    | 16,048.76    | 7,017.37     | -        | -         | -        | -           | -           | -      |
| CALL CENTER:                   | 16,464.11    | 16,464.11    | 6,513.20     | 3,198.98     | 2,245.70    | 4,384.39     | 18.11        | 79.03    | 18.11     | -        | -           | -           | 6.59   |
| EXECUTIVE:                     | 338,331.90   | 319,835.61   | 68,078.19    | 43,124.74    | 30,047.97   | 116,865.24   | 58,640.00    | 238.03   | 1,061.21  | 228.26   | (16,531.17) | (1,985.12)  | 68.26  |
| GAS CONTROL:                   | -            | -            | -            | -            | -           | -            | -            | -        | -         | -        | -           | -           | -      |
| GAS SUPPLY:                    | 132,004.81   | 132,004.81   | 26,039.67    | 20,227.15    | 7,786.64    | 31,599.78    | 28,323.84    | -        | 12,110.34 | 3,917.39 | -           | -           | -      |
| HUMAN RESOURCES:               | 327,988.67   | 298,926.21   | 100,222.29   | 47,887.30    | 31,794.41   | 79,663.01    | 65,456.92    | 110.90   | 490.88    | 110.90   | (25,843.35) | (3,199.41)  | 32.06  |
| INFORMATION TECHNOLOGY:        | 183,136.41   | 183,136.41   | 76,371.55    | 28,590.26    | 20,522.02   | 12,962.49    | 44,690.09    | -        | -         | -        | -           | -           | -      |
| INTERNAL AUDIT:                | 40,835.68    | 38,500.44    | 10,094.59    | 4,912.53     | 3,434.26    | 15,432.22    | 6,750.14     | 28.58    | 126.59    | 28.58    | (2,018.06)  | (287.18)    | 8.17   |
| INVESTOR RELATIONS:            | 77,799.38    | 77,799.38    | 19,231.09    | 9,359.27     | 6,542.93    | 29,439.29    | 12,860.24    | 54.46    | 241.16    | 54.46    | -           | -           | 15.56  |
| LEGAL:                         | 183,995.74   | 183,995.74   | 45,965.71    | 22,049.57    | 15,433.87   | 69,160.18    | 30,496.66    | 139.76   | 600.03    | 133.07   | -           | -           | 34.89  |
| PLANNING & BUDGETING:          | 65,159.87    | 60,991.56    | 16,274.13    | 8,919.11     | 6,240.51    | 19,131.96    | 12,245.50    | 51.45    | 226.81    | 51.45    | (3,655.69)  | (512.60)    | 15.95  |
| PRICE POLICY & ADMINISTRATION: | 62,477.99    | 62,074.01    | 19,024.09    | 17,330.44    | 7,465.91    | 5,564.85     | 12,243.10    | 23.63    | 160.07    | 28.52    | (332.69)    | (71.29)     | 17.38  |
| REGULATORY AFFAIRS:            | 23,436.23    | 23,436.23    | 3,515.44     | 5,839.06     | 2,343.62    | 9,374.49     | 2,343.62     | -        | -         | -        | -           | -           | -      |
| REMITTANCE PROCESSING:         | 15,657.26    | 15,657.26    | 6,931.82     | 2,602.24     | 1,867.91    | 4,067.76     | 18.79        | 145.61   | 3.13      | -        | -           | -           | -      |
| TECHNICAL SERVICES:            | 34,369.32    | 30,669.24    | 7,815.58     | 4,749.84     | 3,096.66    | 13,259.68    | 5,344.43     | 24.06    | 54.99     | 20.62    | (3,303.27)  | (196.61)    | 3.44   |
| TREASURY:                      | 104,374.01   | 102,563.93   | 35,347.74    | 18,208.96    | 12,300.50   | 10,801.65    | 25,526.62    | 246.30   | 1,695.79  | 237.30   | (1,587.46)  | (222.60)    | 9.15   |
| TOTAL OPERATIONS:              | 1,014,783.66 | 977,659.92   | 345,895.53   | 111,485.67   | 80,931.91   | 221,674.75   | 178,395.10   | 853.66   | 16,592.85 | 4,731.28 | 20,558.15   | (3,661.89)  | 208.81 |
| Operations w/o A&G Cap.        | 1,918,548.76 | 1,838,659.92 | 568,226.89   | 288,146.51   | 189,023.16  | 410,856.86   | 383,454.86   | 1,203.63 | 18,142.70 | 5,081.35 | 575.10      | (6,463.94)  | 308.80 |
| MAINTENANCE                    | 5,215.00     | 5,147.61     | 1,289.15     | 627.36       | 438.58      | 1,973.36     | 862.04       | 3.65     | 16.17     | 3.65     | (59.10)     | (8.29)      | 1.04   |
| DEPRECIATION                   | 288,696.17   | 252,125.42   | 71,365.68    | 34,710.15    | 24,379.55   | 109,242.63   | 47,721.48    | 202.09   | 894.96    | 202.09   | (32,073.38) | (4,497.37)  | 57.74  |
| TAXES - OTHER                  | 77,260.56    | 74,307.80    | 19,103.74    | 9,296.85     | 6,499.30    | 29,242.96    | 12,774.48    | 54.10    | 239.57    | 54.10    | (2,607.18)  | (365.58)    | 15.46  |
| TOTAL                          | 1,385,955.39 | 1,309,240.75 | 437,654.10   | 156,140.03   | 112,149.14  | 362,133.70   | 239,747.10   | 1,113.50 | 17,743.55 | 4,991.22 | (14,181.51) | (8,533.13)  | 213.05 |

ATMOS ENERGY CORPORATION  
Allocation of Division 02 - Corporate Cost  
For The Month Ended 11/30/97

ALLOCATED DOLLARS

| DEPARTMENT   | Total O&M    | Total        | Energys      | GCC          | Trans La    | UCG          | WKGR         | Fgaso    | Enemart    | TLIG     | UCG Energy  | UCG Storage | WKGR    |
|--|--------------|--------------|--------------|--------------|-------------|--------------|--------------|----------|------------|----------|-------------|-------------|---------|
| 0112900 VP & Controller                                | 45,962.74    | 45,962.74    | 18,182.85    | 8,930.56     | 6,202.32    | -            | 12,239.88    | 50.56    | 220.62     | 50.56    | -           | -           | 18.39   |
| 0113000 Assistant Controller General Acctg             | 11,306.69    | 11,306.69    | 4,472.93     | 2,196.89     | 1,542.23    | -            | 3,010.97     | 12.44    | 54.27      | 12.44    | -           | -           | 4.52    |
| 0113100 General Accounting                             | 31,848.06    | 31,848.06    | 12,599.09    | 6,181.08     | 4,344.08    | -            | 8,481.14     | 35.03    | 152.87     | 35.03    | -           | -           | 12.74   |
| 0113200 Payroll Accounting                             | 26,840.64    | 26,840.64    | 10,618.16    | 5,215.14     | 3,661.06    | -            | 7,147.66     | 29.52    | 128.84     | 29.52    | -           | -           | 10.74   |
| 0113300 Accounts Payable                               | 21,493.44    | 21,493.44    | 9,294.00     | 4,564.78     | 3,204.51    | -            | 6,256.30     | 25.84    | 112.77     | 25.84    | -           | -           | 9.40    |
| 0113400 Accounting Systems                             | 8,217.47     | 8,217.47     | 3,208.84     | 1,596.63     | 1,120.86    | -            | 2,188.31     | 9.04     | 39.44      | 9.04     | -           | -           | 3.29    |
| 0113500 Assistant Controller, Utility Acctg            | 3,115.78     | 3,115.78     | 1,232.59     | 605.40       | 424.99      | -            | 829.73       | 3.43     | 14.96      | 3.43     | -           | -           | 1.25    |
| 0113600 Plant Accounting                               | 25,801.80    | 25,801.80    | 10,207.19    | 5,013.29     | 3,519.37    | -            | 6,871.02     | 28.38    | 123.85     | 28.38    | -           | -           | 10.32   |
| 0113700 Gas Accounting                                 | 44,844.39    | 44,844.39    | 17,740.45    | 8,713.26     | 6,116.77    | -            | 11,942.06    | 49.33    | 215.25     | 49.33    | -           | -           | 17.84   |
| 0113800 Customer Billing                               | 6,581.06     | 6,581.06     | 2,603.46     | 1,278.70     | 897.66      | -            | 1,752.54     | 7.24     | 31.59      | 7.24     | -           | -           | 2.63    |
| 0113900 Financial Reporting                            | 14,271.11    | 14,271.11    | 5,645.64     | 2,772.88     | 1,946.53    | -            | 3,800.40     | 15.70    | 68.50      | 15.70    | -           | -           | 5.71    |
| 0114600 Dallas Taxation                                | 28,099.32    | 28,099.32    | 11,116.08    | 5,459.70     | 3,832.75    | -            | 7,482.85     | 30.91    | 134.88     | 30.91    | -           | -           | 11.24   |
| 0118300 Dallas Stores                                  | -            | -            | -            | -            | -           | -            | -            | -        | -          | -        | -           | -           | -       |
| 0119200 Controller Miscellaneous                       | (54,087.58)  | (54,087.58)  | (13,370.44)  | (6,506.74)   | (4,548.77)  | (20,466.74)  | (9,940.68)   | (37.86)  | (167.67)   | (37.86)  | 76.81       | 10.77       | (10.82) |
| 0119700 Management Fee - UCGE                          | 54,000.00    | 54,000.00    | -            | -            | -           | -            | -            | -        | -          | -        | 54,000.00   | -           | -       |
| 0119800 I/C Billing & Other                            | (499,932.71) | (477,167.61) | (133,588.31) | (60,141.31)  | (42,046.02) | (189,182.11) | (82,642.18)  | (316.97) | (1,548.85) | (349.97) | 19,992.05   | 2,802.05    | (99.99) |
| 0119800 Overhead Capitalized-Division 02               | (403,832.39) | (403,832.39) | (98,243.05)  | (116,518.53) | (66,047.23) | -            | (122,423.58) | -        | -          | -        | -           | -           | -       |
| 0119800 Overhead Capitalized-Op Company                | (633,490.18) | (610,617.50) | (128,338.52) | (130,634.25) | (73,761.84) | (209,648.85) | (142,003.58) | (90.41)  | (419.64)   | (90.41)  | 74,059.66   | 2,812.82    | (6.64)  |
| ACCOUNTING:  |              |              |              |              |             |              |              |          |            |          |             |             |         |
| 0056000 Business Development                           | 42,222.46    | 42,222.46    | 10,488.06    | 5,100.47     | 3,567.80    | 16,048.76    | 7,017.37     | -        | -          | -        | -           | -           | -       |
| BUSINESS DEVELOPMENT:                                  | 42,222.46    | 42,222.46    | 10,488.06    | 5,100.47     | 3,567.80    | 16,048.76    | 7,017.37     | -        | -          | -        | -           | -           | -       |
| 0120100 Amarillo Call Center                           | 16,464.11    | 16,464.11    | 6,513.20     | 3,198.98     | 2,245.70    | -            | 4,384.39     | 18.11    | 79.03      | 18.11    | -           | -           | 6.59    |
| CALL CENTER:   | 16,464.11    | 16,464.11    | 6,513.20     | 3,198.98     | 2,245.70    | -            | 4,384.39     | 18.11    | 79.03      | 18.11    | -           | -           | 6.59    |
| 0050500 Chairman, President & CEO                      | 128,936.65   | 121,117.72   | 31,871.13    | 15,511.08    | 10,843.57   | 48,789.63    | 21,313.23    | 90.26    | 398.70     | 90.26    | (6,657.38)  | (961.55)    | 25.79   |
| 0052100 Dallas Operations                              | 48,861.73    | 45,749.82    | 12,454.84    | 6,273.85     | 4,270.52    | 17,678.17    | 8,023.10     | 24.43    | 117.27     | 14.66    | (3,021.18)  | (90.73)     | 4.89    |
| 0052400 Public Affairs                                 | 27,367.88    | 27,367.88    | 10,826.73    | 5,317.58     | 3,732.98    | -            | 7,288.07     | 30.10    | 131.37     | 30.10    | -           | -           | 10.95   |
| 0052500 Utility Services                               | 23,966.52    | 21,620.82    | 5,677.32     | 2,762.87     | 1,931.48    | 8,690.33     | 3,796.37     | 16.08    | 71.20      | 16.08    | (1,180.12)  | (165.46)    | 4.59    |
| 0054500 Business Strategies & Competitive Intelligence | 10.50        | 10.50        | 2.60         | 1.26         | 0.88        | -            | 3.97         | 0.01     | 0.03       | 0.01     | -           | -           | -       |
| 0054700 Chief Financial Officer                        | 64,372.58    | 62,177.57    | 16,407.32    | 7,984.62     | 5,811.93    | 25,115.38    | 10,971.39    | 46.46    | 203.75     | 46.46    | (3,678.12)  | (515.89)    | 13.27   |
| 0117700 Corporate Communications                       | 43,836.04    | 41,791.20    | 10,836.25    | 5,272.48     | 3,686.61    | 16,597.56    | 7,246.10     | 30.69    | 135.89     | 30.69    | (1,793.37)  | (251.47)    | 8.77    |
| EXECUTIVE:   | 338,351.90   | 319,835.61   | 86,076.19    | 43,124.74    | 30,047.97   | 116,865.24   | 58,640.00    | 238.03   | 1,061.21   | 238.26   | (16,531.17) | (1,985.12)  | 68.26   |
| 0056300 Corporate Gas Control                          | -            | -            | -            | -            | -           | -            | -            | -        | -          | -        | -           | -           | -       |
| GAS CONTROL:   | -            | -            | -            | -            | -           | -            | -            | -        | -          | -        | -           | -           | -       |
| 0051500 Interstate Gas Supply                          | 53,637.05    | 53,637.05    | 9,656.27     | 10,731.41    | 2,692.85    | 14,467.40    | 16,097.12    | -        | -          | -        | -           | -           | -       |
| 0051600 Intrastate Gas Supply                          | 54,619.63    | 54,619.63    | 10,923.93    | 5,461.96     | 2,706.98    | 13,634.91    | 8,192.94     | -        | 10,923.93  | 2,706.98 | -           | -           | -       |
| 0051900 Gas Supply                                     | 23,728.13    | 23,728.13    | 5,457.47     | 4,033.78     | 2,372.81    | 5,457.47     | 4,033.78     | -        | 1,186.41   | 1,186.41 | -           | -           | -       |
| GAS SUPPLY:  | 132,004.81   | 132,004.81   | 26,038.67    | 20,227.15    | 7,766.64    | 33,599.78    | 28,221.84    | -        | 12,110.34  | 3,817.39 | -           | -           | -       |

ATMOS ENERGY CORPORATION  
Allocation of Divisive 02 - Corporate Cost  
For The Month Ended 11/30/97

ALLOCATED DOLLARS

| DEPARTMENT                                   | Total O&M  | Total       | Energy     | GGC       | Trans La  | UCG | WKG       | Frasco | Emermet | TLIG   | UCG Energy  | UCG Storage | WKGR  |
|--|------------|-------------|------------|-----------|-----------|-----|-----------|--------|---------|--------|-------------|-------------|-------|
| 0056100 Professional Development             | 3,609.28   | 3,609.28    | 1,475.83   | 604.43    | 493.03    | -   | 945.99    | -      | -       | -      | -           | -           | -     |
| 0117100 Corporate Services                   | 4,281.47   | 4,281.47    | 1,093.75   | 931.89    | 583.99    | -   | 1,401.16  | 4.71   | 20.55   | 4.71   | -           | -           | 1.71  |
| 0117200 Compensation & Employment            | 36,616.13  | 36,616.13   | 14,972.34  | 7,641.91  | 1,738.38  | -   | 9,597.09  | -      | -       | -      | -           | -           | -     |
| 0117300 Human Resources - Vp                 | 19,444.99  | 19,444.99   | 5,205.43   | 2,448.12  | 1,738.38  | -   | 6,718.24  | -      | -       | -      | -           | -           | -     |
| 0117400 Employee & Labor Relations           | 10,895.63  | 9,975.24    | 2,916.76   | 1,371.76  | 974.07    | -   | 3,764.44  | -      | -       | -      | -           | -           | -     |
| 0117500 Employee Benefits                    | 67,306.28  | 67,306.28   | 27,533.80  | 12,955.50 | 9,186.14  | -   | 18,688.60 | -      | -       | -      | (926.39)    | -           | -     |
| 0117800 Employee Communications              | 2,980.42   | 1,848.95    | 797.86     | 375.23    | 266.45    | -   | 17,648.84 | -      | -       | -      | -           | -           | -     |
| 0117900 Facilities                           | 7,429.99   | 6,453.21    | 1,959.01   | 935.44    | 664.24    | -   | 1,274.24  | -      | -       | -      | (1,131.47)  | -           | -     |
| 0118100 Employee Development                 | 21,659.41  | 23,659.41   | 6,333.62   | 2,976.72  | 2,115.15  | -   | 4,057.59  | -      | -       | -      | (976.78)    | -           | -     |
| 0118909 Fleet Administration                 | 541.20     | 541.20      | 133.78     | 65.11     | 45.51     | -   | 204.79    | -      | -       | -      | -           | -           | -     |
| 0119210 Performance Plan                     | 123,876.96 | 116,607.00  | 30,622.39  | 14,902.40 | 10,418.65 | -   | 46,875.04 | 6.71   | 1.68    | 6.38   | -           | -           | 0.11  |
| 0119300 Outside Directors Retirement Cost    | 24,421.40  | 23,000.00   | 6,936.93   | 2,937.89  | 2,053.84  | -   | 4,036.86  | 17.09  | 384.02  | 86.71  | (6,323.30)  | (886.66)    | 24.78 |
| 0119400 Treasury - Worker's Comp             | 0.02       | 0.02        | 0.01       | 0.01      | 0.01      | -   | -         | -      | -       | -      | -           | -           | -     |
| 0119500 Human Resources - Benefits           | (0.60)     | (0.60)      | (0.21)     | (0.12)    | (0.08)    | -   | 0.01      | -      | -       | -      | -           | -           | -     |
| 0119600 Retirement Costs                     | 2,876.09   | (14,566.37) | 710.97     | 345.99    | 241.88    | -   | 475.42    | 2.01   | 8.92    | 2.01   | (13,244.81) | (2,137.65)  | 0.58  |
| HUMAN RESOURCES:                             | 327,968.67 | 298,826.21  | 106,422.29 | 47,887.30 | 33,794.41 | -   | 65,456.92 | 110.90 | 490.88  | 110.90 | (25,843.35) | (3,199.11)  | 32.06 |
| 0115000 Information Services                 | 17,661.21  | 17,661.21   | 5,291.29   | 1,981.59  | 1,421.73  | -   | 3,097.78  | -      | -       | -      | -           | -           | -     |
| 0115100 Production Services                  | 67,848.43  | 67,848.43   | 30,450.37  | 11,598.54 | 8,182.52  | -   | 17,811.00 | -      | -       | -      | -           | -           | -     |
| 0115300 Information Systems                  | 57,517.07  | 57,517.07   | 25,811.66  | 9,662.87  | 6,976.56  | -   | 15,105.98 | -      | -       | -      | -           | -           | -     |
| 0115400 Information Support                  | 18,762.51  | 18,762.51   | 8,426.61   | 3,152.10  | 2,262.76  | -   | 4,937.04  | -      | -       | -      | -           | -           | -     |
| 0115500 Office Equipment                     | 4,334.11   | 4,334.11    | 1,358.42   | 508.73    | 365.00    | -   | 1,506.66  | -      | -       | -      | -           | -           | -     |
| 0115600 Telecommunication Services           | 16,813.08  | 16,813.08   | 5,072.20   | 1,886.43  | 1,353.45  | -   | 2,849.01  | -      | -       | -      | -           | -           | -     |
| INFORMATION TECHNOLOGY:                      | 183,136.41 | 183,136.41  | 76,371.55  | 28,598.26 | 20,522.02 | -   | 44,698.09 | -      | -       | -      | -           | -           | -     |
| 0116400 Internal Audit                       | 40,835.68  | 38,500.44   | 10,094.59  | 4,912.53  | 3,434.28  | -   | 6,750.14  | 28.58  | 126.59  | 28.58  | (2,048.86)  | (287.18)    | 8.17  |
| INTERNAL AUDIT:                              | 40,835.68  | 38,500.44   | 10,094.59  | 4,912.53  | 3,434.28  | -   | 6,750.14  | 28.58  | 126.59  | 28.58  | (2,048.86)  | (287.18)    | 8.17  |
| 0054900 Investor Relations                   | 77,799.38  | 77,799.38   | 19,211.99  | 9,359.27  | 6,542.93  | -   | 12,660.24 | 54.46  | 241.18  | 54.46  | -           | -           | 15.56 |
| INVESTOR RELATIONS:                          | 77,799.38  | 77,799.38   | 19,211.99  | 9,359.27  | 6,542.93  | -   | 12,660.24 | 54.46  | 241.18  | 54.46  | -           | -           | 15.56 |
| 0052000 Legal                                | 113,901.10 | 113,901.10  | 28,156.36  | 17,702.30 | 9,579.08  | -   | 18,837.85 | 79.73  | 353.09  | 79.73  | -           | -           | 22.78 |
| 0052099 Contract Administration              | 8,293.14   | 8,293.14    | 2,650.06   | 997.66    | 697.45    | -   | 3,138.12  | 5.81   | 25.71   | 5.81   | -           | -           | 1.66  |
| 0052200 Governmental Affairs                 | 52,238.51  | 52,238.51   | 12,913.35  | 6,344.29  | 4,393.26  | -   | 19,767.05 | 36.57  | 161.94  | 36.57  | -           | -           | 16.45 |
| 0057900 Corporate Secretary                  | 9,562.99   | 9,562.99    | 2,845.94   | 1,065.32  | 764.08    | -   | 1,664.92  | 7.65   | 59.29   | 7.65   | -           | -           | -     |
| 0118200 Central Records                      | 183,995.74 | 183,995.74  | 43,865.71  | 22,619.57 | 15,933.87 | -   | 30,498.66 | 129.76 | 600.03  | 123.07 | -           | -           | 34.89 |
| LEGAL:                                       | 183,995.74 | 183,995.74  | 43,865.71  | 22,619.57 | 15,933.87 | -   | 30,498.66 | 129.76 | 600.03  | 123.07 | -           | -           | 34.89 |
| 0054400 Financial & Strategic Planning       | 35,440.20  | 32,463.11   | 8,763.03   | 4,264.54  | 2,991.29  | -   | 5,899.75  | 24.81  | 109.89  | 24.81  | (2,618.87)  | (367.22)    | 7.09  |
| 0054600 New Business Ventures                | 15,110.93  | 13,928.73   | 3,735.42   | 1,817.84  | 1,270.83  | -   | 2,497.84  | 10.58  | 46.84   | 10.58  | (1,096.82)  | (145.38)    | 3.02  |
| 0114300 Budget & Planning                    | 14,599.74  | 14,599.74   | 5,775.66   | 2,836.73  | 1,991.40  | -   | 3,882.91  | 16.06  | 70.08   | 16.06  | -           | -           | 5.84  |
| PLANNING & BUDGETING:                        | 65,159.87  | 60,991.58   | 18,274.13  | 8,919.11  | 6,243.51  | -   | 12,345.50 | 51.45  | 226.81  | 51.45  | (3,655.69)  | (512.60)    | 15.95 |
| 0054000 Price Policy & Administration - V.P. | 13,605.99  | 13,202.00   | 2,821.89   | 2,375.60  | 1,049.02  | -   | 1,753.17  | 4.08   | 28.57   | 4.08   | (332.69)    | (71.29)     | 2.72  |
| 0054100 Price Policy & Administration        | 48,872.01  | 48,872.01   | 16,802.20  | 14,954.84 | 6,018.89  | -   | 10,877.93 | 19.55  | 151.50  | 19.55  | -           | -           | 14.66 |
| PRICE POLICY & ADMINISTRATION:               | 62,477.99  | 62,074.01   | 19,624.09  | 17,330.44 | 7,463.91  | -   | 12,233.10 | 21.63  | 180.07  | 21.63  | (332.69)    | (71.29)     | 17.38 |

ATMOS ENERGY CORPORATION  
Allocation of Division 02 - Corporate Cost  
For The Month Ended 11/30/97

ALLOCATED DOLLARS

| DEPARTMENT                     | Total O&M    | Total        | Enersgas   | GGC        | Trans La   | UCG        | WKKG       | Egaso    | Enertart  | TIIG     | UCG Energy  | UCG Storage | WKGR   |
|--------------------------------|--------------|--------------|------------|------------|------------|------------|------------|----------|-----------|----------|-------------|-------------|--------|
| 0054100 Regulatory Affairs     | 21,436.23    | 21,436.23    | 3,515.44   | 5,839.06   | 2,343.62   | 9,374.49   | 2,343.62   |          |           |          |             |             |        |
| REGULATORY AFFAIRS:            | 21,436.23    | 21,436.23    | 3,515.44   | 5,839.06   | 2,343.62   | 9,374.49   | 2,343.62   |          |           |          |             |             |        |
| 0118000 Remittance Processing  | 15,657.26    | 15,657.26    | 6,951.82   | 2,602.24   | 1,867.91   |            | 4,067.76   | 18.79    | 145.61    | 3.13     |             |             |        |
| REMITTANCE PROCESSING:         | 15,657.26    | 15,657.26    | 6,951.82   | 2,602.24   | 1,867.91   |            | 4,067.76   | 18.79    | 145.61    | 3.13     |             |             |        |
| 0056200 Technical Services     | 34,309.32    | 30,669.24    | 7,815.59   | 4,749.54   | 3,096.68   | 13,259.68  | 5,344.43   | 24.06    | 54.99     | 20.62    | (3,303.27)  | (196.81)    | 3.44   |
| TECHNICAL SERVICES:            | 34,309.32    | 30,669.24    | 7,815.59   | 4,749.54   | 3,096.68   | 13,259.68  | 5,344.43   | 24.06    | 54.99     | 20.62    | (3,303.27)  | (196.81)    | 3.44   |
| 0114500 Dallas Treasury        | 22,500.42    | 22,500.42    | 8,806.67   | 3,705.82   | 2,013.79   |            | 5,985.11   | 216.00   | 1,566.03  | 207.00   |             |             |        |
| 0114700 Dallas Risk Management | 2,455.40     | 1,879.33     | 606.98     | 295.38     | 206.50     | 929.12     | 405.88     | 1.72     | 7.61      | 1.72     | (505.23)    | (70.84)     | 0.49   |
| 0114800 Dallas Treasurer       | 26,090.19    | 24,856.18    | 6,449.50   | 3,138.65   | 2,181.18   | 9,872.53   | 4,312.71   | 18.26    | 80.88     | 18.26    | (1,082.25)  | (151.76)    | 5.22   |
| 0115200 Mass Mail              |              |              |            |            |            |            |            |          |           |          |             |             |        |
| 0117600 Purchasing             | 15,786.85    | 15,786.85    | 5,028.11   | 3,550.46   | 2,546.42   |            | 4,661.86   |          |           |          |             |             |        |
| 0118500 Mail & Supply          | 20,347.21    | 20,347.21    | 8,319.98   | 3,911.80   | 2,779.43   |            | 5,333.00   |          |           |          |             |             |        |
| 0118600 Purchasing & Stores    | 17,193.94    | 17,193.94    | 6,136.50   | 3,603.55   | 2,560.18   |            | 4,628.06   | 16.32    | 41.27     | 10.32    |             |             | 3.44   |
| 0118700 Treasury               | 104,374.01   | 102,563.93   | 35,347.74  | 18,208.96  | 12,306.50  | 10,801.65  | 25,536.62  | 246.30   | 1,695.79  | 237.30   | (1,387.48)  | (222.60)    | 9.15   |
| TOTAL OPERATIONS:              | 1,014,763.66 | 977,659.92   | 345,955.53 | 111,485.67 | 80,931.91  | 221,674.75 | 176,399.10 | 853.66   | 16,392.85 | 4,731.38 | 20,558.15   | (3,661.89)  | 208.81 |
| Operations w/o A&G Cap.        | 1,918,548.76 | 1,838,659.92 | 568,226.89 | 281,448.51 | 189,025.16 | 410,856.66 | 381,454.86 | 1,203.63 | 18,142.70 | 5,081.35 | 575.10      | (6,463.94)  | 308.40 |
| MAINTENANCE                    | 5,215.00     | 5,147.61     | 1,389.15   | 627.36     | 438.58     | 1,973.36   | 862.04     | 3.65     | 16.17     | 3.65     | (59.10)     | (8.29)      | 1.04   |
| DEPRECIATION                   | 288,696.17   | 252,123.42   | 71,365.68  | 34,730.15  | 24,379.35  | 109,242.63 | 47,721.48  | 202.09   | 894.96    | 202.09   | (32,073.38) | (4,497.37)  | 57.74  |
| TAXES - OTHER                  | 77,280.56    | 74,307.50    | 19,103.74  | 9,296.65   | 6,099.30   | 29,242.96  | 12,774.48  | 54.10    | 239.57    | 54.10    | (2,607.18)  | (365.58)    | 15.46  |
| TOTAL                          | 1,385,955.39 | 1,309,240.75 | 437,654.10 | 156,116.03 | 112,149.14 | 362,133.70 | 239,747.10 | 1,113.50 | 17,743.55 | 4,991.22 | (14,181.51) | (8,533.13)  | 281.05 |

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE MONTH ENDED 11/30/97

| Line No. | Description (a)                       | 1997            |                 |                |                 |                 | Line No.        |
|----------|---------------------------------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|
|          |                                       | Energas (b)     | GCC (c)         | Trans La (d)   | UCG (e)         | WKG (f)         |                 |
| 1        | Operating revenues                    |                 |                 |                |                 |                 | 1               |
| 2        | Gas                                   | \$24,889,294.19 | \$11,227,726.42 | \$5,257,077.81 | \$41,292,500.00 | \$16,598,107.62 | \$99,264,706.04 |
| 3        | Transportation                        | 87,907.78       | 140,310.43      | 10,798.55      | 1,484,148.00    | 806,410.15      | 2,529,574.91    |
| 3        | Other                                 | 0.00            | 0.00            | 0.00           | 0.00            | 0.00            | 0.00            |
| 4        | Total operating revenues              | 24,977,201.97   | 11,368,036.85   | 5,267,876.36   | 42,776,648.00   | 17,404,517.77   | 101,794,280.95  |
| 5        | Purchased gas cost                    | 17,045,277.06   | 7,004,744.64    | 2,855,600.21   | 28,877,396.00   | 13,794,318.01   | 69,577,335.92   |
| 6        | Gross profit                          | 7,931,924.91    | 4,363,292.21    | 2,412,276.15   | 13,899,252.00   | 3,610,199.76    | 32,216,945.03   |
| 7        | Operating expenses                    |                 |                 |                |                 |                 |                 |
| 8        | Operation                             | 1,944,538.51    | 1,097,638.31    | 602,463.92     | 3,971,834.00    | 1,192,449.60    | 8,808,924.34    |
| 8        | Maintenance                           | 90,111.58       | 42,963.92       | 42,551.49      | 391,992.00      | 70,579.07       | 638,198.06      |
| 9        | Depreciation and amortization         | 594,405.40      | 412,978.80      | 306,333.56     | 1,532,201.00    | 545,306.71      | 3,391,225.47    |
| 10       | Taxes - other than income taxes       | 935,546.08      | 212,821.89      | 189,837.09     | 1,035,649.00    | 158,401.55      | 2,532,255.61    |
| 11       | Shared services - direct              | 343,124.76      | 129,963.56      | 117,465.17     | 0.00            | 188,481.83      | 779,035.32      |
| 12       | Shared services - billed              | 456,511.15      | 156,140.03      | 117,140.36     | 362,133.70      | 240,030.15      | 1,331,955.39    |
| 13       | Provision for income taxes            | 1,043,060.40    | 743,520.66      | 296,141.65     | 2,166,234.76    | 389,783.53      | 4,638,741.00    |
| 14       | Total operating expenses              | 5,407,297.88    | 2,796,027.17    | 1,671,933.24   | 9,460,044.46    | 2,785,032.44    | 22,120,335.19   |
| 15       | Operating income (loss)               | 2,524,627.03    | 1,567,265.04    | 740,342.91     | 4,439,207.54    | 825,167.32      | 10,096,609.84   |
| 16       | Other income                          |                 |                 |                |                 |                 |                 |
| 16       | Merchandise                           | 10,820.37       | (3.50)          | 2,941.00       | (15,568.00)     | 11,055.89       | 9,245.76        |
| 17       | Interest income                       | 13,931.93       | 0.00            | 259.38         | 122,765.00      | 1,800.76        | 138,757.07      |
| 18       | Other nonoperating income             | (31,072.64)     | 23,477.55       | (10,773.00)    | (4,934.00)      | (3,541.77)      | (26,843.86)     |
| 19       | Total other income (loss)             | (6,320.34)      | 23,474.05       | (7,572.62)     | 102,263.00      | 9,314.88        | 121,158.97      |
| 20       | Income (loss) before interest charges | 2,518,306.69    | 1,590,739.09    | 732,770.29     | 4,541,470.54    | 834,482.20      | 10,217,768.81   |
| 21       | Interest charges                      | 507,722.70      | 299,189.71      | 258,357.32     | 1,179,577.00    | 398,092.42      | 2,642,939.15    |
| 22       | Net income (loss)                     | \$2,010,583.99  | \$1,291,549.38  | \$474,412.97   | \$3,361,893.54  | \$436,389.78    | \$7,574,829.66  |

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE TWO MONTHS ENDED 11/30/97

1997

| Line No. | Description (a)                       | Utility Business Units |                 |                |                 | WKG (f)         | Total Utility Business Units (g) | Line No. |
|----------|---------------------------------------|------------------------|-----------------|----------------|-----------------|-----------------|----------------------------------|----------|
|          |                                       | Emergas (b)            | GCC (c)         | Trans-La (d)   | UCCG (e)        |                 |                                  |          |
| 1        | Operating revenues                    |                        |                 |                |                 |                 |                                  |          |
| 2        | Gas                                   | \$38,233,518.43        | \$16,618,273.67 | \$8,902,624.67 | \$57,873,098.00 | \$24,676,833.68 | \$146,304,348.45                 | 1        |
| 3        | Transportation                        | 155,570.05             | 252,337.52      | 21,834.61      | 2,582,397.00    | 1,422,154.46    | 4,434,293.64                     | 2        |
| 3        | Other                                 | 0.00                   | 0.00            | 0.00           | 0.00            | 0.00            | 0.00                             | 3        |
| 4        | Total operating revenues              | 38,389,088.48          | 16,870,611.19   | 8,924,459.28   | 60,455,495.00   | 26,098,988.14   | 150,738,642.09                   | 4        |
| 5        | Purchased gas cost                    | 26,617,095.09          | 10,346,391.21   | 4,695,168.84   | 39,878,605.00   | 18,966,535.75   | 100,503,795.89                   | 5        |
| 6        | Gross profit                          | 11,771,993.39          | 6,524,219.98    | 4,229,290.44   | 20,576,890.00   | 7,132,452.39    | 50,234,846.20                    | 6        |
| 7        | Operating expenses                    |                        |                 |                |                 |                 |                                  |          |
| 8        | Operation                             | 3,780,399.39           | 2,096,523.14    | 1,152,423.99   | 7,925,194.00    | 2,299,325.51    | 17,253,866.03                    | 7        |
| 8        | Maintenance                           | 218,914.78             | 87,926.10       | 78,979.43      | 1,019,047.00    | 152,442.16      | 1,557,309.47                     | 8        |
| 9        | Depreciation and amortization         | 1,143,330.46           | 825,955.30      | 612,727.30     | 3,063,902.00    | 1,090,613.42    | 6,736,528.48                     | 9        |
| 10       | Taxes - other than income taxes       | 1,594,874.01           | 420,404.45      | 380,013.72     | 2,088,965.00    | 321,279.69      | 4,805,536.87                     | 10       |
| 11       | Shared services - direct              | 635,473.61             | 246,357.56      | 251,370.84     | 0.00            | 479,768.37      | 1,612,970.38                     | 11       |
| 12       | Shared services - billed              | 1,117,508.46           | 394,786.82      | 289,041.70     | 1,014,458.97    | 627,525.49      | 3,443,321.44                     | 12       |
| 13       | Provision for income taxes            | 705,996.69             | 655,299.99      | 322,853.35     | 1,310,681.15    | 532,849.97      | 3,527,681.15                     | 13       |
| 14       | Total operating expenses              | 9,196,497.40           | 4,727,253.36    | 3,087,410.33   | 16,422,248.12   | 5,503,804.61    | 38,937,213.82                    | 14       |
| 15       | Operating income (loss)               | 2,575,495.99           | 1,796,966.62    | 1,141,880.11   | 4,154,641.88    | 1,628,647.78    | 11,297,632.38                    | 15       |
| 16       | Other income                          |                        |                 |                |                 |                 |                                  |          |
| 16       | Merchandise                           | 5,364.14               | (1,105.58)      | 7,399.58       | (31,870.00)     | 70,492.19       | 50,280.33                        | 16       |
| 17       | Interest income                       | 30,141.72              | 201.97          | 588.97         | 235,350.00      | 3,958.96        | 270,241.62                       | 17       |
| 18       | Other nonoperating income             | (72,648.41)            | 38,182.37       | (21,438.98)    | (3,961.00)      | (10,750.95)     | (70,616.97)                      | 18       |
| 19       | Total other income (loss)             | (37,142.55)            | 37,278.76       | (13,450.43)    | 199,519.00      | 63,700.20       | 249,904.98                       | 19       |
| 20       | Income (loss) before interest charges | 2,538,353.44           | 1,834,245.38    | 1,128,429.68   | 4,354,160.88    | 1,692,347.98    | 11,547,537.36                    | 20       |
| 21       | Interest charges                      | 1,220,214.37           | 734,890.08      | 619,546.34     | 2,200,984.00    | 944,670.71      | 5,720,305.50                     | 21       |
| 22       | Net income (loss)                     | \$1,318,139.07         | \$1,099,355.30  | \$508,883.34   | \$2,153,176.88  | \$747,677.27    | \$5,827,231.86                   | 22       |



WESTERN KENTUCKY GAS BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE MONTH ENDED 11/30/97

1997

| Line No. | Description (a)                    | Eliminations and Adjustments (d) |                 |   |                 | Line No. |
|----------|------------------------------------|----------------------------------|-----------------|---|-----------------|----------|
|          |                                    | WKGR (c)                         | WKG (b)         | Western Kentucky Gas Business Units (e) |                 |          |
| 1        | Operating revenues                 |                                  |                 |   |                 |          |
| 2        | Gas                                | \$0.00                           | \$16,598,107.62 | \$0.00                                  | \$16,598,107.62 |          |
| 3        | Transportation                     | 0.00                             | 806,410.15      | 0.00                                    | 806,410.15      |          |
| 3        | Other                              | 0.00                             | 0.00            | 0.00                                    | 0.00            |          |
| 4        | Total operating revenues           | 0.00                             | 17,404,517.77   | 0.00                                    | 17,404,517.77   |          |
| 5        | Purchased gas cost                 | 0.00                             | 13,794,318.01   | 0.00                                    | 13,794,318.01   |          |
| 6        | Gross profit                       | 0.00                             | 3,610,199.76    | 0.00                                    | 3,610,199.76    |          |
| 7        | Operating expenses                 |                                  |                 |   |                 |          |
| 8        | Operation                          | 0.00                             | 1,192,449.60    | 0.00                                    | 1,192,449.60    |          |
| 8        | Maintenance                        | 0.00                             | 70,579.07       | 0.00                                    | 70,579.07       |          |
| 9        | Depreciation and amortization      | 0.00                             | 545,306.71      | 0.00                                    | 545,306.71      |          |
| 10       | Taxes - other than income taxes    | 0.00                             | 158,401.55      | 0.00                                    | 158,401.55      |          |
| 11       | Shared services - direct           | 0.00                             | 188,481.83      | 0.00                                    | 188,481.83      |          |
| 12       | Shared services - billed           | 0.00                             | 239,747.10      | 283.05                                  | 240,030.15      |          |
| 13       | Provision for income taxes         | 0.00                             | 389,783.53      | 0.00                                    | 389,783.53      |          |
| 14       | Total operating expenses           | 0.00                             | 2,784,749.39    | 283.05                                  | 2,785,032.44    |          |
| 15       | Operating income (loss)            | 0.00                             | 825,450.37      | (283.05)                                | 825,167.32      |          |
| 16       | Other income                       |                                  |                 |   |                 |          |
| 16       | Merchandise                        | 0.00                             | 11,055.89       | 0.00                                    | 11,055.89       |          |
| 17       | Interest income                    | 0.00                             | 1,800.76        | 0.00                                    | 1,800.76        |          |
| 18       | Shared services - billed           | (283.05)                         | 0.00            | 283.05                                  | 0.00            |          |
| 19       | Other nonoperating income          | 703.94                           | (4,245.71)      | 0.00                                    | (3,541.77)      |          |
| 20       | Total other income (loss)          | 420.89                           | 8,610.94        | 283.05                                  | 9,314.88        |          |
| 21       | Income (loss) before interest chgs | 420.89                           | 834,061.31      | 0.00                                    | 834,482.20      |          |
| 22       | Interest charges                   | 0.00                             | 398,092.42      | 0.00                                    | 398,092.42      |          |
| 23       | Net income (loss)                  | \$420.89                         | \$435,968.89    | \$0.00                                  | \$436,389.78    |          |

WESTERN KENTUCKY GAS BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE TWO MONTHS ENDED 11/30/97

| Line No. | Description (a)                    | 1997            |          |                                  | Line No.        |
|----------|------------------------------------|-----------------|----------|----------------------------------|-----------------|
|          |                                    | WKG (b)         | WKGR (c) | Eliminations and Adjustments (d) |                 |
| 1        | Operating revenues                 |                 |          |                                  | 1               |
| 2        | Gas                                | \$24,676,833.68 | \$0.00   | \$0.00                           | \$24,676,833.68 |
| 3        | Transportation                     | 1,422,154.46    | 0.00     | 0.00                             | 1,422,154.46    |
| 3        | Other                              | 0.00            | 0.00     | 0.00                             | 0.00            |
| 4        | Total operating revenues           | 26,098,988.14   | 0.00     | 0.00                             | 26,098,988.14   |
| 5        | Purchased gas cost                 | 18,966,535.75   | 0.00     | 0.00                             | 18,966,535.75   |
| 6        | Gross profit                       | 7,132,452.39    | 0.00     | 0.00                             | 7,132,452.39    |
| 7        | Operating expenses                 |                 |          |                                  |                 |
| 7        | Operation                          | 2,299,325.51    | 0.00     | 0.00                             | 2,299,325.51    |
| 8        | Maintenance                        | 152,442.16      | 0.00     | 0.00                             | 152,442.16      |
| 9        | Depreciation and amortization      | 1,090,613.42    | 0.00     | 0.00                             | 1,090,613.42    |
| 10       | Taxes - other than income taxes    | 321,279.69      | 0.00     | 0.00                             | 321,279.69      |
| 11       | Shared services - direct           | 479,768.37      | 0.00     | 0.00                             | 479,768.37      |
| 12       | Shared services - billed           | 626,804.75      | 0.00     | 720.74                           | 627,525.49      |
| 13       | Provision for income taxes         | 532,849.97      | 0.00     | 0.00                             | 532,849.97      |
| 14       | Total operating expenses           | 5,503,083.87    | 0.00     | 720.74                           | 5,503,804.61    |
| 15       | Operating income (loss)            | 1,629,368.52    | 0.00     | (720.74)                         | 1,628,647.78    |
| 16       | Other income                       |                 |          |                                  |                 |
| 16       | Merchandise                        | 70,492.19       | 0.00     | 0.00                             | 70,492.19       |
| 17       | Interest income                    | 3,958.96        | 0.00     | 0.00                             | 3,958.96        |
| 18       | Shared services - billed           | 0.00            | (720.74) | 720.74                           | 0.00            |
| 19       | Other nonoperating income          | (11,501.17)     | 750.22   | 0.00                             | (10,750.95)     |
| 20       | Total other income (loss)          | 62,949.98       | 29.48    | 720.74                           | 63,700.20       |
| 21       | Income (loss) before interest chgs | 1,692,318.50    | 29.48    | 0.00                             | 1,692,347.98    |
| 22       | Interest charges                   | 944,670.71      | 0.00     | 0.00                             | 944,670.71      |
| 23       | Net income (loss)                  | \$747,647.79    | \$29.48  | \$0.00                           | \$747,677.27    |

WESTERN KENTUCKY GAS COMPANY  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 11/30/97

| Line No. | Description (a)                      | Current Month   |              |                                | Year to Date          |                                |                 | Actual Over (Under) Prior Year (k) | Line No.        |                                |                       |
|----------|--------------------------------------|-----------------|--------------|--------------------------------|-----------------------|--------------------------------|-----------------|------------------------------------|-----------------|--------------------------------|-----------------------|
|          |                                      | Actual (b)      | Budget (c)   | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Budget (f) | Budget (g)      |                                    |                 | Actual Over (Under) Budget (h) | Prior Year Actual (i) |
| 1        | Operating revenues                   |                 |              |                                |                       |                                |                 |                                    |                 |                                |                       |
| 2        | Gas                                  | \$16,598,107.62 | \$11,221,000 | \$5,377,107.62                 | \$16,568,314.70       | \$29,792.92                    | \$24,676,833.68 | \$7,223,833.68                     | \$23,385,385.49 | \$1,291,448.19                 | 1                     |
| 3        | Transportation                       | 806,410.15      | 700,000      | 106,410.15                     | 541,119.86            | 265,290.29                     | 1,422,154.46    | 22,154.46                          | 1,150,136.18    | 272,018.28                     | 2                     |
| 3        | Other                                | 0.00            | 0            | 0.00                           | 0.00                  | 0.00                           | 0.00            | 0.00                               | 0.00            | 0.00                           | 3                     |
| 4        | Total operating revenues             | 17,404,517.77   | 11,921,000   | 5,483,517.77                   | 17,109,434.56         | 295,083.21                     | 26,098,988.14   | 7,245,988.14                       | 24,535,521.67   | 1,563,466.47                   | 4                     |
| 5        | Purchased gas cost                   | 13,794,318.01   | 8,093,000    | 5,701,318.01                   | 13,438,703.49         | 355,614.52                     | 18,966,535.75   | 5,806,535.75                       | 18,178,717.18   | 787,818.57                     | 5                     |
| 6        | Gross profit                         | 3,610,199.76    | 3,828,000    | (217,800.24)                   | 3,670,731.07          | (60,531.31)                    | 7,132,452.39    | 1,439,452.39                       | 6,356,804.49    | 775,647.90                     | 6                     |
| 7        | Operating expenses                   |                 |              |                                |                       |                                |                 |                                    |                 |                                |                       |
| 8        | Operation                            | 1,192,449.60    | 1,200,000    | (67,550.40)                    | 1,380,087.37          | (187,637.77)                   | 2,299,325.51    | (286,674.49)                       | 2,730,217.49    | (420,891.98)                   | 7                     |
| 9        | Maintenance                          | 70,579.07       | 132,000      | (61,420.93)                    | 57,201.36             | 13,377.71                      | 152,442.16      | (111,557.84)                       | 131,977.51      | 20,464.65                      | 8                     |
| 9        | Depreciation                         | 545,306.71      | 544,000      | 1,306.71                       | 510,922.63            | 34,384.08                      | 1,090,613.42    | 2,613.42                           | 1,021,845.26    | 68,768.16                      | 9                     |
| 10       | Taxes - other than income taxes      | 158,401.55      | 100,000      | 58,401.55                      | 140,024.00            | 18,377.55                      | 331,279.69      | 111,279.69                         | 278,960.22      | 42,319.47                      | 10                    |
| 11       | Shared Services - direct             | 188,481.83      | 0            | 188,481.83                     | 182,884.57            | 5,597.26                       | 479,768.37      | 479,768.37                         | 352,321.36      | 127,447.01                     | 11                    |
| 12       | Shared Services - billed             | 239,747.10      | 564,000      | (324,252.90)                   | 410,473.68            | (170,726.58)                   | 626,804.75      | (543,195.25)                       | 919,401.03      | (292,596.28)                   | 12                    |
| 13       | Provision for income taxes           | 389,783.53      | 331,000      | 58,783.53                      | 317,371.95            | 72,411.58                      | 532,849.97      | (161,000.00)                       | 181,371.95      | 351,478.02                     | 13                    |
| 14       | Total operating expenses             | 2,784,749.39    | 2,931,000    | (146,250.61)                   | 2,998,965.56          | (214,216.17)                   | 5,503,083.87    | 346,083.87                         | 5,606,094.82    | (103,010.95)                   | 14                    |
| 15       | Operating income (loss)              | 825,450.37      | 897,000      | (71,549.63)                    | 671,765.51            | 153,684.86                     | 1,629,368.52    | 1,093,368.52                       | 750,709.67      | 878,688.85                     | 15                    |
| 16       | Other income                         |                 |              |                                |                       |                                |                 |                                    |                 |                                |                       |
| 17       | Merchandise                          | 11,055.89       | (2,000)      | 13,055.89                      | 54,629.30             | (43,573.41)                    | 70,492.19       | (4,000.00)                         | 108,711.29      | (38,219.10)                    | 16                    |
| 17       | Interest income                      | 1,800.76        | 4,000        | (2,199.24)                     | 2,476.35              | (675.59)                       | 3,958.96        | 8,000.00                           | 4,819.04        | (860.08)                       | 17                    |
| 18       | Other nonoperating income            | (4,245.71)      | 35,000       | (39,245.71)                    | (6,096.87)            | 1,851.16                       | (11,501.17)     | 70,000.00                          | (81,501.17)     | (6,484.89)                     | 18                    |
| 19       | Total other income (loss)            | 8,610.94        | 37,000       | (28,389.06)                    | 51,008.78             | (42,397.84)                    | 62,949.98       | 74,000.00                          | (11,050.02)     | (45,564.07)                    | 19                    |
| 20       | Income (loss) before interest charge | 834,061.31      | 934,000      | (99,938.69)                    | 722,774.29            | 111,287.02                     | 1,692,318.50    | 1,083,318.50                       | 859,223.72      | 833,094.78                     | 20                    |
| 21       | Interest charges                     | 398,092.42      | 428,000      | (29,907.58)                    | 359,000.80            | 39,991.62                      | 944,670.71      | 838,000.00                         | 719,649.97      | 225,030.74                     | 21                    |
| 22       | Net income (loss)                    | \$435,968.89    | \$506,000    | (\$70,031.11)                  | \$363,773.49          | \$72,195.40                    | \$747,647.79    | (\$248,000.00)                     | \$995,647.79    | \$608,074.04                   | 22                    |

WESTERN KENTUCKY GAS RESOURCES, INC.  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 11/1/097

| Line No. | Description (a)                      | Current Month |            |                                | Year to Date          |                                |                       | Actual Over (Under) Prior Year (k) | Line No. |
|----------|--------------------------------------|---------------|------------|--------------------------------|-----------------------|--------------------------------|-----------------------|------------------------------------|----------|
|          |                                      | Actual (b)    | Budget (c) | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Budget (f) | Prior Year Actual (g) |                                    |          |
| 1        | Operating revenues                   |               |            |                                |                       |                                |                       |                                    |          |
| 2        | Gas                                  | \$0.00        | \$0        | \$0.00                         | \$0.00                | \$0.00                         | \$0.00                | \$0.00                             |          |
| 3        | Transportation                       | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                           | 0.00                  | 0.00                               |          |
| 3        | Other                                | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                           | 0.00                  | 0.00                               |          |
| 4        | Total operating revenues             | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                           | 0.00                  | 0.00                               |          |
| 5        | Purchased gas cost                   | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                           | 0.00                  | 0.00                               |          |
| 6        | Gross profit                         | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                           | 0.00                  | 0.00                               |          |
| 7        | Operating expenses                   |               |            |                                |                       |                                |                       |                                    |          |
| 8        | Operation                            | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                           | 0.00                  | 0.00                               |          |
| 8        | Maintenance                          | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                           | 0.00                  | 0.00                               |          |
| 9        | Depreciation                         | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                           | 0.00                  | 0.00                               |          |
| 10       | Taxes - other than income taxes      | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                           | 0.00                  | 0.00                               |          |
| 11       | Provision for income taxes           | 0.00          | 0          | 0.00                           | (1,000.00)            | 1,000.00                       | (1,000.00)            | 1,000.00                           |          |
| 12       | Total operating expenses             | 0.00          | 0          | 0.00                           | (1,000.00)            | 1,000.00                       | (1,000.00)            | 1,000.00                           |          |
| 13       | Operating income (loss)              | 0.00          | 0          | 0.00                           | 1,000.00              | (1,000.00)                     | 1,000.00              | (1,000.00)                         |          |
| 14       | Other income                         |               |            |                                |                       |                                |                       |                                    |          |
| 14       | Merchandise                          | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                           | 0.00                  | 0.00                               |          |
| 15       | Interest income                      | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                           | 0.00                  | 0.00                               |          |
| 16       | Shared Services - Billed             | (283.05)      | 3,000      | (3,283.05)                     | (4,509.58)            | 4,226.53                       | (6,720.74)            | (9,847.06)                         |          |
| 17       | Other nonoperating income            | 703.94        | 0          | 703.94                         | (2,511.69)            | 3,215.63                       | 750.22                | (2,592.22)                         |          |
| 18       | Total other income (loss)            | 420.89        | 3,000      | (2,579.11)                     | (7,021.27)            | 7,442.16                       | (5,970.52)            | (12,439.28)                        |          |
| 19       | Income (loss) before interest charge | 420.89        | 3,000      | (2,579.11)                     | (6,021.27)            | 6,442.16                       | (5,970.52)            | (11,439.28)                        |          |
| 20       | Interest charges                     | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                           | 0.00                  | 0.00                               |          |
| 21       | Net income (loss)                    | \$420.89      | \$3,000    | (\$2,579.11)                   | (\$6,021.27)          | \$6,442.16                     | (\$5,970.52)          | \$11,468.76                        |          |

ATMOS ENERGY SERVICES, INC.  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 11/1/097

| Line No. | Description (a)                      | Current Month |             |                                | Year to Date          |                                    |            | Actual Over (Under) Prior Year (k) | Line No. |             |                                |                       |           |    |
|----------|--------------------------------------|---------------|-------------|--------------------------------|-----------------------|------------------------------------|------------|------------------------------------|----------|-------------|--------------------------------|-----------------------|-----------|----|
|          |                                      | Actual (b)    | Budget* (c) | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Prior Year (f) | Actual (g) |                                    |          | Budget* (h) | Actual Over (Under) Budget (i) | Prior Year Actual (j) |           |    |
| 1        | Operating revenues                   |               |             |                                |                       |                                    |            |                                    |          |             |                                |                       |           |    |
| 2        | Gas                                  | \$0.00        | \$0         | \$0.00                         | \$0.00                | \$0.00                             | \$0.00     | \$0.00                             | \$0.00   | \$0.00      | \$0.00                         | \$0.00                | \$0.00    | 1  |
| 3        | Transportation                       | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00     | 0.00        | 0.00                           | 0.00                  | 0.00      | 2  |
| 4        | Other                                | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00     | 0.00        | 0.00                           | 0.00                  | 0.00      | 3  |
| 4        | Total operating revenues             | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00     | 0.00        | 0.00                           | 0.00                  | 0.00      | 4  |
| 5        | Purchased gas cost                   | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00     | 0.00        | 0.00                           | 0.00                  | 0.00      | 5  |
| 6        | Gross profit                         | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00     | 0.00        | 0.00                           | 0.00                  | 0.00      | 6  |
| 7        | Operating expenses                   |               |             |                                |                       |                                    |            |                                    |          |             |                                |                       |           |    |
| 8        | Operation                            | 0.00          | 0           | 0.00                           | 279.00                | (279.00)                           | 25.00      | 25.00                              | 25.00    | 0           | 25.00                          | 0                     | 25.00     | 7  |
| 9        | Maintenance                          | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00     | 0           | 0.00                           | 0                     | 0.00      | 8  |
| 10       | Depreciation                         | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00     | 0           | 0.00                           | 0                     | 0.00      | 9  |
| 11       | Taxes - other than income taxes      | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00     | 0           | 0.00                           | 0                     | 0.00      | 10 |
| 12       | Shared Services - Billed             | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00     | 0           | 0.00                           | 0                     | 0.00      | 11 |
| 12       | Provision for income taxes           | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00     | 0           | 0.00                           | 0                     | 0.00      | 12 |
| 13       | Total operating expenses             | 0.00          | 0           | 0.00                           | 279.00                | (279.00)                           | 25.00      | 25.00                              | 279.00   | 0           | 25.00                          | 0                     | 25.00     | 13 |
| 14       | Operating income (loss)              | 0.00          | 0           | 0.00                           | (279.00)              | 279.00                             | (25.00)    | (25.00)                            | 279.00   | 0           | (25.00)                        | 0                     | (25.00)   | 14 |
| 15       | Other income                         |               |             |                                |                       |                                    |            |                                    |          |             |                                |                       |           |    |
| 16       | Merchandise                          | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00     | 0           | 0.00                           | 0                     | 0.00      | 15 |
| 17       | Interest income                      | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00     | 0           | 0.00                           | 0                     | 0.00      | 16 |
| 17       | Other nonoperating income            | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00     | 0           | 0.00                           | 0                     | 0.00      | 17 |
| 18       | Total other income (loss)            | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00     | 0           | 0.00                           | 0                     | 0.00      | 18 |
| 19       | Income (loss) before interest charge | 0.00          | 0           | 0.00                           | (279.00)              | 279.00                             | (25.00)    | (25.00)                            | 279.00   | 0           | (25.00)                        | 0                     | (25.00)   | 19 |
| 20       | Interest charges                     | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00     | 0           | 0.00                           | 0                     | 0.00      | 20 |
| 21       | Net income (loss)                    | \$0.00        | \$0         | \$0.00                         | (\$279.00)            | \$279.00                           | (\$25.00)  | (\$25.00)                          | \$279.00 | \$0         | (\$25.00)                      | (\$25.00)             | (\$25.00) | 21 |

\* Atmos Energy Services budget not available.

ATMOS ENERGY CORPORATION  
COMBINING BALANCE SHEETS\*  
AS OF 11/30/97

| Line No.              | Description (a)   | ATMOS (b)        | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)    | Line No. |
|-----------------------|---|------------------|-------------------|--------------------------------|--------------------|----------|
| <b>ASSETS</b>         |   |                  |                   |                                |                    |          |
| 1                     | Property, plant and equipment                             |                  |                   |                                |                    | 1        |
| 2                     | Utility plant   | \$738,017,759.89 | \$501,918,522.00  | \$0.00                         | \$1,239,936,281.89 | 2        |
| 3                     | Nonutility plant  | 2,858,055.56     | 0.00              | 0.00                           | 2,858,055.56       | 3        |
| 4                     | Construction work in progress                             | 41,692,894.29    | 2,962,471.00      | 0.00                           | 44,655,365.29      | 4        |
|                       | Less accumulated depreciation and amortization            | 782,568,709.74   | 504,880,993.00    | 0.00                           | 1,287,449,702.74   |          |
| 5                     |   | 300,243,981.88   | 190,642,940.00    | 0.00                           | 490,886,921.88     | 5        |
| 6                     | Net property, plant and equipment                         | 482,324,727.86   | 314,238,053.00    | 0.00                           | 796,562,780.86     | 6        |
| 7                     | Investments in & advances to subsidiaries                 | 3,900,881.01     | 4,452,327.00      | 0.00                           | 8,353,208.01       | 7        |
| <b>Current assets</b> |   |                  |                   |                                |                    |          |
| 8                     | Cash and temporary cash investments                       | (2,021,697.66)   | 998,744.00        | 0.00                           | (1,022,953.66)     | 8        |
| 9                     | Accounts receivable, less allowance for doubtful accounts | 88,546,621.50    | 48,759,369.00     | 0.00                           | 137,305,990.50     | 9        |
| 10                    | Inventories   | 7,623,488.06     | 4,644,538.00      | 0.00                           | 12,268,026.06      | 10       |
| 11                    | Gas stored underground                                    | 16,738,025.94    | 26,870,751.00     | 0.00                           | 43,608,776.94      | 11       |
| 12                    | Other current assets                                      | 3,153,166.12     | 1,577,118.00      | 0.00                           | 4,730,284.12       | 12       |
| 13                    | Intercompany accounts                                     | 84,147,559.04    | (77,922,688.70)   | 0.00                           | 6,224,870.34       | 13       |
| 14                    | Total current assets                                      | 198,187,163.00   | 4,927,831.30      | 0.00                           | 203,114,994.30     | 14       |
| 15                    | Deferred charges and other assets                         | 55,038,946.29    | 28,430,042.00     | 0.00                           | 83,468,988.29      | 15       |
| 16                    | Total assets  | \$739,451,718.16 | \$352,048,253.30  | \$0.00                         | \$1,091,499,971.46 | 16       |

\*This balance sheet combines Energas, Trans L.A., Western Kentucky & Grealey Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

ATMOS ENERGY CORPORATION  
COMBINING BALANCE SHEETS\*  
AS OF 11/30/97

| Line No.  | Description (a)                            | ATMOS (b)        | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)    | Line No. |
|---|--|------------------|-------------------|--------------------------------|--------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |  |                  |                   |                                |                    |          |
| Shareholders' equity                              |  |                  |                   |                                |                    |          |
| 1   | Common stock                               | \$82,240.33      | \$66,601.11       | \$0.00                         | \$148,850.44       | 1        |
| 2   | Common stock subscribed                    | 0.00             | 0.00              | 0.00                           | 0.00               | 2        |
| 3   | Additional paid-in capital                 | 121,736,898.73   | 132,664,593.89    | 0.00                           | 254,401,492.62     | 3        |
| 4   | Retained earnings                          | 43,857,161.09    | 5,177,687.88      | 0.00                           | 49,034,848.97      | 4        |
| 5   | Total shareholders' equity                 | 165,676,309.15   | 137,908,882.88    | 0.00                           | 303,585,192.03     | 5        |
| Long-term debt (including current maturities) (1) |  |                  |                   |                                |                    |          |
| 6   |  | 162,303,308.00   | 135,000,000.00    | 0.00                           | 297,303,308.00     | 6        |
| 7   | Total capitalization                       | 327,979,617.15   | 272,908,882.88    | 0.00                           | 600,888,500.03     | 7        |
| Current liabilities                               |  |                  |                   |                                |                    |          |
| 8   | Notes payable                              | 204,900,000.00   | 0.00              | 0.00                           | 204,900,000.00     | 8        |
| 9   | Accounts payable                           | 63,967,280.22    | 24,274,814.66     | 0.00                           | 88,242,094.88      | 9        |
| 10  | Accrued taxes                              | 6,644,845.85     | 2,568,519.00      | 0.00                           | 9,213,364.85       | 10       |
| 11  | Income taxes payable                       | (6,728,349.36)   | (7,260,844.24)    | 0.00                           | (13,989,193.60)    | 11       |
| 12  | Dividends declared                         | 7,889,073.32     | 0.00              | 0.00                           | 7,889,073.32       | 12       |
| 13  | Customers' deposits                        | 8,864,301.45     | 5,811,119.00      | 0.00                           | 14,675,420.45      | 13       |
| 14  | Other current liabilities                  | 29,823,406.40    | 14,108,018.00     | 0.00                           | 43,931,424.40      | 14       |
| 15  | Intercompany accounts                      | 0.00             | 346,400.00        | 0.00                           | 346,400.00         | 15       |
| 16  | Total current liabilities                  | 315,360,557.88   | 39,848,036.42     | 0.00                           | 355,208,584.30     | 16       |
| 17  | Deferred federal income taxes              | 55,494,379.30    | 25,722,260.00     | 0.00                           | 81,216,639.30      | 17       |
| 18  | Deferred credits                           | 40,617,163.83    | 13,569,084.00     | 0.00                           | 54,186,247.83      | 18       |
| 19  | Total liabilities and shareholders' equity | \$739,451,718.16 | \$352,048,253.30  | \$0.00                         | \$1,091,499,971.46 | 19       |

\*This balance sheet combines Energas, Trans La, Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

ATMOS ENERGY CORPORATION  
 COMBINING STATEMENTS OF INCOME\*  
 FOR THE MONTH ENDED NOVEMBER 30, 1997

| Line No. | Description (a)                       | ATMOS (b)       | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e) | Line No. |
|----------|---------------------------------------|-----------------|-------------------|--------------------------------|-----------------|----------|
| 1        | Operating revenues                    |                 |                   |                                |                 | 1        |
| 2        | Gas                                   | \$55,654,788.93 | \$41,292,500.00   | \$0.00                         | \$96,947,288.93 | 2        |
| 3        | Transportation                        | 1,211,435.69    | 1,484,148.00      | 0.00                           | 2,695,583.69    | 3        |
|          | Other                                 | 0.00            | 0.00              | 0.00                           | 0.00            |          |
| 4        | Total operating revenues              | 56,866,224.62   | 42,776,648.00     | 0.00                           | 99,642,872.62   | 4        |
| 5        | Purchased gas cost                    | 39,027,729.35   | 28,877,396.00     | 0.00                           | 67,905,125.35   | 5        |
| 6        | Gross profit                          | 17,838,495.27   | 13,899,252.00     | 0.00                           | 31,737,747.27   | 6        |
| 7        | Operating expenses                    |                 |                   |                                |                 | 7        |
| 8        | Operation                             | 5,792,749.38    | 4,333,967.70      | 0.00                           | 10,126,717.08   | 8        |
| 9        | Maintenance                           | 251,353.67      | 391,992.00        | 0.00                           | 643,345.67      | 9        |
| 10       | Depreciation                          | 2,108,284.89    | 1,532,201.00      | 0.00                           | 3,640,485.89    | 10       |
| 11       | Taxes - other than income taxes       | 1,561,149.84    | 1,035,649.00      | 0.00                           | 2,596,798.84    | 11       |
|          | Provision for income taxes            | 2,480,223.09    | 2,166,234.76      | 0.00                           | 4,646,457.85    |          |
| 12       | Total operating expenses              | 12,193,760.87   | 9,460,044.46      | 0.00                           | 21,653,805.33   | 12       |
| 13       | Operating income (loss)               | 5,644,734.40    | 4,439,207.54      | 0.00                           | 10,083,941.94   | 13       |
|          | Other income                          |                 |                   |                                |                 |          |
| 14       | Merchandise                           | 24,813.76       | (15,568.00)       | 0.00                           | 9,245.76        | 14       |
| 15       | Interest income                       | 15,992.07       | 122,765.00        | 0.00                           | 138,757.07      | 15       |
| 16       | Other nonoperating income             | (11,095.74)     | (4,934.00)        | 0.00                           | (16,029.74)     | 16       |
| 17       | Total other income (loss)             | 29,710.09       | 102,263.00        | 0.00                           | 131,973.09      | 17       |
| 18       | Income (loss) before interest charges | 5,674,444.49    | 4,541,470.54      | 0.00                           | 10,215,915.03   | 18       |
| 19       | Interest charges                      | 1,463,116.81    | 1,179,577.00      | 0.00                           | 2,642,693.81    | 19       |
| 20       | Net income (loss)                     | \$4,211,327.68  | \$3,361,893.54    | \$0.00                         | \$7,573,221.22  | 20       |

\*This statement of income combines Energas, Trans I.a, Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.



ATMOS ENERGY CORPORATION  
 COMBINING STATEMENTS OF INCOME\*  
 FOR TWO MONTHS ENDED NOVEMBER 30, 1997

| Line No. | Description (a)                       | ATMOS (b)       | UNITED CHIEFS (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)  | Line No. |
|----------|---------------------------------------|-----------------|-------------------|--------------------------------|------------------|----------|
| 1        | Operating revenues                    |                 |                   |                                |                  | 1        |
| 2        | Gas                                   | \$83,661,302.69 | 57,873,098.00     | \$0.00                         | \$141,534,400.69 | 2        |
| 3        | Transportation                        | 2,161,244.54    | 2,582,397.00      | 0.00                           | 4,743,641.54     | 3        |
|          | Other                                 | 0.00            | 0.00              | 0.00                           | 0.00             |          |
| 4        | Total operating revenues              | 85,822,547.23   | 60,455,495.00     | 0.00                           | 146,278,042.23   | 4        |
| 5        | Purchased gas cost                    | 56,938,604.41   | 39,878,605.00     | 0.00                           | 96,817,209.41    | 5        |
| 6        | Gross profit                          | 28,883,942.82   | 20,576,890.00     | 0.00                           | 49,460,832.82    | 6        |
|          | Operating expenses                    |                 |                   |                                |                  |          |
| 7        | Operation                             | 11,476,415.34   | 8,939,652.97      | 0.00                           | 20,416,068.31    | 7        |
| 8        | Maintenance                           | 544,500.43      | 1,019,047.00      | 0.00                           | 1,563,547.43     | 8        |
| 9        | Depreciation                          | 4,510,781.76    | 3,063,902.00      | 0.00                           | 7,574,683.76     | 9        |
| 10       | Taxes - other than income taxes       | 2,820,955.95    | 2,088,965.00      | 0.00                           | 4,909,920.95     | 10       |
| 11       | Provision for income taxes            | 2,292,000.00    | 1,310,681.15      | 0.00                           | 3,602,681.15     | 11       |
| 12       | Total operating expenses              | 21,644,653.48   | 16,422,248.12     | 0.00                           | 38,066,901.60    | 12       |
| 13       | Operating income (loss)               | 7,239,289.34    | 4,154,641.88      | 0.00                           | 11,393,931.22    | 13       |
|          | Other income                          |                 |                   |                                |                  |          |
| 14       | Merchandise                           | 82,150.33       | (31,870.00)       | 0.00                           | 50,280.33        | 14       |
| 15       | Interest income                       | 34,891.62       | 235,350.00        | 0.00                           | 270,241.62       | 15       |
| 16       | Other nonoperating income             | (36,443.18)     | (3,961.00)        | 0.00                           | (40,404.18)      | 16       |
| 17       | Total other income (loss)             | 80,598.77       | 199,519.00        | 0.00                           | 280,117.77       | 17       |
| 18       | Income (loss) before interest charges | 7,319,888.11    | 4,354,160.88      | 0.00                           | 11,674,048.99    | 18       |
| 19       | Interest charges                      | 3,518,830.82    | 2,200,984.00      | 0.00                           | 5,719,814.82     | 19       |
| 20       | Net income (loss)                     | \$3,801,057.29  | \$2,153,176.88    | \$0.00                         | \$5,954,234.17   | 20       |

\*This statement of income combines Energas, Trans La, Western Kentucky & Greeley Gas divisions (per ledger) with United Chiefs Gas statement and does not include subsidiaries.

**ATMOS ENERGY CORPORATION  
PROPERTY, PLANT AND EQUIPMENT  
AS OF NOVEMBER 30, 1997**

|  | Year to Date    |            |             |           | Balance 11/30/97 |
|--|-----------------|------------|-------------|-----------|------------------|
|  | Balance 9/30/97 | Additions  | Retirements | Transfers |                  |
| <b>GAS PLANT</b>                         |                 |            |             |           |                  |
| Atmos                                    |                 |            |             |           |                  |
| Atmos General Office(2)                  | \$39,305,772.63 | \$0.00     | \$0.00      | \$0.00    | \$39,305,772.63  |
| Total Atmos                              | 39,305,772.63   | 0.00       | 0.00        | 0.00      | 39,305,772.63    |
| Energas                                  |                 |            |             |           |                  |
| Amarillo Transmission Div.(1)            | 3,209,615.20    | 0.00       | 0.00        | 0.00      | 3,209,615.20     |
| Amarillo City Plant Dist. Div.(3)        | 48,276,563.22   | 155,273.54 | 0.00        | 0.00      | 48,431,836.76    |
| Fritch & Sanford City Plt. Dist. Div.(4) | 953,581.61      | 0.00       | 0.00        | 0.00      | 953,581.61       |
| West Texas City Plant Dist. Div.(5)      | 158,615,097.05  | 685,455.42 | 0.00        | 0.00      | 159,300,552.47   |
| Dalhart City Plant Dist. Div.(6)         | 2,108,641.38    | 0.00       | 0.00        | 0.00      | 2,108,641.38     |
| West Texas Rural Irrigation Div.(8)      | 23,269,273.27   | 0.00       | 0.00        | 0.00      | 23,269,273.27    |
| Energas General Office(10)               | 2,437,569.38    | 0.00       | 0.00        | 0.00      | 2,437,569.38     |
| Faln-Amarillo Creek Transmission(11)     | 71,230.00       | 0.00       | 0.00        | 0.00      | 71,230.00        |
| Amarillo Rural Dist. Div.(13)            | 371,855.76      | 0.00       | 0.00        | 0.00      | 371,855.76       |
| Dalhart Rural Dist. Div.(17)             | 61,651.11       | 0.00       | 0.00        | 0.00      | 61,651.11        |
| Dalhart Rural Irrigation Div.(18)        | 333,690.52      | 0.00       | 0.00        | 0.00      | 333,690.52       |
| West Texas Rural Dist. Div.(21)          | 11,127,951.62   | 0.00       | 0.00        | 0.00      | 11,127,951.62    |
| Meter Shop Facilities & Meters(22)       | 0.00            | 0.00       | 0.00        | 0.00      | 0.00             |
| Total Energas                            | 250,836,720.12  | 840,728.96 | 0.00        | 0.00      | 251,677,449.08   |
| Trans La                                 |                 |            |             |           |                  |
| Trans La Dist. Div.(7)                   | 111,390,280.93  | 374,526.65 | 60,715.46   | 0.00      | 111,704,092.12   |
| Total Trans La                           | 111,390,280.93  | 374,526.65 | 60,715.46   | 0.00      | 111,704,092.12   |
| Western Kentucky Gas                     |                 |            |             |           |                  |
| Western Kentucky Gas Div.(9)             | 189,388,594.45  | 940,080.37 | 0.00        | 0.00      | 190,328,674.82   |
| Total Western Kentucky Gas               | 189,388,594.45  | 940,080.37 | 0.00        | 0.00      | 190,328,674.82   |

ATMOS ENERGY CORPORATION  
PROPERTY, PLANT AND EQUIPMENT  
AS OF NOVEMBER 30, 1997

|                                    | Year to Date       |                |              |               |                    |
|------------------------------------|--------------------|----------------|--------------|---------------|--------------------|
|                                    | Balance 9/30/97    | Additions      | Retirements  | Transfers     | Balance 11/30/97   |
| <b>GAS PLANT</b>                   |                    |                |              |               |                    |
| Greeley                            |                    |                |              |               |                    |
| Meter Shop Facilities & Meters(24) | \$11,380,596.90    | \$0.00         | \$0.00       | \$0.00        | \$11,380,596.90    |
| Missouri Dist. Div.(29)            | 690,434.01         | 3,936.25       | 208.83       | 0.00          | 694,161.43         |
| Denver Company Office(30)          | 1,797,536.72       | 0.00           | 0.00         | 0.00          | 1,797,536.72       |
| Greeley Dist. Div.(33)             | 23,770,593.23      | 282,609.57     | 282.04       | 0.00          | 24,052,920.76      |
| Northwest Colorado Dist. Div.(34)  | 17,345,814.60      | 0.00           | 0.00         | 0.00          | 17,345,814.60      |
| Fremont County Dist. Div.(35)      | 23,294,862.37      | 0.00           | 0.00         | 0.00          | 23,294,862.37      |
| Durango Dist. Div.(36)             | 15,387,957.07      | 0.00           | 0.00         | 0.00          | 15,387,957.07      |
| Central Colorado Dist. Div.(37)    | 0.00               | 0.00           | 0.00         | 0.00          | 0.00               |
| Cortez Dist. Div.(38)              | 0.00               | 0.00           | 0.00         | 0.00          | 0.00               |
| Southeast Colorado Dist. Div.(39)  | 0.00               | 0.00           | 0.00         | 0.00          | 0.00               |
| Kaw Valley Dist. Div.(82)          | 14,012,329.00      | 100,352.62     | 1,333.41     | 0.00          | 14,111,348.21      |
| Central Kansas Dist. Div.(83)      | 8,127,974.64       | 0.00           | 0.00         | 0.00          | 8,127,974.64       |
| Cane Dist. Div.(84)                | 5,305,815.42       | 0.00           | 0.00         | 0.00          | 5,305,815.42       |
| Eastern Kansas Dist. Div.(85)      | 3,667,121.03       | 0.00           | 0.00         | 0.00          | 3,667,121.03       |
| Southwest Kansas Dist. Div.(86)    | 13,003,584.57      | 0.00           | 0.00         | 0.00          | 13,003,584.57      |
| Total Greeley Gas                  | 137,784,619.56     | 386,898.44     | 1,824.28     | 0.00          | 138,169,693.72     |
| United Cities                      |                    |                |              |               |                    |
| United Cities Dist. Divisions      | 495,033,830.05     | 0.00           | 373,152.98   | (22,162.29)   | 494,638,514.78     |
| Total United Cities Gas            | 495,033,830.05     | 0.00           | 373,152.98   | (22,162.29)   | 494,638,514.78     |
| Total Gas Plant                    | \$1,223,739,817.74 | \$2,542,234.42 | \$435,692.72 | (\$22,162.29) | \$1,225,824,197.15 |

ATMOS ENERGY CORPORATION  
PROPERTY, PLANT AND EQUIPMENT  
AS OF NOVEMBER 30, 1997

|   | Year to Date       |                 |              |                |                    |
|---|--------------------|-----------------|--------------|----------------|--------------------|
|   | Balance 9/30/97    | Additions       | Retirements  | Transfers      | Balance 11/30/97   |
| <b>OTHER GAS PLANT &amp;<br/>NON-UTILITY PROPERTY</b> |                    |                 |              |                |                    |
| Atmos   |                    |                 |              |                |                    |
| Atmos General Office                                  |                    |                 |              |                |                    |
| Construction Work In Progress                         | \$31,465,556.99    | \$6,413,954.76  | \$0.00       | \$0.00         | \$37,879,511.75    |
| Non-utility Plant                                     | 1,132,200.02       | 564,112.67      | 284,744.06   | 0.00           | 1,411,568.63       |
| Total Atmos   | 32,597,757.01      | 6,978,067.43    | 284,744.06   | 0.00           | 39,291,080.38      |
| Energas   |                    |                 |              |                |                    |
| Construction Work In Progress                         | 1,379,247.81       | 820,419.83      | 0.00         | 0.00           | 2,199,667.64       |
| Non-utility Plant                                     | 517,520.24         | 0.00            | 0.00         | 0.00           | 517,520.24         |
| Total Energas   | 1,896,768.05       | 820,419.83      | 0.00         | 0.00           | 2,717,187.88       |
| Trans La  |                    |                 |              |                |                    |
| Construction Work In Progress                         | 340,764.90         | 555,427.94      | 0.00         | 0.00           | 896,192.84         |
| Acquisition Adj. - Trans La                           | 2,048,887.47       | 0.00            | 0.00         | 0.00           | 2,048,887.47       |
| Non-utility Plant                                     | 215,890.91         | 0.00            | 0.00         | 0.00           | 215,890.91         |
| Total Trans La  | 2,605,543.28       | 555,427.94      | 0.00         | 0.00           | 3,160,971.22       |
| Western Kentucky Gas                                  |                    |                 |              |                |                    |
| Construction Work In Progress                         | 779,599.09         | 772,818.20      | 0.00         | 0.00           | 1,552,417.29       |
| Acquisition Adj. - W.K.G.                             | 3,336,783.64       | 0.00            | 0.00         | 0.00           | 3,336,783.64       |
| Total Western Kentucky Gas                            | 4,116,382.73       | 772,818.20      | 0.00         | 0.00           | 4,889,200.93       |
| Greeley   |                    |                 |              |                |                    |
| Construction Work In Progress                         | (1,956,742.97)     | 1,121,847.74    | 0.00         | 0.00           | (834,895.23)       |
| Acquisition Adj. - G.G.C. Prior                       | 1,446,406.41       | 0.00            | 0.00         | 0.00           | 1,446,406.41       |
| Non-utility Plant                                     | 713,075.78         | 0.00            | 0.00         | 0.00           | 713,075.78         |
| Total Greeley Gas                                     | 202,739.22         | 1,121,847.74    | 0.00         | 0.00           | 1,324,586.96       |
| United Cities   |                    |                 |              |                |                    |
| Construction Work In Progress                         | 631,379.28         | 2,859,496.87    | 0.00         | (531,685.41)   | 2,959,190.74       |
| Acquisition Adj. - U.C.G.C. - Prior                   | 7,283,287.48       | 0.00            | 0.00         | 0.00           | 7,283,287.48       |
| Total United Cities Gas                               | 7,914,666.76       | 2,859,496.87    | 0.00         | (531,685.41)   | 10,242,478.22      |
| Total Other Gas Pit & Non-utility Prop                | 49,333,857.05      | 13,108,078.01   | 284,744.06   | (531,685.41)   | 61,625,505.59      |
| Total Property, Pit. and Equipment                    | \$1,273,073,674.79 | \$15,650,312.43 | \$720,436.78 | (\$553,847.70) | \$1,287,449,702.74 |

**ATMOS ENERGY CORPORATION**  
**ACCUMULATED PROVISION**  
**FOR DEPRECIATION AND AMORTIZATION**  
**AS OF NOVEMBER 30 1997**

|  | Year to Date    |              |             | Balance 11/30/97 |
|--|-----------------|--------------|-------------|------------------|
|  | Balance 9/30/97 | Provision    | Adjustment  |                  |
| <b>GAS PLANT</b>                         |                 |              |             |                  |
| <b>Atmos</b>                             |                 |              |             |                  |
| Retirement work in progress              | \$4,900.00      | \$0.00       | \$0.00      | \$4,900.00       |
| Atmos General Office(2)                  | 15,625,575.32   | 744,322.90   | 0.00        | 16,369,898.22    |
| Total accum. prov. for depr. - Atmos     | 15,630,475.32   | 744,322.90   | 0.00        | 16,374,798.22    |
| <b>Energas</b>                           |                 |              |             |                  |
| Retirement work in progress              | 28,638.26       | 0.00         | (49,365.35) | (20,727.09)      |
| Amarillo Transmission Div.(1)            | 2,302,858.65    | 11,915.32    | 0.00        | 2,314,773.97     |
| Amarillo City Plant Dist. Div.(3)        | 18,510,022.40   | 225,892.90   | 0.00        | 18,735,915.30    |
| Fritch & Sanford City Plt. Dist. Div.(4) | 384,725.27      | 23,516.20    | 0.00        | 408,241.47       |
| West Texas City Plant Dist. Div.(5)      | 61,038,208.57   | 496,166.86   | 0.00        | 61,534,375.43    |
| Dalhart City Plant Dist. Div.(6)         | 999,800.33      | 77,850.34    | 0.00        | 1,077,650.67     |
| West Texas Rural Irrigation Div.(8)      | 9,943,565.84    | 106,399.66   | 0.00        | 10,049,965.50    |
| Energas General Office(10)               | 1,135,624.24    | 62,589.98    | 0.00        | 1,198,214.22     |
| Faln-Amarillo Creek Transmission(11)     | 71,230.00       | 0.00         | 0.00        | 71,230.00        |
| Amarillo Rural Dist. Div.(13)            | 154,218.32      | 1,971.67     | 0.00        | 156,189.99       |
| Dalhart Rural Dist. Div.(17)             | 53,743.97       | 1,830.68     | 0.00        | 55,574.65        |
| Dalhart Rural Irrigation Div.(18)        | 262,696.11      | 11,076.17    | 0.00        | 273,772.28       |
| West Texas Rural Dist. Div.(21)          | 3,139,533.57    | 315,740.10   | 0.00        | 3,455,273.67     |
| Total accum. prov. for depr. - Energas   | 98,024,865.53   | 1,334,949.88 | (49,365.35) | 99,310,450.06    |
| <b>Trans La(7)</b>                       |                 |              |             |                  |
| Retirement work in progress              | 0.00            | 0.00         | (849.02)    | (849.02)         |
| Trans La Dist. Div.                      | 31,633,759.74   | 728,579.38   | (79,658.03) | 32,282,681.09    |
| Total accum. prov. for depr. - Trans La  | 31,633,759.74   | 728,579.38   | (80,507.05) | 32,281,832.07    |
| <b>Western Kentucky Gas(9)</b>           |                 |              |             |                  |
| Retirement work in progress              | (938.81)        | 0.00         | (67,184.50) | (68,123.31)      |
| Western Kentucky Gas Div.                | 85,835,926.91   | 1,134,845.31 | 0.00        | 86,970,772.22    |
| Total accum. prov. for depr. - WKG       | 85,834,988.10   | 1,134,845.31 | (67,184.50) | 86,902,648.91    |

ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF NOVEMBER 30, 1997

|  | Year to Date     |                |                 | Balance 11/30/97 |
|--|------------------|----------------|-----------------|------------------|
|  | Balance 9/30/97  | Provision      | Adjustment      |                  |
| <b>GAS PLANT</b>                                     |                  |                |                 |                  |
| Greeley  |                  |                |                 |                  |
| Retirement work in progress                          | \$10,580.22      | \$0.00         | (\$1,045.22)    | \$9,535.00       |
| Meter Shop Facilities & Meters(24)                   | 1,863,396.75     | 66,872.55      | 0.00            | 1,930,269.30     |
| Missouri Dist. Div.(29)                              | 171,052.82       | 3,435.12       | 0.00            | 174,487.94       |
| Denver Company Office(30)                            | 445,376.43       | 46,267.85      | 0.00            | 491,644.28       |
| Greeley Dist. Div.(33)                               | 8,401,512.44     | 156,585.35     | 0.00            | 8,558,097.79     |
| Northwest Colorado Dist. Div.(34)                    | 5,398,662.61     | 115,479.26     | 0.00            | 5,514,141.87     |
| Fremont County Dist. Div.(35)                        | 13,159,784.27    | 170,531.98     | 0.00            | 13,330,316.25    |
| Durango Dist. Div.(36)                               | 5,489,406.90     | 102,949.03     | 0.00            | 5,592,355.93     |
| Central Colorado Dist. Div.(37)                      | 0.00             | 0.00           | 0.00            | 0.00             |
| Cortez Dist. Div.(38)                                | 0.00             | 0.00           | 0.00            | 0.00             |
| Southeast Colorado Dist. Div.(39)                    | 0.00             | 0.00           | 0.00            | 0.00             |
| Kaw Valley Dist. Div.(82)                            | 3,793,572.47     | 85,675.62      | 0.00            | 3,879,248.09     |
| Central Kansas Dist. Div.(83)                        | 3,116,646.02     | 53,505.42      | 0.00            | 3,170,151.44     |
| Cane Dist. Div.(84)                                  | 2,616,430.15     | 34,000.30      | 0.00            | 2,650,430.45     |
| Eastern Kansas Dist. Div.(85)                        | 879,665.10       | 24,143.51      | 0.00            | 903,808.61       |
| Southwest Kansas Dist. Div.(86)                      | 7,430,702.63     | 88,183.35      | 0.00            | 7,518,885.98     |
| Total accum. prov. for depr. - GGC                   | 52,776,788.81    | 947,629.34     | (1,045.22)      | 53,723,372.93    |
| United Cities  |                  |                |                 |                  |
| Retirement work in progress                          | (\$6,748.17)     | \$0.00         | \$162,016.29    | \$155,268.12     |
| United Cities Dist. Divisions                        | 185,859,244.44   | 3,071,879.09   | 0.00            | 188,931,123.53   |
| Total United Cities Gas                              | 185,852,496.27   | 3,071,879.09   | 162,016.29      | 189,086,391.65   |
| Total accumulated prov. for depreciation.- Gas Plant | \$283,900,877.50 | \$7,962,205.90 | (\$36,085.83) * | \$477,679,493.84 |

**ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF NOVEMBER 30, 1997**

|  | Year to Date          |                     |               |                       |
|--|-----------------------|---------------------|---------------|-----------------------|
|  | Balance 9/30/97       | Provision           | Adjustment    | Balance 11/30/97      |
| <b>OTHER GAS PLANT IN SERVICE</b>                                    |                       |                     |               |                       |
| Atmos  |                       |                     |               |                       |
| Atmos General Office Division(2)                                     | \$829,702.44          | \$101,029.02        | \$0.00        | \$930,731.46          |
| Total Atmos  | <u>829,702.44</u>     | <u>101,029.02</u>   | <u>0.00</u>   | <u>930,731.46</u>     |
| Energas  |                       |                     |               |                       |
| Amarillo City Plant Dist. Div.(3)                                    | 158,220.56            | 6,938.46            | 0.00          | 165,159.02            |
| Fritch & Sanford City Plant Dist. Div.(4)                            | 5,916.44              | (38.40)             | 0.00          | 5,878.04              |
| West Texas City Plant Dist. Div.(5)                                  | 1,091,563.86          | 15,476.19           | 0.00          | 1,107,040.05          |
| Dalhart Div.(6)  | 7,189.97              | 2,412.44            | 0.00          | 9,602.41              |
| West Texas Irrigation Div.(8)  | 7,091.04              | (170.07)            | 0.00          | 6,920.97              |
| Energas General Office(10)   | 1,875.32              | 350.70              | 0.00          | 2,226.02              |
| Amarillo Rural Div.(13)  | 516.26                | 19.03               | 0.00          | 535.29                |
| Dalhart Irrigation Div.(18)  | 311.30                | 59.19               | 0.00          | 370.49                |
| West Texas Rural Div.(21)  | 31,889.52             | 6,842.81            | 0.00          | 38,732.33             |
| Total Energas  | <u>1,304,574.27</u>   | <u>31,890.35</u>    | <u>0.00</u>   | <u>1,336,464.62</u>   |
| Trans La   |                       |                     |               |                       |
| Trans La Distribution Division(7)                                    | 220,015.31            | 10,301.38           | 0.00          | 230,316.69            |
| Total Trans La   | <u>220,015.31</u>     | <u>10,301.38</u>    | <u>0.00</u>   | <u>230,316.69</u>     |
| Western Kentucky Gas   |                       |                     |               |                       |
| Western Kentucky Gas Division(9)                                     | 564,100.18            | 0.00                | 0.00          | 564,100.18            |
| Total WKG  | <u>564,100.18</u>     | <u>0.00</u>         | <u>0.00</u>   | <u>564,100.18</u>     |
| Greeley  |                       |                     |               |                       |
| Greeley Dist. Div.(33)   | 60,232.62             | 0.00                | 0.00          | 60,232.62             |
| Northwest Colorado Dist. Div.(34)                                    | 66,924.56             | 0.00                | 0.00          | 66,924.56             |
| Fremont County Dist. Div.(35)  | 94,718.87             | 0.00                | 0.00          | 94,718.87             |
| Durango Dist. Div.(36)   | 23,493.78             | 0.00                | 0.00          | 23,493.78             |
| Central Colorado Dist. Div.(37)                                      | 0.00                  | 0.00                | 0.00          | 0.00                  |
| Cortez Dist. Div.(38)  | 0.00                  | 0.00                | 0.00          | 0.00                  |
| Southeast Colorado Dist. Div.(39)                                    | 0.00                  | 0.00                | 0.00          | 0.00                  |
| Kaw Valley Dist. Div.(82)  | 84,791.05             | 138.89              | 0.00          | 84,929.94             |
| Central Kansas Dist. Div.(83)  | 10,901.94             | 0.00                | 0.00          | 10,901.94             |
| Cane Dist. Div.(84)  | 3,106.06              | 94.94               | 0.00          | 3,201.00              |
| Southwest Kansas(86)   | 88.02                 | 29.31               | 0.00          | 117.33                |
| Total Greeley Gas  | <u>344,256.90</u>     | <u>263.14</u>       | <u>0.00</u>   | <u>344,520.04</u>     |
| Total accumulated provision for amort. of other gas plant in service | <u>\$3,262,649.10</u> | <u>\$143,483.89</u> | <u>\$0.00</u> | <u>\$3,406,132.99</u> |

**ATMOS ENERGY CORPORATION**  
**ACCUMULATED PROVISION**  
**FOR DEPRECIATION AND AMORTIZATION**  
**AS OF NOVEMBER 30, 1997**

|   | Year to Date            |                       |                      |                         |
|---|-------------------------|-----------------------|----------------------|-------------------------|
|   | Balance 9/30/97         | Provision             | Adjustment           | Balance 11/30/97        |
| <b>NON-UTILITY PLANT IN SERVICE (CNG)</b>                                 |                         |                       |                      |                         |
| Texas   |                         |                       |                      |                         |
| Energas   | \$284,635.61            | \$8,625.32            | \$0.00               | \$293,260.93            |
| Total Texas   | <u>284,635.61</u>       | <u>8,625.32</u>       | <u>0.00</u>          | <u>293,260.93</u>       |
| Louisiana   |                         |                       |                      |                         |
| Trans La  | 118,740.55              | 3,598.20              | 0.00                 | 122,338.75              |
| Total Louisiana   | <u>118,740.55</u>       | <u>3,598.20</u>       | <u>0.00</u>          | <u>122,338.75</u>       |
| Greeley   |                         |                       |                      |                         |
| Greeley Gas   | 434,287.68              | 7,929.40              | 0.00                 | 442,217.08              |
| Total Greeley Gas   | <u>434,287.68</u>       | <u>7,929.40</u>       | <u>0.00</u>          | <u>442,217.08</u>       |
| Total accumulated provision for amort.<br>of non-utility plant in service | <u>837,663.84</u>       | <u>20,152.92</u>      | <u>0.00</u>          | <u>857,816.76</u>       |
| <b>UTILITY PLANT ACQUISITION ADJUSTMENT</b>                               |                         |                       |                      |                         |
| Louisiana   |                         |                       |                      |                         |
| Trans La  | 3,762,016.75            | (30,383.66)           | 0.00                 | 3,731,633.09            |
| Total Louisiana   | <u>3,762,016.75</u>     | <u>(30,383.66)</u>    | <u>0.00</u>          | <u>3,731,633.09</u>     |
| Kentucky  |                         |                       |                      |                         |
| W.K.G.  | 2,277,713.90            | 34,163.54             | 0.00                 | 2,311,877.44            |
| Total Kentucky  | <u>2,277,713.90</u>     | <u>34,163.54</u>      | <u>0.00</u>          | <u>2,311,877.44</u>     |
| Greeley   |                         |                       |                      |                         |
| G.G.C.  | 1,341,129.41            | 2,290.00              | 0.00                 | 1,343,419.41            |
| Total Greeley Gas   | <u>1,341,129.41</u>     | <u>2,290.00</u>       | <u>0.00</u>          | <u>1,343,419.41</u>     |
| United Cities   |                         |                       |                      |                         |
| Acquisition Adj. - U.C.G.C. Prior   | 1,528,772.50            | 27,775.85             | 0.00                 | 1,556,548.35            |
| Total United Cities Gas   | <u>1,528,772.50</u>     | <u>27,775.85</u>      | <u>0.00</u>          | <u>1,556,548.35</u>     |
| Total Accumulated Prov. for Amort. of Utility Plant                       |                         |                       |                      |                         |
| Acquisition Adjustment  | 8,909,632.56            | 33,845.73             | 0.00                 | 8,943,478.29            |
| Total accumulated provision for depreciation<br>& amortization            | <u>\$296,910,823.00</u> | <u>\$8,159,688.44</u> | <u>(\$36,085.83)</u> | <u>\$490,886,971.88</u> |

Total Depreciation Provision as per Balance Sheet  
Less: Depreciation Provision charged to other accounts  
Less: Depreciation Provision charged to other accounts (CNG)  
Total Depreciation Expense as per Income Statement

\$8,159,688.44  
3,628,753.76  
20,152.92  
\$4,510,781.76



ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF NOVEMBER 30

0106098  
10:33 AM

Reference

Page Line Acct.  
No. No. Description

|    |   | 1998                                      | 1997           | As of<br>September 30,<br>1997 |
|----|---|---|----------------|--------------------------------|
|    |   | <b>NET PROPERTY, PLANT, AND EQUIPMENT</b> |                |                                |
|    | Atmos                                   |   |                |                                |
|    | United Cities Gas                       | 482,324,727.86                            | 415,541,828.85 | 474,743,400.28                 |
| 22 | 6                                       | 314,238,053.00                            | 300,110,044.00 | 314,590,548.00                 |
|    | Total Net Property, Plant and Equipment | 796,562,780.86                            | 715,651,872.85 | 789,333,948.28                 |

**INVESTMENTS IN & ADVANCES TO SUBSIDIARIES**

1230 Investments In Associated Companies

|    |   |              |              |              |
|----|---|--------------|--------------|--------------|
|    | Atmos Energy Services, Inc.                     | 1,000.00     | 1,000.00     | 1,000.00     |
|    | Egasco, Inc.                                    | 1,000.00     | 1,000.00     | 1,000.00     |
|    | Finemart, Inc.                                  | 1,000.00     | 1,000.00     | 1,000.00     |
|    | Trans La Industrial Gas Company, Inc.           | 2,293,047.89 | 2,293,047.89 | 2,293,047.89 |
|    | Western Kentucky Gas Resources                  | 1,604,833.12 | 1,604,833.12 | 1,604,833.12 |
|    | Atmos   | 3,900,881.01 | 3,900,881.01 | 3,900,881.01 |
|    | United Cities Gas                               | 4,452,327.00 | 4,452,327.00 | 4,452,327.00 |
| 22 | 7   | 8,353,208.01 | 8,353,208.01 | 8,353,208.01 |
|    | Total Investments in & Advances to Subsidiaries |              |              |              |

**CASH AND TEMPORARY CASH INVESTMENTS**

1310 Cash in Banks

|  |   |                |                |                |
|--|---|----------------|----------------|----------------|
|  | Cash - ACIS Refund                          | (39,906.84)    | (53,835.93)    | (116,646.66)   |
|  | Cash - Auxiliary Accounts                   | 448,406.29     | 800,896.39     | 540,990.76     |
|  | Cash - Concentration Account - ANB - 523    | (3,626,116.72) | (6,286,884.94) | (2,659,517.39) |
|  | Cash - Concentration Account - Nations Bank | 1,003,968.44   | 4,941,873.88   | 1,267,873.91   |
|  | Cash - Customer Refund                      | (65,340.58)    | (92,208.52)    | (78,087.66)    |
|  | Cash - Other                                | 30,740.15      | 29,478.52      | 29,112.43      |
|  | Cash - Fleet Bank                           | 178,372.00     | 178,372.00     | 178,372.00     |
|  | Total Cash in Banks                         | (2,069,877.26) | (482,306.60)   | (817,942.61)   |

1350 Working Funds

|  |  |           |           |           |
|--|--|-----------|-----------|-----------|
|  |  | 48,179.60 | 62,065.00 | 52,355.00 |
|--|--|-----------|-----------|-----------|

1360 Temporary Cash Investments

|    |   |                |              |              |
|----|---|----------------|--------------|--------------|
|    | Atmos                                     | 0.00           | 0.00         | 3,000,000.00 |
|    | United Cities Gas                         | (2,021,697.66) | (430,241.60) | 2,234,412.39 |
| 22 | 8   | 998,744.00     | 1,509,072.00 | 487,507.00   |
|    | Total Cash and Temporary Cash Investments | (1,022,953.66) | 1,088,780.40 | 2,721,919.39 |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF NOVEMBER 30

01/06/98  
10:33 AM

| Reference                                  | Page | Line | Acct. | Description                    | Due Dates | 1998      | 1997      | As of<br>September 30,<br>1997 |
|--|------|------|-------|--------------------------------|-----------|-----------|-----------|--------------------------------|
| No.  | No.  | No.  | No.   |                                |           |           |           |                                |
| <b>ACCOUNTS RECEIVABLE, LESS ALLOWANCE</b> |      |      |       |                                |           |           |           |                                |
| <b>FOR DOUBTFUL ACCOUNTS</b>               |      |      |       |                                |           |           |           |                                |
| 1410 Notes Receivable                      |      |      |       |                                |           |           |           |                                |
| (Main Extension Notes)                     |      |      |       |                                |           |           |           |                                |
|  |      |      |       | Tom King & Dr. Thomas Fields   | 09-26-97  | 2,680.00  | 2,680.00  | 2,680.00                       |
|  |      |      |       | Bowers, Michael and Melissa    | 03-19-98  | 1,785.00  | 1,785.00  | 1,785.00                       |
|  |      |      |       | Hyles Estates                  | 03-31-98  | 154.30    | 371.76    | 154.30                         |
|  |      |      |       | Murphy and Rochester, Inc.     | 09-01-98  | 16,510.00 | 16,510.00 | 16,510.00                      |
|  |      |      |       | Ida Road                       | 09-23-99  | 230.00    | 230.00    | 230.00                         |
|  |      |      |       | The Gardens Subdivision        | 05-11-02  | 1,060.00  | 1,060.00  | 1,060.00                       |
|  |      |      |       | Dwight W. Andrus, Jr.          | 10-28-02  | 4,480.00  | 4,480.00  | 4,480.00                       |
|  |      |      |       | Regency Development Co.        | 03-25-03  | 3,156.00  | 3,156.00  | 3,156.00                       |
|  |      |      |       | Herbert Construction Co., Inc. | 04-22-03  | 8,240.00  | 8,240.00  | 8,240.00                       |
|  |      |      |       | Oak Park Inc.                  | 07-26-03  | 1,630.00  | 1,630.00  | 1,630.00                       |
|  |      |      |       | Charles Bourgeois              | 08-29-03  | 1,470.00  | 1,470.00  | 1,470.00                       |
|  |      |      |       | Meyers, Tom                    | 09-01-03  | 462.00    | 462.00    | 462.00                         |
|  |      |      |       | Bailes, Julian                 | 09-06-03  | 1,318.00  | 4,078.00  | 1,318.00                       |
|  |      |      |       | Dupuis, Jason                  | 10-03-03  | 3,439.00  | 3,439.00  | 3,439.00                       |
|  |      |      |       | Chimachia Tribe of LA          | 11-29-03  | 4,415.00  | 4,415.00  | 4,415.00                       |
|  |      |      |       | Bell Meade Sub-Division        | 02-05-04  | 1,170.00  | 1,170.00  | 1,170.00                       |
|  |      |      |       | River Ridge Estates            | 04-03-04  | 1,933.00  | 4,693.00  | 1,933.00                       |
|  |      |      |       | Austin Village Phase II        | 04-23-04  | 11,360.00 | 11,360.00 | 11,360.00                      |
|  |      |      |       | Vermillion Bluff               | 04-25-04  | 2,680.00  | 2,680.00  | 2,680.00                       |
|  |      |      |       | Fernwood Sub. Ph VIII          | 05-05-04  | 3,210.00  | 3,210.00  | 3,210.00                       |
|  |      |      |       | Patin Place Subdivision        | 06-29-04  | 4,260.00  | 4,260.00  | 4,260.00                       |
|  |      |      |       | Oak Place Subdivision          | 09-25-04  | 9,010.00  | 9,010.00  | 9,010.00                       |
|  |      |      |       | Shenandoah Estates Ph VIII     | 11-07-04  | 7,970.00  | 7,970.00  | 7,970.00                       |
|  |      |      |       | Chinquapin Acres Ext. #1       | 01-13-05  | 2,228.00  | 6,428.00  | 2,228.00                       |
|  |      |      |       | Cambridge Drive Ext.           | 02-16-05  | 5,250.00  | 5,250.00  | 5,250.00                       |
|  |      |      |       | Beaulieu Estates               | 03-09-05  | 9,557.00  | 9,557.00  | 9,557.00                       |
|  |      |      |       | Sugar Ridge                    | 03-17-05  | 6,750.00  | 6,750.00  | 6,750.00                       |
|  |      |      |       | Silver Maple                   | 03-30-05  | 5,909.00  | 5,909.00  | 5,909.00                       |
|  |      |      |       | Albion Acres                   | 05-03-05  | 990.00    | 5,040.00  | 990.00                         |
|  |      |      |       | Bayou Bend                     | 06-13-05  | 1,620.00  | 2,985.00  | 1,620.00                       |
|  |      |      |       | Ingrams Subdivision            | 07-18-05  | 8,715.00  | 8,715.00  | 8,715.00                       |
|  |      |      |       | Magnolia Landing Ext.          | 07-26-05  | 15,041.00 | 15,041.00 | 15,041.00                      |
|  |      |      |       | Hideaway Acres #2 Ext.         | 07-28-05  | 475.00    | 2,095.00  | 475.00                         |
|  |      |      |       | Pin Oak Estates                | 09-08-05  | 5,681.00  | 5,681.00  | 5,681.00                       |
|  |      |      |       | Austin Village III             | 10-02-05  | 8,970.00  | 8,970.00  | 8,970.00                       |
|  |      |      |       | Fernwood Phase IV              | 10-12-05  | 4,675.00  | 4,675.00  | 4,675.00                       |
|  |      |      |       | Broussard Park Est. Phase #5   | 11-28-05  | 8,695.00  | 8,695.00  | 8,695.00                       |
|  |      |      |       | Summerfield Subdivision        | 01-15-06  | 7,500.00  | 7,500.00  | 7,500.00                       |
|  |      |      |       | Bear Creek Subdivision         | 03-19-06  | 8,030.00  | 8,030.00  | 8,030.00                       |
|  |      |      |       | Acadiana Plaza Subdivision     | 04-10-06  | 7,900.00  | 7,900.00  | 7,900.00                       |
|  |      |      |       | Summerset Place                | 04-24-06  | 2,640.00  | 2,640.00  | 2,640.00                       |
|  |      |      |       | Woodridge Subdivision Phase I  | 04-26-06  | 4,125.00  | 4,125.00  | 4,125.00                       |
|  |      |      |       | Kings Pointe Development       | 05-06-06  | 5,325.00  | 5,325.00  | 5,325.00                       |
|  |      |      |       | Austin Village Phase 4         | 05-06-06  | 8,930.00  | 8,930.00  | 8,930.00                       |
|  |      |      |       | New Center Commons             | 06-03-06  | 4,745.00  | 4,745.00  | 4,745.00                       |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF NOVEMBER 30

0106598  
10:33 AM

| Page No.                      | Line No. | Acct. No.         | Description  | 1998                  | 1997                  | As of September 30, 1997 |
|-------------------------------|----------|-------------------|--|-----------------------|-----------------------|--------------------------|
|                               |          |                   | Midwestern/Equitable Cash  | 12,926.26             | 71.56                 | 12,926.26                |
|                               |          |                   | Miscellaneous  | 40,384.59             | 20,467.62             | 83,624.16                |
|                               |          |                   | Steamboat Springs Incident (Reimbursable Expense)                      | 0.00                  | 159,849.85            | 12,126.80                |
|                               |          |                   | <b>Total Miscellaneous Receivable</b>                                  | <b>111,488.29</b>     | <b>155,889.61</b>     | <b>75,468.74</b>         |
|                               |          | 1430 2 0541       | Employees' Expense Advances(Incl. Bridge Loans)                        | 83,630.24             | 51,658.50             | 81,131.23                |
|                               |          | 1430 2 060X       | Merchandise Employees' Payroll Deductions                              | 136,845.27            | 185,510.96            | 139,500.82               |
|                               |          | 1430 7 - Trans La | Miscellaneous  | 160,207.58            | 428,071.99            | 428,071.99               |
|                               |          |                   | State Dept. of Transportation  | 120.00                | 60.00                 | 90.00                    |
|                               |          |                   | Acadia Parish Police Jury  | 12,829.42             | 23,030.98             | 8,440.79                 |
|                               |          |                   | LJG  |                       |                       |                          |
|                               |          |                   | <b>Total Trans La Miscellaneous Receivables</b>                        | <b>173,157.00</b>     | <b>451,162.97</b>     | <b>436,602.78</b>        |
|                               |          | 1430 9 0600       | - WKG PAC  | 284.34                | 3,516.55              | 575.98                   |
|                               |          | 1430 9 07XX       | - Westur - Chart Reading & Misc.                                       | 2,510.37              | 5,806.02              | 3,838.09                 |
|                               |          |                   | <b>Total Other Accounts Receivable</b>                                 | <b>507,915.51</b>     | <b>853,544.61</b>     | <b>737,117.64</b>        |
|                               |          | 1440              | Allowance for Doubtful Accounts  | (1,314,993.24)        | (1,022,736.07)        | (966,451.32)             |
|                               |          |                   | Ames   | 88,546,631.50         | 54,951,948.53         | 43,599,739.94            |
|                               |          |                   | United Cities Gas  | 48,759,369.00         | 47,998,297.00         | 24,162,577.00            |
| 22                            | 9        |                   | <b>Total Accounts Receivable, Less Allowance for Doubtful Accounts</b> | <b>137,305,990.50</b> | <b>102,990,245.53</b> | <b>67,756,316.94</b>     |
| <b>INVENTORIES</b>            |          |                   |  |                       |                       |                          |
|                               |          | 1540              | Plant Materials and Supplies   | 5,592,249.26          | 5,659,997.17          | 5,148,721.93             |
|                               |          | 1550              | Merchandise  | 156,035.00            | 183,119.21            | 160,233.09               |
|                               |          | 1630              | Stores Expense Undistributed   | 1,875,183.80          | 1,415,363.77          | 1,785,741.60             |
|                               |          |                   | Ames   | 7,623,488.06          | 7,260,482.15          | 7,094,696.62             |
|                               |          |                   | United Cities Gas  | 4,644,538.00          | 5,666,330.00          | 4,115,542.00             |
| 22                            | 10       |                   | <b>Total Inventories</b>   | <b>12,268,036.06</b>  | <b>12,926,812.15</b>  | <b>11,210,238.62</b>     |
| <b>GAS STORED UNDERGROUND</b> |          |                   |  |                       |                       |                          |
|                               |          |                   | Ames   | 16,738,025.94         | 15,172,851.16         | 14,683,860.36            |
|                               |          |                   | United Cities Gas  | 26,870,751.00         | 25,885,812.00         | 26,905,596.00            |
| 22                            | 11       |                   | <b>Total Gas Stored Underground, current</b>                           | <b>43,608,776.94</b>  | <b>41,058,663.16</b>  | <b>41,589,456.36</b>     |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF NOVEMBER 30

01/06/98  
10:33 AM

| Reference | No. | Line No. | Acct. Description  | 1998            | 1997            | As of September 30, 1997 |
|-----------|-----|----------|--|-----------------|-----------------|--------------------------|
|           |     |          | <b>OTHER CURRENT ASSETS</b>  |                 |                 |                          |
|           |     | 1340     | Other Special Deposits   |                 |                 |                          |
|           |     |          | Guaranty Deposits  | 16,887.74       | 14,762.74       | 16,887.74                |
|           |     |          | Total Other Special Deposits   | 16,887.74       | 14,762.74       | 16,887.74                |
|           |     | 1660     | Prepayments  |                 |                 |                          |
|           |     |          | Prepaid Gas:   |                 |                 |                          |
|           |     |          | Alliance Prepaid Gas   | 82,643.27       | 0.00            | 1,172,398.13             |
|           |     |          | Tenn Alliance Prepaid Gas  | 192,804.34      | 0.00            | 16,816.84                |
|           |     |          | Cambridge Energy Research (Amort \$2,500/mo thru 01/98)                  | 0.00            | 0.00            | 5,000.00                 |
|           |     |          | Softwares Maintenance:   |                 |                 |                          |
|           |     |          | SCT Billing Software (Escalating amort to capital 02/97 thru 12/99)      | 750,601.09      | 0.00            | 750,601.09               |
|           |     |          | Oracle Database Maint (Escalating amort to IS clearing 02/97 thru 01/00) | 192,591.16      | 0.00            | 192,591.16               |
|           |     |          | Dues - AGA   | (29,385.34)     | 19,785.86       | 0.00                     |
|           |     |          | Dues - SGA   | 1,333.26        | 1,333.34        | 3,999.94                 |
|           |     |          | Franchise Tax - City   | 1,024.62        | 3,073.86        | 1,366.16                 |
|           |     |          | Franchise Tax - Louisiana  | 0.00            | 268,199.14      | 0.00                     |
|           |     |          | Franchise Tax - Texas  | (24,000.00)     | 0.00            | 0.00                     |
|           |     |          | Gas - Erecos Nominations   | 181,794.60      | 183,789.94      | 181,898.76               |
|           |     |          | Institute of Gas Technology (Amort \$2,108/mo thru 12/97)                | 2,108.00        | 2,108.00        | 6,324.00                 |
|           |     |          | Insurance - Prop., Gen. Lib., Auto, etc.                                 | 1,002,987.31    | 1,099,984.37    | 358,470.88               |
|           |     |          | Insurance - Retirement Cost  | 426,133.34      | 534,752.37      | 559,450.12               |
|           |     |          | CPSC Assessment (Quarterly)  | 19,830.19       | 16,978.78       | 12,797.16                |
|           |     |          | KPSC Assessment (Amort \$13,368/mo thru 6/97)                            | 0.00            | 93,376.00       | 0.00                     |
|           |     |          | Occupational License   | 5,908.00        | 4,808.00        | 17,508.00                |
|           |     |          | Postage  | 312.56          | 62,268.65       | 96,346.64                |
|           |     |          | Prepaid Debt. Exp.-Nations (Amort \$5,000/mo thru 8/98)                  | 44,999.97       | 26,249.99       | 54,999.97                |
|           |     |          | Rent - Gilliland Group (Oper Co)   | 284,592.01      | 284,592.01      | 284,592.01               |
|           |     |          | Total Prepayments  | 3,136,278.38    | 2,621,500.31    | 3,715,160.86             |
|           |     |          | Atmos  | 3,153,166.12    | 2,636,263.05    | 3,732,048.60             |
|           |     |          | United Cities Gas  | 1,577,118.00    | 2,423,195.00    | 1,807,255.00             |
| 22        | 12  |          | Total Other Current Assets   | 4,730,284.12    | 5,059,458.05    | 5,539,303.60             |
|           |     |          | <b>INTERCOMPANY ACCOUNTS - NET</b>                                       |                 |                 |                          |
|           |     | 1460     | Accounts Receivable from Assoc. Co.                                      |                 |                 |                          |
|           |     |          | Atmos Energy Services, Inc.  | 5,609.98        | 1,149.41        | 5,609.98                 |
|           |     |          | Egasco, Inc.   | 858,489.14      | 655,725.12      | 808,349.49               |
|           |     |          | Enermart, Inc.   | 21,874,812.27   | 6,879,619.26    | 21,120,195.01            |
|           |     |          | Enermart Trust   | (22,585,487.01) | (17,475,526.60) | (23,708,148.28)          |
|           |     |          | Trans La Industrial Gas Company, Inc.                                    | (2,569,201.82)  | (1,747,941.63)  | (2,738,776.04)           |
|           |     |          | United Cities Gas Company  | 87,531,402.96   | 0.00            | 66,906,326.59            |
|           |     |          | Western Kentucky Gas Resources   | (968,066.48)    | (934,688.26)    | (967,305.90)             |
|           |     |          | Atmos  | 84,147,559.04   | (12,621,582.70) | 61,426,250.85            |
|           |     |          | United Cities Gas  | (77,922,688.70) | 4,090,247.00    | (58,606,626.59)          |
| 22        | 13  |          | Total Intercompany Accounts - Net  | 6,294,870.34    | (8,531,335.70)  | 2,819,634.26             |
|           |     |          | Total Current Assets   | 303,114,994.30  | 154,552,623.59  | 131,426,819.17           |

ATMOS ENERGY CORPORATION  
 BALANCE SHEET ACCOUNTS  
 AS OF NOVEMBER 30

11:02 PM

| Reference               | Page | Line | Acct. | Description                                     | 1998          | 1997         | As of<br>September 30,<br>1997 |
|-------------------------|------|------|-------|---|---------------|--------------|--------------------------------|
| No.                     | No.  | No.  | No.   |   |               |              |                                |
| <b>ACCOUNTS PAYABLE</b> |      |      |       |   |               |              |                                |
| 2320                    |      |      |       | Accounts Payable                                | 187,586.73    | 162,899.38   | 179,431.90                     |
|                         |      |      |       | Accrued Annual Report Costs                     | (82,950.00)   | 26,700.00    | 9,900.00                       |
|                         |      |      |       | Accrued Audit Fees                              | 144,821.85    | 144,971.06   | 111,487.85                     |
|                         |      |      |       | Accrued Employee Awards                         | 104,668.73    | 80,571.12    | 30,654.03                      |
|                         |      |      |       | Accrued Payroll Labor Distribution              | 527,955.87    | 527,955.87   | 527,955.87                     |
|                         |      |      |       | Accrued Vacation                                | 38,540,415.44 | 0.00         | 0.00                           |
|                         |      |      |       | Estimated Gas Cost                              | (753,351.41)  | 0.00         | 0.00                           |
|                         |      |      |       | Customer Service Enhancement                    | 377,221.45    | 407,765.65   | 334,402.02                     |
|                         |      |      |       | Def Cr Cleared Currently                        |               |              |                                |
|                         |      |      |       | DSM Program                                     |               |              |                                |
|                         |      |      |       | DSM Program - KY                                | 0.00          | 83,340.00    | 250,000.00                     |
|                         |      |      |       | DSM Program - KY Payments                       | (30,502.34)   | 0.00         | (217,687.77)                   |
|                         |      |      |       | Employees' AD & D Insurance                     | 5,276.00      | 5,839.19     | (123.00)                       |
|                         |      |      |       | Employees' College Donation Deductions          | 56.00         | 56.00        | 28.00                          |
|                         |      |      |       | Employees' Dependent Life Ins.                  | 1,839.00      | 2,072.00     | (21.00)                        |
|                         |      |      |       | Employees' Egespac                              | 52.50         | 0.00         | 55.00                          |
|                         |      |      |       | Employees' WKG Pac                              | 323.25        | (27,522.02)  | 377.25                         |
|                         |      |      |       | Employees' Credit Union                         | 59,310.07     | 0.00         | 64,398.70                      |
|                         |      |      |       | Employees' Long-Term Disability Insurance       | 26,466.93     | (26,760.16)  | (27,513.07)                    |
|                         |      |      |       | Employees' Medical/Dental Insurance:            |               |              |                                |
|                         |      |      |       | Medical/Dental Liability                        | 1,505,325.98  | 1,600,955.86 | 1,428,983.46                   |
|                         |      |      |       | Medical/Dental Premiums/Claims Clearing         | 278,275.80    | (339,841.09) | 289,638.31                     |
|                         |      |      |       | Employees' Supplemental Life Insurance          | 14,900.14     | 16,729.08    | (2,184.92)                     |
|                         |      |      |       | Employees' United Way                           | 1,861.42      | 7,044.58     | 1,725.18                       |
|                         |      |      |       | Employees' Universal Life Ins.                  | (640.04)      | 5,457.46     | (104.25)                       |
|                         |      |      |       | Employees' U.S. Savings Bonds Deductions        | 5,568.35      | 7,889.51     | 6,410.06                       |
|                         |      |      |       | Employee's ESOP Contributions                   | 78,352.43     | 1,749,938.37 | 87,652.07                      |
|                         |      |      |       | Employee's ESOP Other Expense                   | (1,332.44)    | 21,181.98    | 13,957.66                      |
|                         |      |      |       | Employee's ESOP Withholding                     | 129,522.58    | 27,404.83    | 138,345.58                     |
|                         |      |      |       | Employee's Group Life Ins.                      | 33,776.44     | 30,971.55    | 47.87                          |
|                         |      |      |       | KN Master Mbr Transfer                          | 200,000.00    | 600,000.00   | 300,000.00                     |
|                         |      |      |       | Mailed Refunds                                  | 13,842.12     | 12,685.89    | 3,600.00                       |
|                         |      |      |       | Miscellaneous Employee Insurance Accruals - GGC | 159.78        | (62.66)      | (1,200.28)                     |
|                         |      |      |       | Miscellaneous Contingent Liabilities            | 422,358.94    | 0.00         | 509,331.40                     |
|                         |      |      |       | Net Payroll Payable                             | 1,714,598.68  | 100,939.64   | 2,129,272.93                   |
|                         |      |      |       | Purchase Order Clearing                         | 312,306.22    | 288,682.63   | 234,018.06                     |
|                         |      |      |       | Retainage - Northeastern Utility Constr. Co.    | 12,266.53     | 25,879.41    | 12,266.53                      |
|                         |      |      |       | Unashed Checks                                  | 109,265.09    | 100,936.44   | 108,800.30                     |
|                         |      |      |       | Unclaimed Pipeline Refund                       | 0.00          | 1,164.87     | 0.00                           |
|                         |      |      |       | Vouchers Payable                                | 1,900,739.74  | 1,734,795.11 | 6,859,380.12                   |
|                         |      |      |       | Total Accrued Payables                          | 45,840,337.80 | 7,013,647.55 | 13,380,375.86                  |

ATMOS ENERGY CORPORATION  
 BALANCE SHEET ACCOUNTS  
 AS OF NOVEMBER 30

12:02 PM

Reference

Page Line Acct.

No. No. No.

Description

1998

1997

As of  
 September 30,  
 1997

| Description                            | 1998          | 1997          | As of<br>September 30,<br>1997 |
|--|---------------|---------------|--------------------------------|
| Gas Purchased - Accounts Payable       |               |               |                                |
| Acadiana Natural Gas, Co.              | 0.00          | 114,899.27    | 58,363.45                      |
| AMOCO                                  | 235,671.08    | 0.00          | 135,000.00                     |
| Anthem Energy Co. - AOG                | 2,928,994.83  | 10,512,964.62 | 1,207,958.50                   |
| Associated Natural Gas                 | 555,421.43    | 865,576.16    | 174,795.17                     |
| Brenco Gas Transmission, Inc.          | 0.00          | 5,150.25      | 893.25                         |
| Chevron                                | (287,524.87)  | 2,725,952.07  | 692,739.63                     |
| City of Odessa - Purchase              | (9,000.00)    | 0.00          | 5,000.00                       |
| Coastal Gas Marketing                  | 210,738.00    | 1,381,129.37  | 151,000.00                     |
| Colorado Interstate Gas Company        | 1,875.93      | 268,013.19    | 132,731.89                     |
| Colorado Natural Gas                   | 76,190.31     | 233,493.95    | 78,344.67                      |
| Columbia Energy Services               | (210,738.00)  | 0.00          | 0.00                           |
| Costilla Petroleum Corp.               | 0.00          | 28,668.60     | 22,638.40                      |
| Crescent Oil & Gas Company             | 0.00          | 18,269.10     | 17,241.95                      |
| DSM Project - KY Accrual               | 66,666.70     | 0.00          | 0.00                           |
| Delhi                                  | 0.00          | 1,003,134.10  | 0.00                           |
| Eaton                                  | 0.00          | 100.12        | 0.00                           |
| Exchange Gas                           | (832,326.75)  | (189,238.73)  | (404,739.03)                   |
| Gas Payable - LA Imbalance             | 45,626.10     | 46,503.86     | 45,714.17                      |
| Hudson Gas Company                     | 105,132.19    | 2,898,064.38  | 554,227.95                     |
| Hugoton                                | 14,097.95     | 21,395.39     | 8,264.75                       |
| Innovative Gas Services                | 0.00          | 109,755.00    | 0.00                           |
| Interenergy Resource Corp.             | (201,265.14)  | 308,038.66    | 122,552.36                     |
| Kansas Pipeline Partners               | 100.00        | 28,100.00     | 3,280.57                       |
| Kilby                                  | 242.49        | 0.00          | 101,585.66                     |
| Kimball Energy Corp.                   | (0.11)        | 604,824.55    | 49,693.82                      |
| Koch Gas Services                      | 64,237.75     | 46,407.41     | 61,386.95                      |
| KN Energy                              | 12,456.30     | 45,302.75     | 28,439.97                      |
| K. N. Gas Supply Services              | 37,879.68     | 57,242.24     | 85,337.69                      |
| KPL Gas Services                       | 22,275.61     | 147,275.69    | 22,275.61                      |
| Local Gas Production                   | 14,464.40     | 145,041.54    | 159,402.62                     |
| Local Gas Purchases - Fremont County   | (18,138.99)   | 551,012.27    | 274,824.93                     |
| Louisiana Land/Exploration Company     | 0.00          | 530,436.89    | 0.00                           |
| Louisiana Intrastate Gas Corp.         | 9,603.47      | 886,085.79    | 343,409.77                     |
| Mesa Limited Partnership               | 1,763,716.00  | 1,764,957.48  | 848,830.50                     |
| Mid-Louisiana Gathering                | 813.78        | 1,405.30      | 466.02                         |
| Moffat Pipeline Corp.                  | 191.97        | 8,334.87      | 9,811.97                       |
| Natural Gas Clearinghouse              | (234,603.04)  | 0.00          | (234,603.04)                   |
| Norran Energy Services                 | 0.00          | 272,848.00    | 0.00                           |
| Norran Gas Transm Corp                 | 6,309.75      | 12,107.24     | 7,000.23                       |
| Northwest Pipeline Corp.               | 0.00          | (1,278.69)    | 0.00                           |
| Ory U.S.A., Inc.                       | 0.00          | 0.00          | 101.50                         |
| Palina Oil and Gas Corp                | 201,887.50    | 0.00          | 0.00                           |
| Peoples Natural Gas                    | (14,432.85)   | 21,656.66     | (5,307.85)                     |
| Pipeline Refunds - GGC (Williams)      | 10,252,916.85 | 248,617.05    | 470,641.21                     |
| Pipeline Refunds - Trans La (LIG)      | 0.00          | 0.00          | 9,789,532.64                   |
| Pipeline Refunds - WKG (Tennessee Gas) | 1,282,987.90  | 1,511,008.68  | 1,322,632.19                   |
| Public Service                         | (559,418.04)  | 1,065,737.87  | 363,065.98                     |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF NOVEMBER 30

12:02 PM

| Reference   |             |  | 1998                      | 1997                    | As of<br>September 30,<br>1997 |
|-------------|-------------|--|---------------------------|-------------------------|--------------------------------|
| Page<br>No. | Line<br>No. | Acct.<br>Description                       |                           |                         |                                |
|             |             | Atmos<br>United Cities Gas                 | 40,617,163.83             | 38,099,041.24           | 39,858,651.76                  |
|             |             |  | 13,569,084.00             | 14,153,241.00           | 13,729,516.00                  |
| 23          | 18          | Total Deferred Credits and Other Liab.     | <u>54,186,247.83</u>      | <u>52,252,282.24</u>    | <u>53,588,167.76</u>           |
| 23          | 19          | TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY | <u>\$1,091,499,971.46</u> | <u>\$932,577,863.60</u> | <u>\$1,011,626,092.39</u>      |

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 11/30/97

| Line No. | Description (a)   | Current Month |            | Year to Date |            |                       |
|----------|---|---------------|------------|--------------|------------|-----------------------|
|          |   | Actual (b)    | Budget (c) | Actual (d)   | Budget (e) | Prior Year Actual (f) |
| 1        | Degree Days   | 585           | 497        | 564          | 708        | 764                   |
|          | Meters in service (1)                                     |               |            |              |            |                       |
| 2        | Residential   | 881,850       | N/A        | 866,774      | N/A        | 864,020               |
| 3        | Commercial  | 95,063        |            | 93,030       |            | 92,446                |
| 4        | Industrial  | 1,942         |            | 1,957        |            | 1,866                 |
| 5        | Public Authority & Other                                  | 4,804         |            | 4,755        |            | 4,748                 |
| 6        | Agricultural  | 15,207        |            | 17,301       |            | 17,312                |
| 7        | Total meters in service                                   | 998,866       | N/A        | 983,817      | N/A        | 980,392               |
|          | Utility Sales Customers - Regulated (1)                   |               |            |              |            |                       |
| 8        | Residential   | 862,850       | N/A        | 848,794      | N/A        | 843,865               |
| 9        | Commercial  | 92,273        |            | 90,207       |            | 89,138                |
| 10       | Industrial  | 1,446         |            | 1,381        |            | 1,390                 |
| 11       | Public Authority & Other                                  | 3,557         |            | 3,494        |            | 3,485                 |
| 12       | Agricultural  | 300           |            | 310          |            | 310                   |
| 13       | Total Regulated Sales Customers                           | 960,426       | N/A        | 944,186      | N/A        | 938,188               |
|          | Utility Sales Customers - Non Regulated (1)               |               |            |              |            |                       |
| 14       | Industrial  | 192           | N/A        | 183          | N/A        | 183                   |
| 15       | Agricultural  | 6,486         |            | 6,698        |            | 6,716                 |
| 16       | Total Non Regulated Sales Customers                       | 6,678         | N/A        | 6,881        | N/A        | 6,899                 |
| 17       | Total Sales Customers (1)                                 | 967,104       | N/A        | 951,067      | N/A        | 945,087               |
| 18       | Transportation Customers (1) (2)                          | 603           | N/A        | 523          | N/A        | 513                   |
| 19       | Total Utility Customers (1) (2)                           | 967,707       | N/A        | 951,590      | N/A        | 945,600               |
|          | Utility Gas Volumes Sold - Regulated (mcf as metered)     |               |            |              |            |                       |
| 20       | Residential   | 7,116,294     | N/A        | 6,334,096    | N/A        | 9,131,582             |
| 21       | Commercial  | 3,465,045     |            | 3,339,182    |            | 5,211,088             |
| 22       | Industrial  | 2,477,175     |            | 3,023,644    |            | 5,386,940             |
| 23       | Public Authority & Other                                  | 539,978       |            | 474,156      |            | 718,994               |
| 24       | Agricultural  | 17,561        |            | 63,309       |            | 77,731                |
| 25       | Unbilled  | 3,058,922     |            | 3,976,867    |            | 5,495,822             |
| 26       | Total Regulated Gas Volumes                               | 16,674,975    | N/A        | 17,211,254   | N/A        | 26,022,157            |
|          | Utility Gas Volumes Sold - Non Regulated (mcf as metered) |               |            |              |            |                       |
| 27       | Industrial  | 520,766       | N/A        | 549,341      | N/A        | 1,051,684             |
| 28       | Agricultural  | 110,115       |            | 285,436      |            | 823,204               |
| 29       | Total Non Regulated Gas Volumes                           | 630,881       | N/A        | 834,777      | NA         | 1,874,888             |
| 30       | Total Gas Volumes Sold                                    | 17,305,856    | N/A        | 18,046,031   | N/A        | 27,897,045            |
| 31       | Transport volumes (mcf as metered) (2)                    | 4,774,716     | N/A        | 4,005,922    | N/A        | 7,947,401             |
| 32       | Total Operating Volumes (2)                               | 22,080,572    | N/A        | 22,051,953   | N/A        | 35,844,446            |

N/A = Not Available



ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATED OPERATING REVENUE AND STATISTICS  
FOR THE MONTH AND YEAR TO DATE ENDED 11/30/97

| Line No. | Description (a)                           | Current Month    |                 |                       | Year to Date     |                  |                       |
|----------|---|------------------|-----------------|-----------------------|------------------|------------------|-----------------------|
|          |   | Actual (b)       | Budget (c)      | Prior Year Actual (d) | Actual (e)       | Budget (f)       | Prior Year Actual (g) |
| 1        | Utility Gas Sales Revenue - Regulated     |                  |                 |                       |                  |                  |                       |
| 2        | Residential                               | 43,359,448.39    | N/A             | 33,208,159            | 60,142,295.01    | N/A              | 49,765,846            |
| 3        | Commercial                                | 19,590,803.23    |                 | 15,387,301            | 28,608,473.18    |                  | 24,095,235            |
| 4        | Industrial                                | 11,757,655.14    |                 | 11,528,122            | 20,757,746.29    |                  | 19,545,227            |
| 5        | Public Authority & Other                  | 2,700,237.82     |                 | 2,248,576             | 3,814,803.31     |                  | 3,292,195             |
| 6        | Agricultural                              | 79,412.29        |                 | 187,856               | 290,907.11       |                  | 235,196               |
| 7        | Unbilled                                  | 18,814,729.00    |                 | 24,229,359            | 26,861,544.00    |                  | 29,428,602            |
|          | Total Regulated Gas Sales Revenue         | 96,302,285.87    | N/A             | 86,789,373            | 140,475,768.90   | N/A              | 126,362,301           |
| 8        | Utility Gas Sales Revenue - Non Regulated |                  |                 |                       |                  |                  |                       |
| 9        | Industrial                                | 1,747,182.97     | N/A             | 1,575,057.67          | 3,422,394.93     | N/A              | 2,994,788.79          |
| 10       | Agricultural                              | 563,013.04       |                 | 784,294.68            | 1,358,150.52     |                  | 2,191,326.93          |
|          | Total Non Regulated Gas Sales Revenue     | 2,310,196.01     | N/A             | 2,359,352.35          | 4,780,545.45     | N/A              | 5,186,115.72          |
| 11       | Total Utility Gas Sales Revenue           | 98,612,481.88    | 78,236,000.00   | 89,148,725.46         | 145,256,314.35   | 125,626,000.00   | 131,548,416.30        |
| 12       | Other Gas Revenue                         | 652,222.16       | 501,000.00      | 547,297.35            | 1,048,032.10     | 831,000.00       | 1,007,216.04          |
| 13       | Total Utility Gas Revenue                 | 99,264,704.04    | 78,737,000.00   | 89,696,022.81         | 146,304,346.45   | 126,457,000.00   | 132,555,632.34        |
| 14       | Transportation Revenue (2)                | 2,529,573.91     | 1,636,000.00    | 1,730,735.74          | 4,434,292.64     | 3,230,000.00     | 3,440,410.00          |
| 15       | Other Operating Revenue                   | 0.00             | 0.00            | 0.00                  | 0.00             | 0.00             | 0.00                  |
| 16       | Total Utility Operating Revenue (2)       | \$101,794,277.95 | \$80,373,000.00 | \$91,426,758.55       | \$150,738,639.09 | \$129,687,000.00 | \$135,996,072.34      |
| 17       | Utility Purchased Gas Cost                |                  |                 |                       |                  |                  |                       |
| 18       | Regulated                                 | 67,913,352.74    | N/A             | 58,346,509.78         | 96,825,436.80    | N/A              | 82,462,403.31         |
| 19       | Non Regulated                             | 1,844,603.21     | N/A             | 2,215,362.67          | 4,008,807.15     | N/A              | 4,715,821.73          |
| 20       | Eliminations                              | (172,392.64)     | N/A             | (218,622.15)          | (322,213.54)     | N/A              | (403,004.79)          |
|          | Total Purchased Gas Cost                  | 69,585,563.31    | 51,098,000.00   | 60,343,250.30         | 100,512,030.41   | 81,644,000.00    | 86,775,220.25         |
| 21       | Gas Sales Margin - Regulated (3)          | 28,388,933.13    | N/A             | 28,442,863.33         | 43,650,332.10    | N/A              | 43,899,897.27         |
| 22       | Gas Sales Margin - Non Regulated (4)      | 465,592.80       | N/A             | 143,989.68            | 771,738.30       | N/A              | 470,293.99            |
| 23       | Gas Sales Margin - Total (5)              | 29,026,918.57    | 27,138,000.00   | 28,805,475.16         | 44,744,283.94    | 43,982,000.00    | 44,773,196.05         |
| 24       | Margin per MCF Sold - Regulated (6)       | \$ 1.70          | N/A             | \$ 1.65               | \$ 1.76          | N/A              | \$ 1.69               |
| 25       | Margin per MCF Sold - Non Regulated (6)   | \$ 0.74          | N/A             | \$ 0.17               | \$ 0.54          | N/A              | \$ 0.25               |
| 26       | Margin per MCF Sold - Total (6)           | \$ 1.68          | N/A             | \$ 1.60               | \$ 1.71          | N/A              | \$ 1.60               |

N/A = Not Available

(1) The current month reflects the actual for the respective period as per the Meter Inventory Mgmt System, year to date reflects the average for the respective period.  
(2) Reflects intercompany eliminations.  
(3) Regulated gas sales revenue minus regulated gas costs.  
(4) Non regulated gas sales revenue minus non regulated gas costs.  
(5) Total gas sales revenue minus total gas costs.  
(6) Gas sales margin divided by gas sales volumes as metered.

WESTERN KENTUCKY GAS UTILITY BUSINESS UNIT  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 11/30/97

| Line No. | Description (a)   | Current Month |            | Year to Date |            |                       |
|----------|---|---------------|------------|--------------|------------|-----------------------|
|          |   | Actual (b)    | Budget (c) | Actual (e)   | Budget (f) | Prior Year Actual (g) |
| 1        | Degree Days   | 611           | 515        | 865          | 754        | 866                   |
|          | Meters in service (1)                                     |               |            |              |            |                       |
| 2        | Residential   | 155,616       | N/A        | 155,276      | N/A        | 152,942               |
| 3        | Commercial  | 17,995        |            | 17,933       |            | 17,539                |
| 4        | Industrial  | 457           |            | 458          |            | 368                   |
| 5        | Public Authority & Other                                  | 1,578         |            | 1,547        |            | 1,545                 |
| 6        | Agricultural  | 0             |            | 0            |            | 0                     |
| 7        | Total meters in service                                   | 175,646       | N/A        | 175,247      | N/A        | 172,394               |
|          | Utility Sales Customers - Regulated (1)                   |               |            |              |            |                       |
| 8        | Residential   | 151,161       | N/A        | 149,627      | N/A        | 147,527               |
| 9        | Commercial  | 17,375        |            | 17,080       |            | 16,705                |
| 10       | Industrial  | 295           |            | 296          |            | 326                   |
| 11       | Public Authority & Other                                  | 1,564         |            | 1,567        |            | 1,538                 |
| 12       | Agricultural  | 0             |            | 0            |            | 0                     |
| 13       | Total Regulated Sales Customers                           | 170,395       | N/A        | 168,570      | N/A        | 166,096               |
|          | Utility Sales Customers - Non Regulated (1)               |               |            |              |            |                       |
| 14       | Industrial  | 0             | 0          | 0            | 0          | 0                     |
| 15       | Agricultural  | 0             | 0          | 0            | 0          | 0                     |
| 16       | Total Non Regulated Sales Customers                       | 0             | 0          | 0            | 0          | 0                     |
| 17       | Total Sales Customers (1)                                 | 170,395       | N/A        | 168,570      | N/A        | 166,096               |
| 18       | Transportation Customers (1) (2)                          | 87            | N/A        | 74           | N/A        | 43                    |
| 19       | Total Utility Customers (1) (2)                           | 170,482       | N/A        | 168,644      | N/A        | 166,139               |
|          | Utility Gas Volumes Sold - Regulated (mcf as metered)     |               |            |              |            |                       |
| 20       | Residential   | 1,179,797     | N/A        | 1,505,011    | N/A        | 1,395,071             |
| 21       | Commercial  | 519,271       |            | 790,704      |            | 793,056               |
| 22       | Industrial  | 425,281       |            | 874,986      |            | 1,315,009             |
| 23       | Public Authority & Other                                  | 140,092       |            | 192,582      |            | 172,271               |
| 24       | Agricultural  | 0             |            | 0            |            | 0                     |
| 25       | Unbilled  | 322,540       |            | 835,359      |            | 1,407,965             |
| 26       | Total Regulated Gas Volumes                               | 2,586,981     | N/A        | 4,198,642    | N/A        | 5,083,372             |
|          | Utility Gas Volumes Sold - Non Regulated (mcf as metered) |               |            |              |            |                       |
| 27       | Industrial  | 0             | 0          | 0            | 0          | 0                     |
| 28       | Agricultural  | 0             | 0          | 0            | 0          | 0                     |
| 29       | Total Non Regulated Gas Volumes                           | 0             | 0          | 0            | 0          | 0                     |
| 30       | Total Gas Volumes Sold                                    | 2,586,981     | N/A        | 4,198,642    | N/A        | 5,083,372             |
| 31       | Transport volumes (mcf as metered) (2)                    | 2,231,484     | N/A        | 4,214,208    | N/A        | 3,532,449             |
| 32       | Total Operating Volumes (2)                               | 4,818,465     | N/A        | 8,412,850    | N/A        | 8,615,821             |

N/A = Not Available

WESTERN KENTUCKY GAS UTILITY BUSINESS UNIT  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 11/30/97

| Line No. | Description (a)                           | Current Month   |                 |                       | Year to Date    |                 |                       |
|----------|---|-----------------|-----------------|-----------------------|-----------------|-----------------|-----------------------|
|          |   | Actual (b)      | Budget (c)      | Prior Year Actual (d) | Actual (e)      | Budget (f)      | Prior Year Actual (g) |
| 1        | Utility Gas Sales Revenue - Regulated     |                 |                 |                       |                 |                 |                       |
| 2        | Residential                               | 7,685,433.55    | N/A             | 5,112,732.89          | 10,011,147.99   | N/A             | 7,488,550.51          |
| 3        | Commercial                                | 3,208,655.72    |                 | 2,245,610.48          | 4,688,014.94    |                 | 3,687,540.34          |
| 4        | Industrial                                | 2,190,744.89    |                 | 2,761,140.04          | 4,026,615.18    |                 | 4,538,810.24          |
| 5        | Public Authority & Other                  | 818,409.71      |                 | 516,740.83            | 1,085,364.90    |                 | 753,613.52            |
| 6        | Agricultural                              |                 |                 |                       | 0.00            |                 | 0.00                  |
| 7        | Unbilled                                  | 2,587,000.00    |                 | 5,835,000.00          | 4,689,000.00    |                 | 6,745,000.00          |
|          | Total Regulated Gas Sales Revenue         | 16,490,243.87   | 11,165,000.00   | 16,471,224.24         | 24,500,143.01   | 17,359,000.00   | 23,213,514.61         |
| 8        | Utility Gas Sales Revenue - Non Regulated |                 |                 |                       |                 |                 |                       |
| 9        | Industrial                                | 0.00            | 0.00            | 0.00                  | 0.00            | 0.00            | 0.00                  |
| 10       | Agricultural                              | 0.00            | 0.00            | 0.00                  | 0.00            | 0.00            | 0.00                  |
|          | Total Non Regulated Gas Sales Revenue     | 0.00            | 0.00            | 0.00                  | 0.00            | 0.00            | 0.00                  |
| 11       | Total Utility Gas Sales Revenue           | 16,490,243.87   | 11,165,000.00   | 16,471,224.24         | 24,500,143.01   | 17,359,000.00   | 23,213,514.61         |
| 12       | Other Gas Revenue                         | 107,863.75      | 56,000.00       | 97,090.46             | 176,690.67      | 94,000.00       | 171,870.88            |
| 13       | Total Utility Gas Revenue                 | 16,598,107.62   | 11,221,000.00   | 16,568,314.70         | 24,676,833.68   | 17,453,000.00   | 23,385,385.49         |
| 14       | Transportation Revenue (2)                | 806,410.15      | 700,000.00      | 541,119.86            | 1,422,154.46    | 1,400,000.00    | 1,150,136.18          |
| 15       | Other Operating Revenue                   | 0.00            | 0.00            | 0.00                  | 0.00            | 0.00            | 0.00                  |
| 16       | Total Utility Operating Revenue (2)       | \$17,404,517.77 | \$11,921,000.00 | \$17,109,434.56       | \$26,098,988.14 | \$18,853,000.00 | \$24,535,521.67       |
| 17       | Utility Purchased Gas Cost                |                 |                 |                       |                 |                 |                       |
| 18       | Regulated                                 | 13,802,545.40   | 8,093,000.00    | 13,438,703.49         | 18,974,763.14   | 13,160,000.00   | 18,178,717.18         |
| 19       | Non Regulated                             | 0.00            | 0.00            | 0.00                  | 0.00            | 0.00            | 0.00                  |
| 20       | Eliminations                              | 0.00            | 0.00            | 0.00                  | 0.00            | 0.00            | 0.00                  |
|          | Total Purchased Gas Cost                  | 13,802,545.40   | 8,093,000.00    | 13,438,703.49         | 18,974,763.14   | 13,160,000.00   | 18,178,717.18         |
| 21       | Gas Sales Margin - Regulated (3)          | 2,687,698.47    | N/A             | 3,032,520.75          | 5,525,379.87    | N/A             | 5,034,797.43          |
| 22       | Gas Sales Margin - Non Regulated (4)      | 2,687,698.47    | 3,072,000.00    | 3,032,520.75          | 5,525,379.87    | 4,199,000.00    | 5,034,797.43          |
| 23       | Gas Sales Margin - Total (5)              | \$              | \$              | \$                    | \$              | \$              | \$                    |
| 24       | Margin per MCF Sold - Regulated (6)       | 1.04            | N/A             | 0.87                  | 1.32            | N/A             | 0.99                  |
| 25       | Margin per MCF Sold - Non Regulated (6)   | 1.04            | N/A             | 0.87                  | 1.32            | N/A             | 0.99                  |
| 26       | Margin per MCF Sold - Total (6)           | \$              | \$              | \$                    | \$              | \$              | \$                    |

N/A = Not Available

- (1) The current month reflects the actual for the respective period as per the Meter Inventory Mgmt System, year to date reflects the average for the respective period.
- (2) Reflects intercompany eliminations.
- (3) Regulated gas sales revenue minus regulated gas costs.
- (4) Non regulated gas sales revenue minus non regulated gas costs.
- (5) Total gas sales revenue minus total gas costs.
- (6) Gas sales margin divided by gas sales volumes as metered.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED OPERATION EXPENSES  
FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 11/30/97

| Line No.                                | Description (a)                           | Current Month |              | Year to Date          |             | Twelve Months Ended |                       |
|---|---|---------------|--------------|-----------------------|-------------|---------------------|-----------------------|
|   |   | Actual (b)    | Budget * (c) | Prior Year Actual (d) | Actual (e)  | Budget * (f)        | Prior Year Actual (g) |
| <b>Manufactured Gas Production Exp.</b> |   |               |              |                       |             |                     |                       |
| 1                                       | 717 Liquefied Petroleum Gas Expenses      | \$0.00        | \$0          | \$0.00                | \$0.00      | \$0                 | \$0.00                |
| 2                                       | 723 Fuel for L-P Gas Process              | 0.00          | 0            | 0.00                  | 0.00        | 0                   | 0.00                  |
| 3                                       | 728 L-P Gas - Raw Materials               | 0.00          | 0            | 0.00                  | 0.00        | 0                   | 0.00                  |
| 4                                       | 735 Misc. Production Expenses             | 0.00          | 0            | 0.00                  | 0.00        | 0                   | 0.00                  |
| 5                                       | 736 Rents                                 | 0.00          | 0            | 0.00                  | 0.00        | 0                   | 0.00                  |
| 6                                       | Total Manufactured Gas Prod. Expense      | 0.00          | 0            | 0.00                  | 0.00        | 0                   | 0.00                  |
| <b>Natural Gas Production Expenses</b>  |   |               |              |                       |             |                     |                       |
| 7                                       | 750 Operation Supervision and Engineering | 207.99        | 0            | 430.54                | 271.96      | 0                   | 756.51                |
| 8                                       | 751 Production Maps & Records             | 0.00          | 0            | 0.00                  | 0.00        | 0                   | 0.00                  |
| 9                                       | 752 Gas Wells Expenses                    | 0.00          | 0            | 0.00                  | 0.00        | 0                   | 0.00                  |
| 10                                      | 753 Field Lines Expenses                  | 365.52        | 0            | 1,660.85              | 758.92      | 0                   | 2,653.53              |
| 11                                      | 754 Field Compressor Station Expenses     | 3,288.25      | 0            | 3,709.44              | 7,126.40    | 0                   | 6,458.77              |
| 12                                      | 755 Field Compressor Station Fuel Exp.    | 7,294.92      | 0            | 0.00                  | 12,059.35   | 0                   | 0.00                  |
| 13                                      | 756 Field Meas. & Reg. Station Expenses   | 5,681.74      | 0            | 6,916.61              | 10,787.07   | 0                   | 14,337.63             |
| 14                                      | 757 Purification Expenses                 | 966.25        | 0            | 1,153.12              | 1,858.41    | 0                   | 2,575.61              |
| 15                                      | 758 Gas Well Royalties                    | 0.00          | 0            | 0.00                  | 0.00        | 0                   | 0.00                  |
| 16                                      | 759 Operating Expenses - Other            | 0.00          | 0            | 0.00                  | 0.00        | 0                   | 0.00                  |
| 17                                      | 760 Rents                                 | 0.00          | 0            | 0.00                  | 0.00        | 0                   | 0.00                  |
| 18                                      | 798 Other Exploration Exp.                | 94.34         | 0            | 94.34                 | 188.68      | 0                   | 188.68                |
| 19                                      | Total Natural Gas Prod. Expenses          | 17,899.01     | 0            | 13,964.90             | 33,090.79   | 0                   | 26,970.73             |
| <b>Production Extraction</b>            |   |               |              |                       |             |                     |                       |
| 20                                      | 770 Operation Supervision and Engineering | 390.53        | 0            | 0.00                  | 390.53      | 0                   | 0.00                  |
| 21                                      | 771 Operation Labor                       | 1,551.52      | 0            | 3,089.99              | 2,396.54    | 0                   | 4,776.46              |
| 22                                      | 772 Gas Shrinkage                         | 12,153.80     | 0            | 18,417.55             | 16,720.72   | 0                   | 28,701.64             |
| 23                                      | 773 Fuel                                  | 574.33        | 0            | 664.84                | 1,148.66    | 0                   | 1,234.43              |
| 24                                      | 774 Power                                 | 1,537.57      | 0            | 1,664.92              | 2,962.40    | 0                   | 3,259.95              |
| 25                                      | 777 Gas Production By Others              | 0.00          | 0            | 41.24                 | 0.00        | 0                   | 182.63                |
| 26                                      | 781 Variation in Product Inv.             | 0.00          | 0            | 0.00                  | 0.00        | 0                   | 0.00                  |
| 27                                      | Total Prod. Extraction Expenses           | \$16,207.75   | \$0          | \$23,878.54           | \$33,618.85 | \$0                 | \$38,155.11           |
| <b>Other Gas Supply Expenses</b>        |   |               |              |                       |             |                     |                       |
| 1                                       | 7900 1 Transf. to Purch. Gas Accts. - Cr. | \$0.00        | \$0          | \$0.00                | \$0.00      | \$0                 | \$0.00                |
| 2                                       | 807 Purchased Gas Expenses                | 7,856.05      | 0            | 8,930.48              | 8,803.71    | 0                   | 17,408.58             |
| 3                                       | 808 Gas Withdrawn from Storage - Dr.      | 0.00          | 0            | 0.00                  | 0.00        | 0                   | 0.00                  |

\* Budget information not available by account and includes UCG.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED OPERATION EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 11/30/97

| Line No.                                      | Description (a)                           | Current Month |             |                       | Year to Date |             |                       | Twelve Months Ended |          |
|---|---|---------------|-------------|-----------------------|--------------|-------------|-----------------------|---------------------|----------|
|   |   | Actual (b)    | Budget* (c) | Prior Year Actual (d) | Actual (e)   | Budget* (f) | Prior Year Actual (g) | Actual (h)          | Line No. |
| 4   | 809 Gas Delivered to Storage - Cr.        | 0.00          | 0           | 0.00                  | 0.00         | 0           | 0.00                  | 0.00                | 4        |
| 5   | 812 Gas Used for Other Util. Oper. - Cr.  | 0.00          | 0           | 0.00                  | 0.00         | 0           | 0.00                  | 0.00                | 5        |
| 6   | Total Other Gas Supply Expenses           | 7,856.05      | 0           | 8,900.48              | 8,853.71     | 0           | 17,408.58             | 99,192.37           | 6        |
| <b>Underground Storage Operation Expenses</b> |   |               |             |                       |              |             |                       |                     |          |
| 7   | 814 Oper. Supervision-Engineering         | (1,464.49)    | 0           | 1,030.42              | (1,446.01)   | 0           | 2,517.90              | (1,578.20)          | 7        |
| 8   | 816 Wells Expense                         | 6,409.86      | 0           | 7,878.02              | 10,581.95    | 0           | 11,908.86             | 74,577.05           | 8        |
| 9   | 817 Lines Expense                         | 3,579.84      | 0           | 1,906.30              | 6,531.06     | 0           | 3,910.67              | 39,035.22           | 9        |
| 10  | 818 Comp. Station Expenses                | 4,902.38      | 0           | 5,633.53              | 10,682.87    | 0           | 16,035.25             | 84,277.74           | 10       |
| 11  | 819 Comp. Station Fuel & Power            | 142.37        | 0           | 3,051.51              | 832.49       | 0           | 7,981.47              | 17,518.44           | 11       |
| 12  | 820 Meas. Reg. Station Expenses           | (709.63)      | 0           | 2,458.63              | 1,637.01     | 0           | 3,188.17              | 19,217.07           | 12       |
| 13  | 821 Purification Expenses                 | 3,221.29      | 0           | 2,676.40              | 4,223.12     | 0           | 3,316.15              | 25,981.10           | 13       |
| 14  | 824 Other Expenses                        | 429.37        | 0           | 457.92                | 688.86       | 0           | 712.79                | 5,429.19            | 14       |
| 15  | 825 Storage Well Royalties                | 2,754.14      | 0           | 2,650.85              | 4,781.81     | 0           | 4,856.63              | 37,402.37           | 15       |
| 16  | 826 Rents                                 | 0.00          | 0           | 1,296.67              | 0.00         | 0           | 2,593.34              | 12,966.70           | 16       |
| 17  | Total Underground Storage Operation Exp.  | 19,265.33     | 0           | 29,040.25             | 38,535.16    | 0           | 57,021.23             | 314,826.68          | 17       |
| <b>Transmission Operation Expenses</b>        |   |               |             |                       |              |             |                       |                     |          |
| 18  | 850 Oper. Supervision-Engineering         | 1,206.63      | 0           | 3,129.51              | 1,351.50     | 0           | 6,853.71              | 18,556.23           | 18       |
| 19  | 851 System Control-Load Dispatch          | 229.30        | 0           | 1,427.36              | 459.00       | 0           | 4,092.30              | 13,810.74           | 19       |
| 20  | 852 Communications System Expenses        | 0.00          | 0           | 0.00                  | 0.00         | 0           | 0.00                  | 0.00                | 20       |
| 21  | 853 Comp. Station Labor and Exp.          | 3,530.95      | 0           | 4,866.62              | 7,841.40     | 0           | 11,156.37             | 61,152.84           | 21       |
| 22  | 854 Gas for Comp. Station Fuel            | 17,638.91     | 0           | 11,779.89             | 35,277.82    | 0           | 22,729.73             | 169,527.24          | 22       |
| 23  | 855 Other Fuel and Pow. for Comp. Station | 0.00          | 0           | 0.00                  | 0.00         | 0           | 0.00                  | 0.00                | 23       |
| 24  | 856 Mains Expense                         | 16,795.82     | 0           | 19,848.55             | 41,974.02    | 0           | 52,868.00             | 238,736.50          | 24       |
| 25  | 857 Measuring and Reg. Sta. Exp.          | 10,398.95     | 0           | 12,311.93             | 16,847.95    | 0           | 27,648.54             | 157,328.60          | 25       |
| 26  | 858 Trans. and Comp. of Gas by Oth.       | 0.00          | 0           | 0.00                  | 0.00         | 0           | 0.00                  | 0.00                | 26       |
| 27  | 859 Other Expenses                        | 0.00          | 0           | 515.86                | 29.76        | 0           | 1,130.23              | 3,545.41            | 27       |
| 28  | 8600 0 Rents                              | 0.00          | 0           | 0.00                  | 0.00         | 0           | 0.00                  | 0.00                | 28       |
| 29  | 8600 8 Building Service                   | 0.00          | 0           | 0.00                  | 0.00         | 0           | 0.00                  | 0.00                | 29       |
| 30  | Total Transmission Operation Expenses     | \$49,800.76   | \$0         | \$53,879.72           | \$103,784.45 | \$0         | \$126,478.88          | \$662,657.96        | 30       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED OPERATION EXPENSES  
FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 11/30/97

| Line No.   | Description (a)                                | Current Month |             |                       | Year to Date   |             |                       | Twelve Months Ended |          |
|--|--|---------------|-------------|-----------------------|----------------|-------------|-----------------------|---------------------|----------|
|  |  | Actual (b)    | Budget* (c) | Price Year Actual (d) | Actual (e)     | Budget* (f) | Price Year Actual (g) | Actual (h)          | Line No. |
| <b>Distribution/Operation Expenses</b>           |  |               |             |                       |                |             |                       |                     |          |
| 1  | 870 Supervision & Engineering                  | \$765,391.21  | \$0         | \$515,423.11          | \$1,453,857.10 | \$0         | \$1,014,730.45        | \$6,633,940.66      | 1        |
| 2  | 8710 0 Distribution Load Dispatching           | 36,944.03     | 0           | 53,277.30             | 73,383.99      | 0           | 102,489.88            | 525,243.98          | 2        |
| 3  | 8710 3 Obedization Expense                     | 47,255.69     | 0           | 20,204.05             | 66,147.71      | 0           | 55,072.40             | 378,688.88          | 3        |
| 4  | 872 Comp. Station Labor & Expenses             | 0.00          | 0           | 0.00                  | 0.00           | 0           | 0.00                  | 0.00                | 4        |
| 5  | 873 Comp. Station Fuel and Power               | 0.00          | 0           | 0.00                  | 0.00           | 0           | 0.00                  | 0.00                | 5        |
| 6  | 874 Mains & Services Expenses                  | 417,222.76    | 0           | 457,886.97            | 799,723.28     | 0           | 988,325.42            | 5,981,211.24        | 6        |
| 7  | 875 Mains & Reg. Sta. Exp. Gen.                | 40,705.04     | 0           | 65,846.20             | 81,223.98      | 0           | 125,363.30            | 629,966.29          | 7        |
| 8  | 876 Mess. & Reg. Sta. Exp. Ind.                | 22,066.55     | 0           | 36,546.92             | 44,585.18      | 0           | 70,180.72             | 369,477.45          | 8        |
| 9  | 877 Mess. & Reg. Sta. Exp. City Gate           | 25,797.22     | 0           | 31,330.56             | 39,314.55      | 0           | 56,523.61             | 332,142.89          | 9        |
| 10   | 878 Meter & House Regulator Exp.               | 467,156.96    | 0           | 513,072.60            | 952,721.61     | 0           | 1,074,753.35          | 6,184,352.80        | 10       |
| 11   | 8790 0 Customer Installation Expenses          | 244,564.80    | 0           | 281,972.52            | 501,664.52     | 0           | 606,515.69            | 3,463,006.90        | 11       |
| 12   | 8790 1 Customer Installation Exp. - Flex Conn. | 974.55        | 0           | 0.00                  | 974.55         | 0           | 0.00                  | 1,729.89            | 12       |
| 13   | 8790 8 Irrigation Operating Fee Lines          | 193.72        | 0           | 94.50                 | 328.57         | 0           | 151.90                | (2,182.24)          | 13       |
| 14   | 8790 9 Customer Service - Gas Lights & Grills  | (7,360.70)    | 0           | (9,216.84)            | (15,653.95)    | 0           | (17,050.30)           | (6,840.57)          | 14       |
| 15   | 8800 0 Other Expenses                          | 14,047.61     | 0           | 21,086.00             | 31,009.95      | 0           | 54,906.24             | 292,157.10          | 15       |
| 16   | 8800 1 Distribution Maps & Records             | 9,693.85      | 0           | 9,645.86              | 18,641.43      | 0           | 20,151.15             | 117,127.26          | 16       |
| 17   | 8810 0 Rents                                   | 384,914.22    | 0           | 377,036.74            | 756,231.37     | 0           | 753,769.72            | 4,578,969.16        | 17       |
| 18   | 8810 8 Building Service                        | 38,137.17     | 0           | 42,475.04             | 72,289.96      | 0           | 84,771.36             | 505,930.91          | 18       |
| 19   | Total Distribution Operation Expenses          | 2,507,704.68  | 0           | 2,416,381.53          | 4,878,445.80   | 0           | 4,900,656.89          | 29,986,922.60       | 19       |
| <b>Customer Accounts Expenses</b>                |  |               |             |                       |                |             |                       |                     |          |
| 20   | 901 Supervision                                | 60,705.50     | 0           | 117,391.72            | 132,190.68     | 0           | 230,207.03            | 1,227,988.79        | 20       |
| 21   | 902 Meter Reading Expenses                     | 315,608.94    | 0           | 354,866.45            | 598,207.09     | 0           | 704,287.02            | 4,155,364.12        | 21       |
| 22   | 903 Cust. Records & Coll. Expenses             | 884,071.88    | 0           | 962,326.36            | 1,724,158.71   | 0           | 1,965,272.58          | 12,022,906.76       | 22       |
| 23   | 904 Uncollectible Accounts                     | 134,885.64    | 0           | 105,993.08            | 213,378.18     | 0           | 165,843.01            | 2,090,340.03        | 23       |
| 24   | 905 Miscellaneous Expenses                     | 22,593.37     | 0           | 26,431.81             | 51,753.97      | 0           | 57,998.24             | 363,144.93          | 24       |
| 25   | Total Customer Accounts Expenses               | 1,417,865.33  | 0           | 1,567,009.42          | 2,719,688.63   | 0           | 3,132,607.88          | 19,819,744.63       | 25       |
| <b>Customer Service and Information Expenses</b> |  |               |             |                       |                |             |                       |                     |          |
| 26   | 909 Supervision                                | 49,475.97     | 0           | 54,061.76             | 99,872.39      | 0           | 109,264.30            | 633,577.64          | 26       |
| 27   | 910 Customer Assistance Expenses               | 190,334.98    | 0           | 197,448.66            | 349,437.32     | 0           | 447,038.63            | 2,248,820.34        | 27       |
| 28   | 911 Inform. Instrum. & Ad Expenses             | 52,218.13     | 0           | 41,583.74             | 96,663.36      | 0           | 54,417.50             | 496,871.51          | 28       |
| 29   | 912 Misc. Customer Serv. & Info. Exp.          | 1,124.12      | 0           | 865.77                | 2,309.21       | 0           | 1,656.21              | 9,369.06            | 29       |
| 30   | Total Customer Service & Info. Exp.            | \$293,151.20  | \$0         | \$393,959.93          | \$548,232.28   | \$0         | \$612,376.66          | \$3,368,588.55      | 30       |

\* Budget information not available by account and includes UCC.

**ATMOS ENERGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED OPERATION EXPENSES**  
**FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 11/30/97**

| Line No.   | Description (a)                        | Current Month   |              | Year to Date          |                 | Twelve Months Ended |                       |
|--|--|-----------------|--------------|-----------------------|-----------------|---------------------|-----------------------|
|  |  | Actual (b)      | Budget* (c)  | Prior Year Actual (d) | Actual (e)      | Budget* (f)         | Prior Year Actual (g) |
| <b>Sales Promotion Expenses</b>                        |  |                 |              |                       |                 |                     |                       |
| 1  | 915 Supervision                        | \$14,585.24     | \$0          | \$12,050.18           | \$30,000.88     | \$0                 | \$178,959.89          |
| 2  | 916 Demonstrating & Selling Expenses   | 39,246.41       | 0            | 24,468.76             | 63,318.10       | 0                   | 394,373.70            |
| 3  | 917 Advertising Expenses               | 0.00            | 0            | 0.00                  | 158.73          | 0                   | 1,856.03              |
| 4  | 918 Miscellaneous Sales Expenses       | 875.56          | 0            | 2,528.01              | 875.56          | 0                   | 6,160.91              |
| 5  | Total Sales Promotion Expenses         | 54,707.21       | 0            | 39,046.95             | 95,443.27       | 0                   | 581,350.53            |
| <b>Administrative &amp; General Operation Expenses</b> |  |                 |              |                       |                 |                     |                       |
| 6  | 920 Salaries                           | 768,913.08      | 0            | 795,521.80            | 1,576,670.86    | 0                   | 9,279,509.21          |
| 7  | 921 Office Supplies and Expenses       | 296,614.55      | 0            | 396,547.55            | 711,303.03      | 0                   | 849,689.25            |
| 8  | 922 Admin. Exp. Transf. - Cr.          | (1,220,419.06)  | 0            | (830,000.00)          | (2,830,438.97)  | 0                   | (12,250,458.97)       |
| 9  | 923 Outside Services Employed          | 300,473.65      | 0            | 264,175.49            | 695,679.99      | 0                   | 2,897,476.87          |
| 10   | 924 Property Insurance                 | 9,134.50        | 0            | 8,480.67              | 18,269.80       | 0                   | 20,845.34             |
| 11   | 925 0 Injuries and Damages             | 188,135.50      | 0            | 186,727.97            | 381,023.38      | 0                   | 419,273.73            |
| 12   | 926 0 Workmen's Comp. Ins. - Cr.       | (17,311.73)     | 0            | (6,180.80)            | (34,991.46)     | 0                   | (25,253.48)           |
| 13   | 926 0 Employee Welfare Expenses - Db   | 1,601,997.38    | 0            | 1,517,128.62          | 3,451,150.86    | 0                   | 20,209,225.33         |
| 14   | 926 1 Pensions                         | 44,620.00       | 0            | 30,600.00             | 80,240.00       | 0                   | 61,200.00             |
| 15   | 926 7 Emp. Welfare Exp. - Cr.          | (434,798.83)    | 0            | (372,665.80)          | (854,937.00)    | 0                   | (4,691,217.05)        |
| 16   | 926 9 Pensions - Cr.                   | (15,137.68)     | 0            | (7,951.19)            | (29,994.17)     | 0                   | (182,725.19)          |
| 17   | 927 Franchise Requirements             | 620.65          | 0            | 665.55                | 844.45          | 0                   | 2,572.67              |
| 18   | 928 Regulatory Commission Exp.         | 9,588.03        | 0            | 21,412.34             | 19,176.06       | 0                   | 151,423.34            |
| 19   | 929 Duplicate Charges - Cr.            | (8,687.14)      | 0            | (7,227.91)            | (13,055.46)     | 0                   | (92,506.24)           |
| 20   | 930 1 General Advertising Expenses     | 0.00            | 0            | 0.00                  | 0.00            | 0                   | 0.00                  |
| 21   | 930 2 Miscellaneous General Expenses   | 155,239.33      | 0            | 214,073.58            | 366,414.07      | 0                   | 2,522,880.45          |
| 22   | 931 0 Rents                            | 195,662.38      | 0            | 194,237.34            | 388,988.29      | 0                   | 2,334,152.74          |
| 23   | 931 8 Building Service                 | 0.00            | 0            | 0.00                  | 0.00            | 0                   | 0.00                  |
| 24   | Total Admin. & Gen. Operation Expenses | 1,874,675.01    | 0            | 2,405,545.21          | 3,955,323.73    | 0                   | 51,299,163.94         |
| 25   | Total Operation Expense                | \$6,259,137.33  | \$12,028,000 | \$6,851,636.93        | \$12,402,976.67 | \$24,204,000        | \$106,350,756.99      |
| 26   | UCG Operation Expense                  | 4,920,078.88    | 0.00         | 4,815,666.00          | 10,344,938.79   | 0.00                | 65,496,951.79         |
| 27   | Consolidated Operation Expense         | \$11,179,211.21 | \$12,028,000 | \$11,667,302.93       | \$22,747,915.46 | \$24,204,000        | \$172,047,708.78      |

\* Budget information not available by account and includes UCG.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED MAINTENANCE EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 11/30/97

| Line No.                                  | Description (a)                          | Current Month |              |                       | Year to Date |              |                       | Twelve Months Ended |          |
|---|--|---------------|--------------|-----------------------|--------------|--------------|-----------------------|---------------------|----------|
|   |  | Actual (b)    | Budget * (c) | Prior Year Actual (d) | Actual (e)   | Budget * (f) | Prior Year Actual (g) | Actual (h)          | Line No. |
| <b>Manufactured Gas Prod. Maint. Exp.</b> |  |               |              |                       |              |              |                       |                     |          |
| 1   | 740 Maint. Supervision and Engineering   | \$0.00        | \$0          | \$0.00                | \$0.00       | \$0          | \$0.00                | \$0.00              | 1        |
| 2   | 741 Structures and Improvements          | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                | 2        |
| 3   | 742 Production Equipment                 | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                | 3        |
| 4   | Total Manufactured Gas Prod. Maint. Exp. | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                | 4        |
| <b>Natural Gas Production Maint. Exp.</b> |  |               |              |                       |              |              |                       |                     |          |
| 5   | 761 Maint. Supervision and Engineering   | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                | 5        |
| 6   | 762 Structures and Improvements          | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                | 6        |
| 7   | 763 Maint. of Producing Gas Wells        | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                | 7        |
| 8   | 764 Field Lines                          | 643.29        | 0            | 411.07                | 871.56       | 0            | 714.88                | 4,972.58            | 8        |
| 9   | 765 Field Compressor Station Equipment   | 18.87         | 0            | 139.49                | 46.14        | 0            | 360.81                | 10,850.21           | 9        |
| 10  | 766 Field Meas. and Reg. Station Equip.  | 0.00          | 0            | 293.25                | 142.67       | 0            | 1,985.43              | 3,099.10            | 10       |
| 11  | 767 Purification Equip.                  | 620.84        | 0            | 953.31                | 1,630.19     | 0            | 3,373.74              | 15,789.11           | 11       |
| 12  | 769 Other Equip.                         | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                | 12       |
| 13  | 7990 2 Transf. to Purch. Gas Accs. - Cr. | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                | 13       |
| 14  | Total Natural Gas Prod. Maint. Exp.      | 1,283.00      | 0            | 1,797.12              | 2,690.36     | 0            | 6,434.86              | 34,711.00           | 14       |
| <b>Production Extraction</b>              |  |               |              |                       |              |              |                       |                     |          |
| 15  | 784 Maint. Supervision-Engineering       | 325.44        | 0            | 306.76                | 325.44       | 0            | 377.46                | 1,404.55            | 15       |
| 16  | 786 Extraction & Refining Equip.         | 322.31        | 0            | 215.23                | 950.33       | 0            | 741.48                | 8,915.53            | 16       |
| 17  | 787 Maint. Of Pipe Lines                 | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                | 17       |
| 18  | Total Production Extraction              | \$647.75      | \$0          | \$521.99              | \$1,275.97   | \$0          | \$1,118.94            | \$10,320.08         | 18       |

\* Budget information not available by account and includes UCC.



ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED MAINTENANCE EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 11/30/97

| Line No.  | Description (a)                                | Current Month |              | Year to Date |              | Twelve Months Ended |                |
|---|--|---------------|--------------|--------------|--------------|---------------------|----------------|
|   |  | Actual (b)    | Budget * (c) | Actual (e)   | Budget * (f) | Actual (g)          | Actual (h)     |
| <b>Underground Storage Maintenance Expenses</b> |  |               |              |              |              |                     |                |
| 1   | 830 Supervision-Engineering                    | \$0.00        | \$0          | \$0.00       | \$0          | \$0.00              | \$0.00         |
| 2   | 831 Structures & Improvements                  | 1,215.13      | 0            | 1,572.38     | 0            | 22.86               | 6,471.39       |
| 3   | 832 Reservoirs & Wells                         | 197.98        | 0            | 320.77       | 0            | 64.33               | 1,040.68       |
| 4   | 833 Line Maintenance                           | 0.00          | 0            | 0.00         | 0            | 0.00                | 0.00           |
| 5   | 834 Compressor Station Equipment               | 53.09         | 0            | 371.02       | 0            | 698.31              | 5,639.88       |
| 6   | 835 Meas. & Reg. Station Equipment             | 0.00          | 0            | 83.71        | 0            | 83.71               | 4,043.90       |
| 7   | 836 Purification Equipment                     | 20.33         | 0            | 88.87        | 0            | 88.87               | 4,670.82       |
| 8   | 837 Other Equipment                            | 0.00          | 0            | 0.00         | 0            | 0.00                | 0.00           |
| 9   | Total Underground Storage Maintenance Expenses | 1,486.53      | 0            | 566.46       | 0            | 868.08              | 21,866.67      |
| <b>Transmission Maintenance Expenses</b>        |  |               |              |              |              |                     |                |
| 10  | 861 Supervision-Engineering                    | 468.97        | 0            | 241.47       | 0            | 624.56              | 3,201.06       |
| 11  | 862 Structures & Improvements                  | 567.02        | 0            | 186.43       | 0            | 75.97               | 4,156.90       |
| 12  | 863 Maintenance of Mains                       | 627.22        | 0            | 1,729.15     | 0            | 4,612.67            | 32,901.93      |
| 13  | 864 Compressor Station Equipment               | 239.03        | 0            | 425.23       | 0            | 1,180.12            | 2,411.07       |
| 14  | 865 Meas. & Reg. Station Equipment             | 2,735.72      | 0            | 1,666.26     | 0            | 5,646.74            | 40,124.69      |
| 15  | 866 Communications Equipment                   | 0.00          | 0            | 0.00         | 0            | 0.00                | 0.00           |
| 16  | 867 Other Equipment                            | 425.65        | 0            | 0.00         | 0            | 0.00                | 4,616.76       |
| 17  | Total Transmission Maintenance Expenses        | 5,065.61      | 0            | 4,248.56     | 0            | 12,140.06           | 87,412.41      |
| <b>Distribution Maintenance Expenses</b>        |  |               |              |              |              |                     |                |
| 18  | 885 Supervision-Engineering                    | 62,835.01     | 0            | 88,389.63    | 0            | 180,430.38          | 1,028,671.23   |
| 19  | 886 Structures & Improvements                  | 7,684.63      | 0            | 7,310.95     | 0            | 19,665.38           | 108,572.50     |
| 20  | 887 Maintenance of Mains                       | 80,698.26     | 0            | 93,242.73    | 0            | 219,116.72          | 1,268,109.29   |
| 21  | 888 Compressor Station Equipment               | 0.00          | 0            | 0.00         | 0            | 0.00                | 0.00           |
| 22  | 889 Meas. & Reg. Station Equipment-Gen.        | 8,809.50      | 0            | 12,068.22    | 0            | 24,552.11           | 167,044.72     |
| 23  | 890 Meas. & Reg. Station Equipment-Ind.        | 4,341.12      | 0            | 9,049.90     | 0            | 23,886.81           | 122,644.66     |
| 24  | 891 Meas. & Reg. Station Equipment-C. Gate     | 2,846.16      | 0            | 4,478.42     | 0            | 9,841.38            | 80,234.78      |
| 25  | 892 Maintenance of Services                    | 17,308.81     | 0            | 24,530.41    | 0            | 55,256.04           | 313,897.61     |
| 26  | 893 Maintenance of Meter & House Regulator     | 49,446.37     | 0            | 22,777.43    | 0            | 49,990.72           | 967,426.31     |
| 27  | 894 Other Equipment                            | 3,735.31      | 0            | 3,481.75     | 0            | 8,842.91            | 56,512.57      |
| 28  | Total Distribution Maintenance Expenses        | \$237,723.17  | \$0          | \$265,379.46 | \$0          | \$591,282.85        | \$4,113,063.67 |

\* Budget information not available by account and includes UCCO.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED MAINTENANCE EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 11/30/97

| Line No.   | Description (a)                         | Current Month |              | Prior Year Actual (d) | Actual (c)     | Year to Date   |                | Prior Year Actual (e) | Twelve Months Ended |  | Line No. |
|--|---|---------------|--------------|-----------------------|----------------|----------------|----------------|-----------------------|---------------------|--|----------|
|  |   | Actual (b)    | Budget * (c) |                       |                | Budget * (f)   | Actual (b)     |                       |                     |  |          |
| <b>Administrative &amp; General Maintenance Expenses</b> |   |               |              |                       |                |                |                |                       |                     |  |          |
| 1  | 932 Maintenance of General Plant        | \$5,147.61    | \$0          | \$42.76               | \$6,237.96     | \$0            | \$85.52        | \$85.52               | \$33,024.33         |  | 1        |
| 2  | Total Adm. & Gen. Maintenance Expenses  | \$5,147.61    | 0            | 42.76                 | 6,237.96       | 0              | 85.52          | 85.52                 | 33,024.33           |  | 2        |
| 3  | Total Maintenance Expenses              | \$251,333.67  | \$897,000    | \$772,506.35          | \$544,500.43   | \$1,794,000    | \$611,930.31   | \$611,930.31          | \$4,300,398.16      |  | 3        |
| 4  | UCG Maintenance Expenses                | 444,116.00    | 0            | 632,763.00            | 1,181,504.00   | 0.00           | 1,162,252.00   | 1,162,252.00          | 7,623,238.33        |  | 4        |
| 5  | Total Consolidated Maintenance Expenses | \$695,469.67  | \$897,000.00 | \$905,269.35          | \$1,726,004.43 | \$1,794,000.00 | \$1,774,182.31 | \$1,774,182.31        | \$11,925,636.49     |  | 5        |

\* Budget information not available by account and includes UCG.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 LABOR STATISTICS BY COMPANY  
 FOR THE MONTH AND YEAR TO DATE ENDED 11/30/97

|   | Month          |                | Year to Date    |                 |  |
|---|----------------|----------------|-----------------|-----------------|--|
|   | Actual         | Prior Year     | Actual          | Prior Year      |  |
|   |                |                |                 |                 |  |
| <b>Labor Costs Distribution (000's):</b>  |                |                |                 |                 |  |
| Atmos (Corporate)                         | \$1,153        | \$1,095        | \$2,236         | \$2,130         |  |
| Energas                                   | 1,480          | 1,615          | 2,969           | 3,234           |  |
| Greeley Gas                               | 907            | 911            | 1,807           | 1,830           |  |
| Trans La                                  | 455            | 478            | 913             | 956             |  |
| UCG                                       | 2,057          | 2,474          | 4,855           | 5,731           |  |
| UCG - Non Regulated                       | 271            | 222            | 568             | 530             |  |
| WKG                                       | 999            | 1,101          | 1,994           | 2,182           |  |
| <b>Total Labor Costs Distribution</b>     | <b>\$7,322</b> | <b>\$7,896</b> | <b>\$15,342</b> | <b>\$16,593</b> |  |
| <b>Percentage Labor Capitalized</b>       |                |                |                 |                 |  |
| Atmos (Corporate)                         |                |                | 17%             | 5%              |  |
| Energas                                   |                |                | 26%             | 23%             |  |
| Greeley Gas                               |                |                | 38%             | 33%             |  |
| Trans La                                  |                |                | 32%             | 28%             |  |
| UCG                                       |                |                | 29%             | 29%             |  |
| UCG - Non Regulated                       |                |                | .6%             | .3%             |  |
| WKG                                       |                |                | 32%             | 23%             |  |
|   |                |                | 28%             | 27%             |  |
| <b>Total Percentage Labor Capitalized</b> |                |                |                 |                 |  |
| <b>Average Labor Costs Per Employee:</b>  |                |                |                 |                 |  |
| Atmos (Corporate)                         | \$5,170        | \$4,740        | \$5,002         | \$4,591         |  |
| Energas                                   | 2,857          | 2,674          | 2,822           | 2,677           |  |
| Greeley Gas                               | 3,687          | 3,451          | 3,614           | 3,466           |  |
| Trans La                                  | 3,033          | 2,862          | 3,013           | 2,862           |  |
| UCG                                       | 2,248          | 2,304          | 2,647           | 2,659           |  |
| UCG - Non Regulated                       | 1,694          | 1,563          | 1,759           | 1,873           |  |
| WKG                                       | 3,064          | 2,944          | 3,030           | 2,917           |  |
| <b>Average Labor Costs Per Employee</b>   | <b>\$2,885</b> | <b>\$2,765</b> | <b>\$2,998</b>  | <b>\$2,901</b>  |  |

# Atmos Energy Corporation

## FINANCIAL STATEMENTS

DECEMBER, 1997

*Note: These Financial Statements and the Supplemental information contained herein are confidential. Any unauthorized distribution of all or part of these statements is in violation of company policy.*



**ATMOS ENERGY CORPORATION AND SUBSIDIARIES**  
**FINANCIAL STATEMENTS - TABLE OF CONTENTS**  
**AS OF DECEMBER 31, 1997**

Description

**MANAGEMENT SUMMARY**

Highlights  
 Financial Ratios and Key Statistics  
 Balance Sheets  
 Consolidated Income Statements  
 Operating Revenues and Volumes

**FLASH REPORTS**

Net Income  
 Operation and Maintenance Expenses  
 Interest Expense  
 Billed Shared Services  
 Capital Expenditures

**I. CONSOLIDATED FINANCIAL STATEMENTS**

Consolidated Balance Sheets -  
 Assets ..... 1  
 Liabilities and Shareholders' Equity ..... 2  
 Consolidated Statements of Income ..... 3  
 Consolidating Balance Sheet -  
 Assets ..... 4  
 Liabilities and Shareholders' Equity ..... 5  
 Eliminations to Consolidating Balance Sheet ..... 6  
 Consolidating Balance Sheet -  
 -Non Regulated Assets ..... 7  
 -Non Regulated Liabilities ..... 8

**II. CONSOLIDATING - UTILITY/NON-UTILITY**

Consolidated Income Statement -  
 Utility/Non-Utility ..... 9-10  
 Eliminations - Income Statement ..... 11  
 Consolidating Income Statement - Regulated ..... 12-13  
 Consolidating Income Statement - Non-Regulated ..... 14-15  
 Consolidating Income Statement - Non-Utility ..... 16-17  
 Shared Services Billing (Summary) ..... 18-19  
 Shared Services Billing (Detail) ..... 20-25  
 Analysis of Shared Services - Actual vs. Budget (Summary) ..... 26-27  
 Analysis of Shared Services - Actual vs. Budget (Detail) ..... 28-35

**III. INCOME STATEMENTS:**

Utility -  
 Utility Business Units ..... 36-37  
 Energas Business Units ..... 38-39  
 Energas ..... 40  
 Egasco ..... 41  
 Enernart ..... 42  
 Greeley Business Unit ..... 43  
 Trans La Business Units ..... 44-45  
 Trans La ..... 46  
 TLIG ..... 47  
 United Cities Business Unit ..... 48  
 WKG Business Units ..... 49-50  
 WKG ..... 51  
 WKGR ..... 52

Non-Utility -

Atmos Energy Services ..... 53  
 Propane ..... 54  
 Leasing ..... 55  
 Rental ..... 56  
 Utility Services ..... 57  
 Storage ..... 58

**IV. COMBINING FINANCIAL STATEMENTS - ATMOS/UCG REGULATED:**

Combining Balance Sheets -  
 Assets ..... 59  
 Liabilities and Shareholders' Equity ..... 60  
 Combining Statements of Income ..... 61-62  
 Property, Plant and Equipment ..... 63-69  
 Combining Balance Sheet Detail ..... 70-86

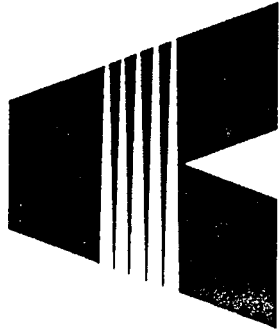
**V. STATISTICS**

Operating Revenue and Statistics ..... 87-98  
 Consolidated Operation and Maintenance Expense ..... 99-105  
 Statement of Long-term Debt ..... 106  
 Labor Statistics by Company ..... 107

( THIS PAGE LEFT BLANK INTENTIONALLY )

**Atmos Energy Corporation**  
**Management Summary**

**December 31, 1997**



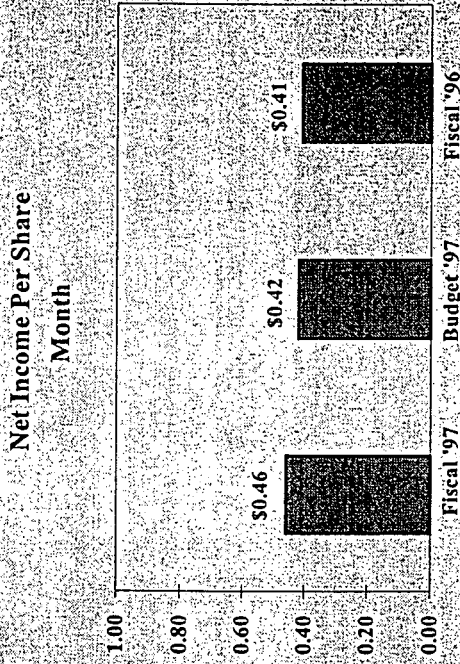
**ATMOS**

---

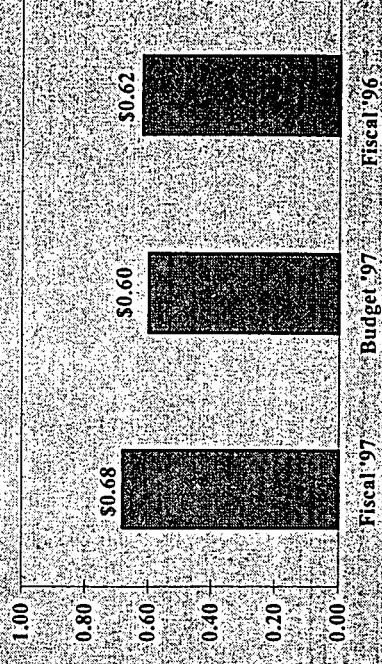
This report is confidential. Any unauthorized distribution of all or part of this report is in violation of company policy. This report contains information that is unaudited by the company's outside audit firm.

# Atmos Energy Corporation Highlights

|                                    | Actual   | Budget   | Prior Year |
|------------------------------------|----------|----------|------------|
| <b>Net Income (Loss) Per Share</b> |          |          |            |
| Month                              | \$0.46   | \$0.42   | \$0.41     |
| Year To Date                       | 0.68     | 0.60     | 0.62       |
| 12 Months Ended                    | 0.88     | 1.32     | 1.55       |
| <b>Net Income (Loss) (000's)</b>   |          |          |            |
| Month                              | \$13,740 | \$12,394 | \$11,908   |
| Year To Date                       | 20,122   | 17,775   | 18,155     |
| 12 Months Ended                    | 25,805   | 38,842   | 45,098     |
| <b>Dividend Per Share</b>          | \$1.06   |          | \$1.00     |
| <b>Stock Price (Fiscal Y-T-D)</b>  |          |          |            |
| High                               | 30 1/2   |          | 24 3/4     |
| Low                                | 26 3/16  |          | 22         |
| Close                              | 30 1/4   |          | 23 7/8     |
| Volume (000's)                     | 1,739    |          | 1,089      |
| <b>Return on Average Equity</b>    | 7.57%    |          | 12.58%     |
| <b>Book Value Per Share</b>        |          |          |            |
| End of Month                       | \$11.55  | \$10.33  | \$11.48    |
| <b>Degree Days</b>                 |          |          |            |
| Month                              | 830      | 717      | 102.7%     |
| Year To Date                       | 1,868    | 1,481    | 115.8%     |
| 12 Months Ended                    | 4,423    | 4,083    | 126.1%     |



Year To Date





# Atmos Energy Corporation

## Financial Ratios - Industry Comparison

|  | Atmos  |      | 33 Natural Gas Utility Distribution Companies |                      |       |        |
|--|--------|------|---|----------------------|-------|--------|
|  | Amount | Rank | Maximum                                       | Minimum              | Mean  | Median |
| Price/Earnings Ratio                             | 34.4X  | 2    | 36.2X   | 12X <sup>(11)</sup>  | 17.7X | 16.3X  |
| Yield (Dividend/Market Price)                    | 3.5%   | 29   | 7.8% <sup>(9)</sup>                           | 0.0% <sup>(1)</sup>  | 4.4%  | 4.4%   |
| Market Price/Book Value                          | 2.6X   | 1    | 2.6X  | 1.37X <sup>(8)</sup> | 1.94X | 1.91X  |
| Equity/Total Capitalization (Incl. S/T Debt)     | 39%    | 31   | 65% <sup>(10)</sup>                           | 35% <sup>(1)</sup>   | 52%   | 53%    |
| Return on Average Equity                         | 7.57%  | 8    | 15.5% <sup>(6)</sup>                          | 7.0% <sup>(10)</sup> | 11.4% | 11.6%  |
| Payout Ratio (Dividend/EPS)                      | 120%   | 3    | 163% <sup>(7)</sup>                           | 48% <sup>(4)</sup>   | 79%   | 75%    |
| Book Yield (Dividend/Book Value)                 | 9.2%   | 10   | 13.6% <sup>(9)</sup>                          | 0.0% <sup>(1)</sup>  | 8.4%  | 8.4%   |
| Before Tax Interest Coverage                     | 2.07X  | 29   | 5.94X <sup>(6)</sup>                          | 1.94X <sup>(7)</sup> | 3.3X  | 3.2X   |
| Total Capitalization (Incl. S/T Debt) (millions) | \$876X | 6    | \$2,574 <sup>(1)</sup>                        | \$12 <sup>(11)</sup> |       |        |

Source: Edward Jones, Natural Gas Industry, Monthly Financial & Common Stock Information December 31, 1997. Includes selected companies with at least 90% of their operating revenues from the natural gas distribution business. The information for the 34 natural gas distribution utilities is based primarily on the period ended September 30, 1997 and stock prices as of December 31, 1997.

Footnotes:

- <sup>(1)</sup> Southern Union Company
- <sup>(2)</sup> Pennsylvania Enterprises, Inc.
- <sup>(3)</sup> Pacific Enterprises
- <sup>(4)</sup> Mobile Gas Service Corporation
- <sup>(5)</sup> Berkshire Gas Company
- <sup>(6)</sup> North Carolina Natural Gas Company
- <sup>(7)</sup> Delta Natural Gas Company
- <sup>(8)</sup> Essex County Gas Company
- <sup>(9)</sup> Fall River Gas Company
- <sup>(10)</sup> Indiana Energy
- <sup>(11)</sup> Corning Natural Gas Company

## Key Statistics

|                        | Energy    |           | Trans La  |           | UCG       |             | WKG             |              | Non-Utility        |  | Shared Services |  | Peer Group Average |           |
|------------------------|-----------|-----------|-----------|-----------|-----------|-------------|-----------------|--------------|--------------------|--|-----------------|--|--------------------|-----------|
|                        | Energas   | GGC       | Trans La  | UCG       | WKG       | Non-Utility | Shared Services | Consolidated | Peer Group Average |  |                 |  |                    |           |
| Meters Per Employee:   |           |           |           |           |           |             |                 |              |                    |  |                 |  |                    |           |
| 12/31/97               | 617       | 472       | 533       | 422       | 529       | -           | -               | 431          | 431                |  |                 |  |                    |           |
| 12/31/96               | 494       | 422       | 478       | 287       | 463       | -           | -               | 355          | 355                |  |                 |  |                    | 331       |
| Net Plant Per Meter:   |           |           |           |           |           |             |                 |              |                    |  |                 |  |                    |           |
| 12/31/97               | \$ 470    | \$ 731    | \$ 971    | \$ 993    | \$ 601    | -           | -               | \$ 833       | \$ 833             |  |                 |  |                    | \$ 1,175  |
| 12/31/96               | \$ 431    | \$ 684    | \$ 925    | \$ 980    | \$ 563    | -           | -               | \$ 754       | \$ 754             |  |                 |  |                    | \$ 247.00 |
| O&M Expense Per Meter: |           |           |           |           |           |             |                 |              |                    |  |                 |  |                    |           |
| 12/31/97               | \$ 101.37 | \$ 165.08 | \$ 146.84 | \$ 197.29 | \$ 137.48 | -           | -               | \$ 177.60    | \$ 177.60          |  |                 |  |                    |           |
| 12/31/96               | \$ 112.40 | \$ 158.37 | \$ 142.27 | \$ 202.96 | \$ 132.89 | -           | -               | \$ 185.33    | \$ 185.33          |  |                 |  |                    |           |
| Employees:             |           |           |           |           |           |             |                 |              |                    |  |                 |  |                    |           |
| 12/31/97               | 509       | 243       | 152       | 752       | 333       | 156         | 251             | 2,396        | 2,396              |  |                 |  |                    |           |
| 12/31/96               | 602       | 265       | 168       | 1,077     | 374       | 145         | 230             | 2,861        | 2,861              |  |                 |  |                    |           |

# Consolidated Balance Sheets

## December 31, 1997

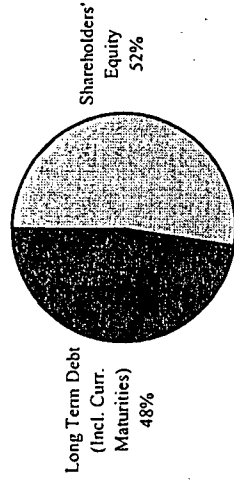
December 31,

| (000's)                                 | 1997               | 1996               |
|---|--------------------|--------------------|
| <b>ASSETS:</b>                          |                    |                    |
| Property Plant & Equipment:             |                    |                    |
| Gross Property, Plant and Equipment     | \$1,357,946        | \$1,236,279        |
| Accumulated Depreciation & Amortization | 497,200            | 457,444            |
| <b>Net P, P and E</b>                   | <b>860,746</b>     | <b>778,835</b>     |
| <b>Current Assets:</b>                  |                    |                    |
| Cash and Cash Equivalents               | 9,051              | 13,102             |
| Accounts Receivable                     | 172,770            | 168,000            |
| Inventories                             | 13,654             | 14,017             |
| Gas Stored Underground                  | 45,680             | 41,783             |
| Other Current Assets                    | 5,346              | 3,470              |
| <b>Total Current Assets</b>             | <b>246,501</b>     | <b>240,372</b>     |
| Deferred Charges & Other Assets         | 98,743             | 67,676             |
| <b>Total Assets</b>                     | <b>\$1,205,990</b> | <b>\$1,086,883</b> |

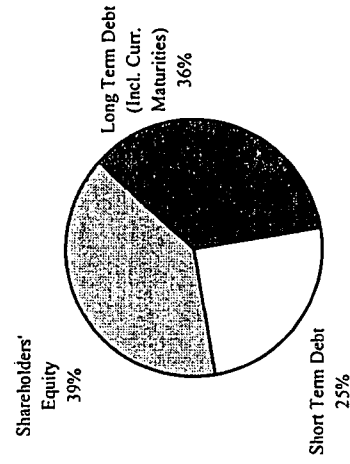
### LIABILITIES AND SHAREHOLDERS' EQUITY:

|   |                    |                    |
|---|--------------------|--------------------|
| <b>Shareholders' Equity</b>                         | <b>\$344,982</b>   | <b>\$336,749</b>   |
| Long Term Debt (Including Current Maturities)       | 312,056            | 326,841            |
| <b>Total Capitalization</b>                         | <b>656,938</b>     | <b>663,590</b>     |
| <b>Current Liabilities:</b>                         |                    |                    |
| Notes Payable                                       | 219,107            | 117,988            |
| Accounts Payable                                    | 110,970            | 116,391            |
| Accrued Taxes                                       | 10,564             | 10,550             |
| Income Taxes Payable                                | 542                | 4,797              |
| Dividends Declared                                  | -                  | -                  |
| Customers' Deposits                                 | 14,702             | 17,211             |
| Other Current Liabilities                           | 47,806             | 27,421             |
| <b>Total Current Liabilities</b>                    | <b>403,691</b>     | <b>294,358</b>     |
| Deferred Federal Income Taxes                       | 87,655             | 72,883             |
| Deferred Credits & Other Liabilities                | 57,706             | 56,052             |
| <b>Total Liabilities</b>                            | <b>\$861,108</b>   | <b>\$750,134</b>   |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <b>\$1,205,990</b> | <b>\$1,086,883</b> |

### Capitalization Excluding Short-Term Debt



### Capitalization Including Short-Term Debt



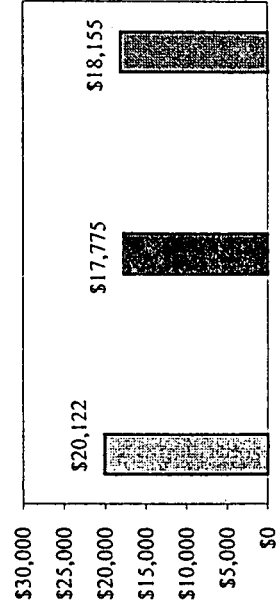
# Consolidated Statements of Income

December 31, 1997

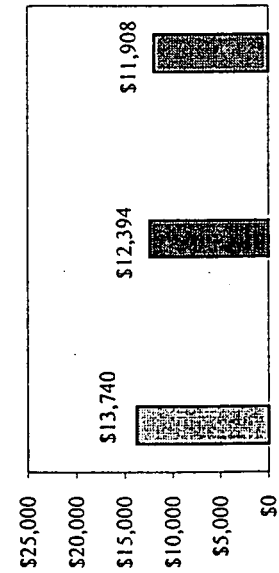
(000's)

|                                 | Month           |                 | Year-to-Date    |                 |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                 | Actual          | Budget          | Actual          | Budget          |
| Operating Revenues              | \$137,430       | \$120,450       | \$295,331       | \$259,657       |
| Purchased Gas Cost              | 91,930          | 76,655          | 195,730         | 163,248         |
| <b>Gross Profit</b>             | <b>\$45,500</b> | <b>\$43,795</b> | <b>\$99,601</b> | <b>\$96,409</b> |
| Operating Expenses              |                 |                 |                 |                 |
| Operation                       | 13,293          | 13,437          | 36,041          | 37,641          |
| Maintenance                     | 755             | 897             | 2,481           | 2,691           |
| Depreciation & Amortization     | 3,618           | 4,048           | 11,908          | 11,963          |
| Taxes - Other than Inc. Tax     | 3,153           | 3,107           | 8,219           | 8,150           |
| Provision for Inc. Taxes        | 8,405           | 7,518           | 12,284          | 10,719          |
| <b>Total Operating Expenses</b> | <b>29,224</b>   | <b>29,007</b>   | <b>70,933</b>   | <b>71,164</b>   |
| Operating Income                | 16,276          | 14,788          | 28,668          | 25,245          |
| Other Income (Expense)          | 625             | 577             | 763             | 1,354           |
| Interest Charges                | 3,161           | 2,971           | 9,309           | 8,824           |
| <b>Net Income</b>               | <b>\$13,740</b> | <b>\$12,394</b> | <b>\$20,122</b> | <b>\$17,775</b> |
|                                 |                 |                 | <b>\$20,122</b> | <b>\$18,155</b> |
|                                 |                 |                 | <b>\$17,775</b> | <b>\$18,155</b> |

Year to Date



Month



## Net Income

# Utility Operating Revenues and Volumes December 31, 1997

| Volumes Handled (MMcf)(as metered)      | Month         |               | Year-to-Date  |               |
|---|---------------|---------------|---------------|---------------|
|   | Actual        | Budget *      | Prior Year    | Prior Year    |
| <b>Gas Sales</b>                        |               |               |               |               |
| Residential                             | 13,747        | 12,414        | 26,489        | 25,321        |
| Commercial                              | 6,101         | 5,739         | 12,532        | 12,447        |
| Public Authority and Other              | 861           | 864           | 1,878         | 1,836         |
| <b>Total Weather Sensitive Sales</b>    | <b>20,709</b> | <b>19,017</b> | <b>40,899</b> | <b>39,604</b> |
| Industrial                              | 3,006         | 3,439         | 8,630         | 9,848         |
| Agricultural                            | 284           | 197           | 704           | 1,098         |
| <b>Total Gas Sales Volumes</b>          | <b>23,999</b> | <b>22,653</b> | <b>50,233</b> | <b>50,550</b> |
| Transportation                          | 5,225         | 3,948         | 14,341        | 11,895        |
| <b>Total Gas Volumes Handled (MMcf)</b> | <b>29,224</b> | <b>26,601</b> | <b>64,574</b> | <b>62,445</b> |

| Operating Revenues (000's)           | Month            |                  | Year-to-Date     |                  |
|--------------------------------------|------------------|------------------|------------------|------------------|
|                                      | Actual           | Budget *         | Prior Year       | Prior Year       |
| <b>Gas Sales Revenues</b>            |                  |                  |                  |                  |
| Residential                          | 76,628           | 75,289           | 155,111          | 145,389          |
| Commercial                           | 33,302           | 32,575           | 69,217           | 64,590           |
| Public Authority and Other           | 3,897            | 4,586            | 8,950            | 9,165            |
| <b>Total Weather Sensitive Sales</b> | <b>113,827</b>   | <b>112,450</b>   | <b>233,278</b>   | <b>219,144</b>   |
| Industrial                           | 13,186           | 14,512           | 37,342           | 36,940           |
| Agricultural                         | 1,120            | 579              | 2,769            | 3,006            |
| <b>Total Gas Sales Revenues</b>      | <b>128,133</b>   | <b>127,541</b>   | <b>273,389</b>   | <b>259,090</b>   |
| Other Gas Revenues                   | 795              | 479              | 1,842            | 1,486            |
| Transportation                       | 2,400            | 1,658            | 6,835            | 5,099            |
| <b>Total Operating Revenues</b>      | <b>\$131,328</b> | <b>\$114,301</b> | <b>\$282,066</b> | <b>\$265,675</b> |

\* Budget information other than total operating revenues not available

**NET INCOME BY BUSINESS UNIT**

Amos Energy Corporation  
Net Income

For the Month and Year to Date Ended December 31, 1997

|                             | Current    |              |              | Month      |             |              | Current      |           |            | Year-to-Date |        |            |        |              |
|-----------------------------|------------|--------------|--------------|------------|-------------|--------------|--------------|-----------|------------|--------------|--------|------------|--------|--------------|
|                             | Year       | Actual       | Over (Under) | Budget     | Actual      | Over (Under) | Prior Year   | Year      | Actual     | Over (Under) | Budget | Prior Year | Actual | Over (Under) |
|                             |            |              |              |            |             |              |              |           |            |              |        |            |        |              |
| Energas                     | 2,232,549  | 2,611,000    | (378,451)    | 1,483,704  | 748,845     | 3,775,974    | 4,143,000    | (367,026) | 3,353,456  | 422,518      |        |            |        |              |
| Enermart & Egasco           | (13,428)   | (275,000.00) | 261,572      | 446,168    | (459,596)   | (238,713)    | (650,000.00) | 411,287   | (86,958)   | (151,755)    |        |            |        |              |
| GCC                         | 1,189,688  | 1,211,000    | (21,312)     | 2,364,693  | (1,175,005) | 2,289,043    | 1,651,000    | 638,043   | 3,331,445  | (1,042,402)  |        |            |        |              |
| TransLa                     | 1,269,403  | 1,188,000    | 81,403       | 737,663    | 531,740     | 1,685,248    | 1,567,000    | 118,248   | 903,109    | 782,139      |        |            |        |              |
| TLIG                        | (26,911)   | 22,000       | (48,911)     | (987)      | (25,924)    | 66,128       | 65,000       | 1,128     | 31,025     | 35,103       |        |            |        |              |
| UCGC                        | 5,722,648  | 4,808,000    | 914,648      | 5,097,769  | 624,879     | 7,875,824    | 7,257,000    | 618,824   | 7,502,078  | 373,746      |        |            |        |              |
| WKG                         | 2,277,267  | 2,064,000    | 213,267      | 1,251,857  | 1,025,410   | 3,024,915    | 1,816,000    | 1,208,915 | 1,391,431  | 1,633,484    |        |            |        |              |
| WKGR                        | (1,344)    | 3,000        | (4,344)      | 1,812      | (3,156)     | (1,315)      | 9,000        | (10,315)  | (9,627)    | 8,312        |        |            |        |              |
| Total Utility               | 12,649,872 | 11,632,000   | 1,017,872    | 11,382,679 | 1,267,193   | 18,477,104   | 15,838,000   | 2,619,104 | 16,415,959 | 2,061,145    |        |            |        |              |
| Rental                      | 71,833     | 63,000       | 8,833        | 52,900     | 18,933      | 218,135      | 188,000      | 30,135    | 223,588    | (5,453)      |        |            |        |              |
| Utility Services-Woodward   | 323,131    | 189,000      | 134,131      | 22,100     | 301,031     | 125,267      | 427,000      | (301,733) | 274,287    | (149,020)    |        |            |        |              |
| Leasing                     | 28,198     | 23,000       | 5,198        | 22,335     | 5,863       | 83,044       | 69,000       | 14,044    | 66,257     | 16,787       |        |            |        |              |
| Propane                     | 426,941    | 463,000      | (36,059)     | 393,356    | 33,585      | 843,765      | 1,148,000    | (304,235) | 1,017,131  | (173,366)    |        |            |        |              |
| Total Energy                | 850,103    | 738,000      | 112,103      | 490,691    | 359,412     | 1,270,211    | 1,832,000.00 | (561,789) | 1,581,263  | (311,052)    |        |            |        |              |
| UCC Storage                 | 54,739     | 24,000       | 30,739       | 42,489     | 12,250      | 194,066      | 85,000       | 109,066   | 180,077    | 13,989       |        |            |        |              |
| Amos Energy Service         | (45)       | 0            | (45)         | (326)      | 281         | (70)         | 0            | (70)      | (1,880)    | 0            |        |            |        |              |
| Total Non-Utility           | 904,797    | 762,000      | 142,797      | 532,854    | 371,943     | 1,464,207    | 1,917,000.00 | (452,793) | 1,759,460  | (297,063)    |        |            |        |              |
| Unallocated Shared Svc. (1) | 186,000    | 0            | 186,000      | (7,064)    | 193,064     | 180,785      | 0            | 180,785   | (20,106)   | 200,891      |        |            |        |              |
| Consolidated Net Income     | 13,740,669 | 12,394,000   | 1,346,669    | 11,908,469 | 1,832,200   | 20,122,096   | 17,775,000   | 2,347,096 | 18,155,313 | 1,964,973    |        |            |        |              |

(1) Unallocated shared services amount due to late entries and other items which are cleared the following month.

O + M EXPENSE BY BUSINESS UNIT

Amos Energy Corporation  
Operation and Maintenance Expenses

For the Month and Year To Date Ended December 31, 1997

|  | Current Year |            | Month        |            | Actual    |              | Prior Year |             | Current Year |             | Year-to-Date |        | Actual |              | Prior Year |      |
|--|--------------|------------|--------------|------------|-----------|--------------|------------|-------------|--------------|-------------|--------------|--------|--------|--------------|------------|------|
|  | Actual       | Budget     | Over (Under) | Budget     | Year      | Over (Under) | Year       | Year        | Actual       | Budget      | Over (Under) | Budget | Year   | Over (Under) | Year       | Year |
|  |              |            |              |            |           |              |            |             |              |             |              |        |        |              |            |      |
| Energas  | 2,708,680    | 2,611,000  | 97,680       | 2,793,171  | (84,491)  | 7,569,655    | 7,907,000  | (337,345)   | 8,195,885    | (626,230)   |              |        |        |              |            |      |
| Emermart & Egasco                                  | 432,801      | 442,000    | (9,199)      | 447,566    | (14,765)  | 1,324,122    | 1,331,000  | (6,878)     | 1,509,562    | (185,440)   |              |        |        |              |            |      |
| GCC  | 1,485,772    | 1,602,000  | (116,228)    | 1,776,705  | (290,933) | 4,311,366    | 4,791,000  | (479,634)   | 4,695,603    | (384,237)   |              |        |        |              |            |      |
| Trans La   | 957,623      | 931,000    | 26,623       | 1,194,042  | (236,419) | 2,694,944    | 2,873,000  | (178,056)   | 3,128,172    | (433,228)   |              |        |        |              |            |      |
| TLIG   | 5,718        | 19,000     | (13,282)     | 6,589      | (871)     | 40,213       | 58,000     | (17,787)    | 61,385       | (21,172)    |              |        |        |              |            |      |
| UCGC   | 5,939,075    | 6,314,000  | (374,925)    | 6,005,542  | (66,467)  | 15,897,777   | 16,201,000 | (303,223)   | 15,780,290   | 117,487     |              |        |        |              |            |      |
| WKG  | 1,970,442    | 1,942,000  | 28,442       | 1,987,628  | (17,186)  | 5,528,782    | 5,962,000  | (433,218)   | 6,111,546    | (582,764)   |              |        |        |              |            |      |
| WKGR   | 444          | -          | 444          | (6,480)    | 6,924     | 1,164        | -          | 1,164       | 3,366        | (2,202)     |              |        |        |              |            |      |
| Total Utility                                      | 13,500,555   | 13,861,000 | (360,445)    | 14,204,763 | (704,208) | 37,368,023   | 39,123,000 | (1,754,977) | 39,485,809   | (2,117,786) |              |        |        |              |            |      |
| Rental   | 12,902       | 45,000     | (32,098)     | 80,250     | (67,348)  | 100,746      | 137,000    | (36,254)    | 159,848      | (59,102)    |              |        |        |              |            |      |
| Utility Svs-Woodward                               | 3,663        | 10,000     | (6,337)      | (156,465)  | 160,128   | 11,096       | 20,000     | (8,904)     | (36,976)     | 48,072      |              |        |        |              |            |      |
| Leasing  | 2,445        | 4,000      | (1,555)      | 6,340      | (3,895)   | 9,047        | 14,000     | (4,953)     | 20,281       | (11,234)    |              |        |        |              |            |      |
| Propane  | 820,363      | 845,000    | (24,637)     | 900,391    | (80,028)  | 2,203,159    | 2,386,000  | (182,841)   | 2,376,691    | (173,532)   |              |        |        |              |            |      |
| Total Energy                                       | 839,373      | 904,000    | (64,627)     | 830,516    | 8,857     | 2,324,048    | 2,557,000  | (232,952)   | 2,519,844    | (195,796)   |              |        |        |              |            |      |
| Storage  | 55,378       | 75,000     | (19,622)     | 60,604     | (5,226)   | 138,844      | 220,000    | (81,156)    | 135,483      | 3,361       |              |        |        |              |            |      |
| Amos Energy Services                               | 45           | -          | 45           | 326        | (281)     | 70           | -          | 70          | 1,879        | (1,809)     |              |        |        |              |            |      |
| Total Non-Utility                                  | 894,796      | 979,000    | (84,204)     | 891,446    | 3,350     | 2,462,962    | 2,777,000  | (314,038)   | 2,657,206    | (194,244)   |              |        |        |              |            |      |
| Amos Allocated Div. 02 Deprec. and Taxes Other (1) | (47,994)     | (255,000)  | 207,006      | (492,118)  | 444,124   | (1,014,524)  | (765,000)  | (249,524)   | (1,381,595)  | 367,071     |              |        |        |              |            |      |
| Unallocated Shared Services (2)                    | (300,000)    | -          | (300,000)    | -          | (300,000) | (294,785)    | -          | (294,785)   | -            | (294,785)   |              |        |        |              |            |      |
| Consolidated O & M Expense                         | 14,047,357   | 14,585,000 | (537,643)    | 14,604,091 | (556,734) | 38,521,676   | 41,135,000 | (2,613,324) | 40,761,420   | (2,239,744) |              |        |        |              |            |      |

- (1) Consolidated O & M expense does not include Amos allocated division 02 depreciation and taxes other.
- (2) Current year unallocated shared services due to charges to call center and adjustment for insurance reserve.

**INTEREST EXPENSE BY BUSINESS UNIT**

Atmos Energy Corporation  
Interest Expense

For the Month And Year To Date Ended December 31, 1997

|                                   | Month            |                  |                 | Year-to-Date     |                  |                  | Actual           |                  |                |
|-----------------------------------|------------------|------------------|-----------------|------------------|------------------|------------------|------------------|------------------|----------------|
|                                   | Current          |                  | Actual          | Current          |                  | Actual           | Current          |                  | Actual         |
|                                   | Year             | Budget           | Over (Under)    | Year             | Budget           | Over (Under)     | Year             | Budget           | Over (Under)   |
| Energas                           | 653,255          | 651,000          | 2,255           | 1,873,469        | 1,938,000        | (64,531)         | 1,406,695        | 1,406,695        | 466,774        |
| Emermart & Egasco                 | 0                | 27,000           | (27,000)        | 0                | 77,000           | (77,000)         | 134,141          | 134,141          | (134,141)      |
| GGC                               | 375,076          | 328,000          | 47,076          | 1,109,966        | 971,000          | 138,966          | 856,458          | 856,458          | 253,508        |
| TransLa                           | 332,068          | 230,000          | 102,068         | 951,124          | 680,000          | 271,124          | 713,532          | 713,532          | 237,592        |
| TLIG                              | 0                | 0                | 0               | 491              | 0                | 491              | 711              | 711              | (220)          |
| UCGC                              | 1,078,411        | 1,022,000        | 56,411          | 3,279,395        | 3,040,000        | 239,395          | 3,918,810        | 3,918,810        | (639,415)      |
| WKG                               | 502,980          | 435,000          | 67,980          | 1,447,650        | 1,293,000        | 154,650          | 1,104,346        | 1,104,346        | 343,304        |
| WKGR                              | 0                | 0                | 0               | 0                | 0                | 0                | 0                | 0                | 0              |
| <b>Total Utility</b>              | <b>2,941,790</b> | <b>2,693,000</b> | <b>248,790</b>  | <b>8,662,095</b> | <b>7,999,000</b> | <b>663,095</b>   | <b>8,134,693</b> | <b>8,134,693</b> | <b>527,402</b> |
| Rental                            | 63,819           | 100,000          | (36,181)        | 185,300          | 300,000          | (114,700)        | 132,936          | 132,936          | 52,364         |
| Utility Svs-Woodward              | 0                | 0                | 0               | 0                | 0                | 0                | 0                | 0                | 0              |
| Leasing                           | 13,794           | 14,000           | (206)           | 41,381           | 42,000           | (619)            | 43,967           | 43,967           | (2,586)        |
| Propane                           | 61,371           | 68,000           | (6,629)         | 186,813          | 202,000          | (15,187)         | 163,618          | 163,618          | 23,195         |
| <b>Total Energy</b>               | <b>138,984</b>   | <b>182,000</b>   | <b>(43,016)</b> | <b>413,494</b>   | <b>544,000</b>   | <b>(130,506)</b> | <b>340,521</b>   | <b>340,521</b>   | <b>72,973</b>  |
| UCG Storage                       | 80,279           | 96,000           | (15,721)        | 233,396          | 281,000          | (47,604)         | 226,181          | 226,181          | 7,215          |
| Atmos Energy Service              | 0                | 0                | 0               | 0                | 0                | 0                | 0                | 0                | 0              |
| <b>Total Non-Utility</b>          | <b>219,263</b>   | <b>278,000</b>   | <b>(58,737)</b> | <b>646,890</b>   | <b>825,000</b>   | <b>(178,110)</b> | <b>566,702</b>   | <b>566,702</b>   | <b>80,188</b>  |
| <b>Consolidated Interest Exp.</b> | <b>3,161,053</b> | <b>2,971,000</b> | <b>190,053</b>  | <b>9,308,985</b> | <b>8,824,000</b> | <b>484,985</b>   | <b>8,701,395</b> | <b>8,701,395</b> | <b>607,590</b> |

**SHARED SERVICES - BILLED BY BUSINESS UNIT**

Atmos Energy Corporation  
Billed Shared Services

For the Month and Year to Date Ended December 31, 1997

|   | Current Year     |                  |                | Month            |                |              | Year-to-Date     |                  |                  | Actual           |                |            |
|---|------------------|------------------|----------------|------------------|----------------|--------------|------------------|------------------|------------------|------------------|----------------|------------|
|   | Actual           | Budget           | Over (Under)   | Actual           | Budget         | Over (Under) | Actual           | Budget           | Over (Under)     | Year             |                | Prior Year |
|   |                  |                  |                |                  |                |              |                  |                  |                  | Year             | Prior Year     |            |
| Energas                                 | 867,374          | 853,317          | 14,057         | 1,034,370        | (166,996)      |              | 2,595,822        | 2,636,461        | (40,639)         | 3,036,232        | (440,410)      |            |
| Enermart & Egasco (1)                   | 20,278           | 22,092           | (1,814)        | (12,408)         | 32,686         |              | 60,731           | 71,527           | (10,796)         | 86,013           | (25,282)       |            |
| GGC                                     | 378,207          | 409,987          | (31,780)       | 521,245          | (143,038)      |              | 1,004,164        | 1,257,480        | (253,316)        | 1,146,340        | (142,176)      |            |
| TransLa                                 | 281,509          | 270,757          | 10,752         | 499,691          | (218,182)      |              | 871,268          | 830,204          | 41,064           | 1,100,553        | (229,285)      |            |
| TLJG                                    | 5,131            | 6,783            | (1,652)        | 1,676            | 3,455          |              | 15,456           | 20,907           | (5,451)          | 37,177           | (21,721)       |            |
| UCGC                                    | 604,232          | 487,520          | 116,712        | -                | 604,232        |              | 1,618,690        | 1,411,281        | 207,409          | -                | 1,618,690      |            |
| WKG                                     | 586,393          | 562,503          | 23,890         | 430,143          | 156,250        |              | 1,687,784        | 1,732,823        | (45,039)         | 1,701,866        | (14,082)       |            |
| WKGR                                    | 444              | 3,000            | (2,556)        | (6,480)          | 6,924          |              | 1,164            | 9,000            | (7,836)          | 3,367            | (2,203)        |            |
| <b>Total Utility</b>                    | <b>2,743,568</b> | <b>2,615,959</b> | <b>127,609</b> | <b>2,468,237</b> | <b>275,331</b> |              | <b>7,855,079</b> | <b>7,969,683</b> | <b>(114,604)</b> | <b>7,111,548</b> | <b>743,531</b> |            |
| Rental                                  | 4,000            | 4,000            | -              | -                | 4,000          |              | 12,640           | 12,640           | -                | -                | 12,640         |            |
| Utility Svc-Woodward                    | 250              | 250              | -              | -                | 250            |              | 790              | 790              | -                | -                | 790            |            |
| Leasing                                 | 1,250            | 1,250            | -              | -                | 1,250          |              | 3,950            | 3,950            | -                | -                | 3,950          |            |
| Propane                                 | 19,500           | 19,500           | -              | -                | 19,500         |              | 61,620           | 61,620           | -                | -                | 61,620         |            |
| <b>Total Energy</b>                     | <b>25,000</b>    | <b>25,000</b>    | <b>-</b>       | <b>-</b>         | <b>25,000</b>  |              | <b>79,000</b>    | <b>79,000</b>    | <b>-</b>         | <b>-</b>         | <b>79,000</b>  |            |
| UCG Storage                             | -                | -                | -              | -                | -              |              | -                | -                | -                | -                | -              |            |
| Atmos Energy Service                    | -                | -                | -              | -                | -              |              | -                | -                | -                | -                | -              |            |
| <b>Total Non-Utility</b>                | <b>25,000</b>    | <b>25,000</b>    | <b>-</b>       | <b>-</b>         | <b>25,000</b>  |              | <b>79,000</b>    | <b>79,000</b>    | <b>-</b>         | <b>-</b>         | <b>79,000</b>  |            |
| <b>Consolidated Direct &amp; Billed</b> | <b>2,768,568</b> | <b>2,640,959</b> | <b>127,609</b> | <b>2,468,237</b> | <b>300,331</b> |              | <b>7,934,079</b> | <b>8,048,683</b> | <b>(114,604)</b> | <b>7,111,548</b> | <b>822,531</b> |            |

(1) Irrigation allocation from Energas to Enermart and Egasco is \*\*\* add allocation \*\*\* for the month and for the year to date.



# CAPITAL EXPENDITURES BY BUSINESS UNIT

## Atmos Energy Corporation Capital Expenditures

For the Month and Year to Date Ended December 31, 1997

|  | Current          |                  |                        | Month            |                  |                        | Year-to-Date              |                   |                        | Actual<br>Over (Under)<br>Prior Year |                    |
|--|------------------|------------------|------------------------|------------------|------------------|------------------------|---------------------------|-------------------|------------------------|--------------------------------------|--------------------|
|  | Year<br>Actual   | Budget           | Over (Under)<br>Budget | Actual           | Budget           | Over (Under)<br>Budget | Current<br>Year<br>Actual | Budget            | Over (Under)<br>Budget |                                      | Prior<br>Year      |
|  |                  |                  |                        |                  |                  |                        |                           |                   |                        |                                      |                    |
| Atmos Corporate                          | 3,887,515        | 3,300,000        | 587,515                | 1,450,782        | 2,436,733        | (985,951)              | 10,301,470                | 9,799,000         | 502,470                | 3,204,313                            | 7,097,157          |
| Energas                                  | 986,448          | 700,000          | 286,448                | 1,460,167        | (473,719)        |                        | 2,696,963                 | 3,156,000         | (459,037)              | 3,965,206                            | (1,268,243)        |
| Enemart & Fgasco                         |                  |                  |                        |                  |                  |                        |                           |                   |                        |                                      |                    |
| GCC                                      | 728,051          | 806,000          | (77,949)               | 919,632          | (191,581)        |                        | 2,241,217                 | 2,861,000         | (619,783)              | 3,351,664                            | (1,110,447)        |
| TransLa                                  | 492,626          | 250,000          | 242,626                | 553,959          | (61,333)         |                        | 1,442,372                 | 1,007,000         | 435,372                | 1,538,590                            | (96,218)           |
| TLIG                                     |                  |                  |                        |                  |                  |                        |                           |                   |                        |                                      |                    |
| UCGC                                     | 1,642,008        | 2,318,000        | (675,992)              | 2,869,367        | (1,227,359)      |                        | 4,683,087                 | 6,817,000         | (2,133,913)            | 8,813,247                            | (4,130,160)        |
| WKG                                      | 1,019,163        | 816,000          | 203,163                | 1,314,695        | (295,532)        |                        | 2,799,246                 | 2,141,000         | 658,246                | 3,687,031                            | (887,785)          |
| WKGR                                     |                  |                  |                        |                  |                  |                        |                           |                   |                        |                                      |                    |
| <b>Total Utility</b>                     | <b>8,755,811</b> | <b>8,190,000</b> | <b>565,811</b>         | <b>8,568,602</b> | <b>187,209</b>   |                        | <b>24,164,355</b>         | <b>25,781,000</b> | <b>(1,616,645)</b>     | <b>24,560,051</b>                    | <b>(395,696)</b>   |
| Rental                                   | 35,276           | 8,000            | 27,276                 | 81,924           | (46,648)         |                        | 35,276                    | 24,000            | 11,276                 | 494,409                              | (459,133)          |
| Utility Svs-Woodward                     |                  |                  |                        |                  |                  |                        |                           |                   |                        |                                      |                    |
| Leasing                                  |                  |                  |                        |                  |                  |                        |                           |                   |                        |                                      |                    |
| Propane                                  | 90,755           | 164,000          | (73,245)               | 14,418           | (14,418)         |                        | 324,790                   | 699,000           | (374,210)              | 60,151                               | (60,151)           |
| <b>Total Energy</b>                      | <b>126,031</b>   | <b>172,000</b>   | <b>(45,969)</b>        | <b>205,836</b>   | <b>(115,081)</b> |                        | <b>360,066</b>            | <b>723,000</b>    | <b>(362,934)</b>       | <b>494,991</b>                       | <b>(170,201)</b>   |
| Storage                                  | 11,632           | -                | 11,632                 | 302,178          | (176,147)        |                        | 52,862                    | 190,000           | (137,138)              | 1,049,551                            | (689,484)          |
| Atmos Energy Service                     |                  |                  |                        |                  |                  |                        |                           |                   |                        | 36,009                               | 16,853             |
| <b>Total Non-Utility</b>                 | <b>137,663</b>   | <b>172,000</b>   | <b>(34,337)</b>        | <b>308,429</b>   | <b>(170,766)</b> |                        | <b>412,928</b>            | <b>913,000</b>    | <b>(500,072)</b>       | <b>1,085,560</b>                     | <b>(672,631)</b>   |
| <b>Consolidated Capital Expenditures</b> | <b>8,893,474</b> | <b>8,362,000</b> | <b>531,475</b>         | <b>8,877,031</b> | <b>16,443</b>    |                        | <b>24,577,283</b>         | <b>26,694,000</b> | <b>(2,116,717)</b>     | <b>25,645,610</b>                    | <b>(1,068,327)</b> |

( THIS PAGE LEFT BLANK INTENTIONALLY )

( THIS PAGE LEFT BLANK INTENTIONALLY )

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
AS OF 12/31/97

| Line No.              | Description (a)   | 1997 (b)           | 1996 (c)           | As of September 30, 1997 (d) | Line No. |
|-----------------------|---|--------------------|--------------------|------------------------------|----------|
| <b>ASSETS</b>         |   |                    |                    |                              |          |
| 1                     | Property, plant and equipment                             |                    |                    |                              |          |
| 2                     | Utility plant   | \$1,222,796,222.86 | \$1,129,008,830.18 | \$1,218,370,929.56           | 1        |
| 3                     | Nonutility plant  | 83,156,235.59      | 78,817,402.64      | 82,632,468.53                | 2        |
| 3                     | Construction work in progress                             | 51,993,259.08      | 28,452,565.12      | 31,668,205.31                | 3        |
| 4                     |   | 1,357,945,717.53   | 1,236,278,797.94   | 1,332,671,603.40             | 4        |
| 5                     | Less accumulated depreciation and amortization            | 497,199,754.81     | 457,444,023.47     | 483,544,361.22               | 5        |
| 6                     | Net property, plant and equipment                         | 860,745,962.72     | 778,834,774.47     | 849,127,242.18               | 6        |
| 7                     | Investments in & advances to subsidiaries                 | 0.00               | 0.00               | 0.00                         | 7        |
| <b>Current assets</b> |   |                    |                    |                              |          |
| 8                     | Cash and temporary cash investments                       | 9,051,211.87       | 13,101,721.87      | 6,015,412.91                 | 8        |
| 9                     | Accounts receivable, less allowance for doubtful accounts | 172,769,828.91     | 167,999,486.22     | 71,217,214.52                | 9        |
| 10                    | Inventories   | 13,654,124.24      | 14,017,393.00      | 12,332,807.62                | 10       |
| 11                    | Gas stored underground                                    | 45,680,084.07      | 41,783,156.24      | 48,122,006.36                | 11       |
| 12                    | Other current assets                                      | 5,345,295.83       | 3,470,356.30       | 6,017,201.01                 | 12       |
| 13                    | Intercompany accounts - net                               | 0.00               | 0.00               | 0.00                         | 13       |
| 14                    | Total current assets                                      | 246,500,544.92     | 240,372,113.63     | 143,704,642.42               | 14       |
| 15                    | Deferred charges and other assets                         | 98,743,050.09      | 67,675,631.13      | 95,479,101.77                | 15       |
| 16                    | Total assets  | \$1,205,989,557.73 | \$1,086,882,519.23 | \$1,088,310,986.37           | 16       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS (Continued)  
AS OF 12/31/97

| Line No.                                      | Description<br>(a)                         | 1997<br>(b)        | 1996<br>(c)        | As of<br>September 30, 1997<br>(d) | Line No. |
|---|--|--------------------|--------------------|------------------------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |  |                    |                    |                                    |          |
| Shareholders' equity                          |  |                    |                    |                                    |          |
| 1   | Common stock                               | \$149,254.67       | \$146,680.62       | \$148,212.18                       | 1        |
| 2   | Common stock subscribed                    | 0.00               | 0.00               | 0.00                               | 2        |
| 3   | Additional paid-in capital                 | 256,562,692.55     | 243,944,390.13     | 251,174,227.94                     | 3        |
| 4   | Retained earnings                          | 88,170,300.61      | 92,657,832.74      | 75,937,292.59                      | 4        |
| 5   | Total shareholders' equity                 | 344,882,247.83     | 336,748,903.49     | 327,259,732.71                     | 5        |
| Long-term debt (including current maturities) |  |                    |                    |                                    |          |
| 6   |  | 312,055,814.00     | 326,841,056.00     | 318,181,824.00                     | 6        |
| 7   | Total capitalization                       | 656,938,061.83     | 663,589,959.49     | 645,441,556.71                     | 7        |
| Current liabilities                           |  |                    |                    |                                    |          |
| 8   | Notes payable                              | 219,107,000.00     | 117,988,000.00     | 167,300,000.00                     | 8        |
| 9   | Accounts payable                           | 110,970,371.36     | 116,391,266.06     | 62,623,499.15                      | 9        |
| 10  | Accrued taxes                              | 10,564,114.96      | 10,549,822.75      | 12,119,647.37                      | 10       |
| 11  | Income taxes payable                       | 542,329.38         | 4,797,134.62       | (11,703,609.67)                    | 11       |
| 12  | Dividends declared                         | 0.00               | 0.00               | 0.00                               | 12       |
| 13  | Customers' deposits                        | 14,701,344.60      | 17,210,874.82      | 15,097,975.19                      | 13       |
| 14  | Other current liabilities                  | 47,805,750.91      | 27,420,627.48      | 52,582,230.67                      | 14       |
| 15  | Total current liabilities                  | 403,690,911.21     | 294,357,725.73     | 298,021,742.71                     | 15       |
| 16  | Deferred income taxes                      | 87,654,749.20      | 72,882,828.02      | 87,828,170.44                      | 16       |
| 17  | Deferred credits and other liabilities     | 57,705,835.49      | 56,052,005.99      | 57,019,516.51                      | 17       |
| 18  | Total liabilities and shareholders' equity | \$1,205,989,557.73 | \$1,086,882,519.23 | \$1,088,310,986.37                 | 18       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
FOR THE MONTH, YEAR TO DATE AND TWELVE MONTHS ENDED 12/31/97

| Line No. | Description (a)                        | Current Month    |               |                       | Year to Date     |               |                  | Prior            |            | Twelve Months Ended |  |
|----------|--|------------------|---------------|-----------------------|------------------|---------------|------------------|------------------|------------|---------------------|--|
|          |  | Actual (b)       | Budget (c)    | Prior Year Actual (d) | Actual (e)       | Budget (f)    | Year Actual (g)  | Actual (h)       | Actual (i) |                     |  |
| 1        | Operating revenues                     |                  |               |                       |                  |               |                  |                  |            |                     |  |
| 2        | Gas                                    | \$128,976,193.41 | \$112,817,000 | \$128,019,959.55      | \$275,230,541.86 | \$239,291,000 | \$260,575,590.89 | \$859,490,133.11 |            |                     |  |
| 3        | Transportation                         | 2,400,905.22     | 1,484,000     | 1,658,946.52          | 6,835,198.86     | 4,714,000     | 5,099,385.52     | 21,620,858.51    |            |                     |  |
| 3        | Other                                  | 6,102,803.00     | 6,149,000     | 6,455,849.31          | 13,265,120.00    | 15,652,000    | 14,949,911.30    | 40,430,025.00    |            |                     |  |
| 4        | Total operating revenues               | 137,429,901.63   | 120,450,000   | 136,134,755.38        | 295,330,860.72   | 259,657,000   | 280,624,887.71   | 921,541,016.62   |            |                     |  |
| 5        | Purchased gas cost                     | 91,929,400.31    | 76,655,000    | 92,333,213.12         | 195,730,079.20   | 163,248,000   | 183,355,787.36   | 5589,555,705.80  |            |                     |  |
| 6        | Gross profit                           | 45,500,501.32    | 43,795,000    | 43,801,542.26         | 99,600,781.52    | 96,409,000    | 97,269,100.35    | 331,985,310.82   |            |                     |  |
| 7        | Operating expenses                     |                  |               |                       |                  |               |                  |                  |            |                     |  |
| 8        | Operation                              | 13,292,697.10    | 13,437,000    | 13,790,085.21         | 36,040,612.56    | 37,641,000    | 38,173,230.87    | \$171,550,320.67 |            |                     |  |
| 8        | Maintenance                            | 754,659.07       | 897,000       | 814,005.98            | 2,481,063.50     | 2,691,000     | 2,588,188.29     | 11,866,289.58    |            |                     |  |
| 9        | Depreciation and amortization          | 3,618,306.54     | 4,048,000     | 3,916,815.84          | 11,908,347.30    | 11,963,000    | 11,512,358.21    | 45,652,928.54    |            |                     |  |
| 10       | Taxes - other than income taxes        | 3,154,348.95     | 3,107,000     | 3,286,361.63          | 8,219,264.07     | 8,150,000     | 8,178,444.94     | 32,171,651.55    |            |                     |  |
| 11       | Provision for income taxes             | 8,404,510.00     | 7,518,000     | 7,125,512.00          | 12,283,591.59    | 10,719,000    | 10,848,759.00    | 15,733,065.96    |            |                     |  |
| 12       | Total operating expenses               | 29,224,521.66    | 29,007,000    | 28,932,780.66         | 70,932,879.02    | 71,164,000    | 71,300,981.31    | 276,974,256.30   |            |                     |  |
| 13       | Operating income                       | 16,275,979.66    | 14,788,000    | 14,868,761.60         | 28,667,902.50    | 25,245,000    | 25,968,119.04    | 55,011,054.52    |            |                     |  |
| 14       | Other income                           |                  |               |                       |                  |               |                  |                  |            |                     |  |
| 14       | Merchandise                            | (18,972.58)      | 12,000        | (47,967.31)           | 31,307.75        | 36,000        | (16,151.83)      | 87,092.67        |            |                     |  |
| 15       | Interest income                        | 105,785.50       | 81,000        | 183,314.23            | 470,049.12       | 242,000       | 493,092.57       | 2,132,921.64     |            |                     |  |
| 16       | Other nonoperating income              | (84,291.56)      | 100,740       | (135,002.11)          | (118,521.53)     | 282,609       | (20,995.21)      | (425,020.69)     |            |                     |  |
| 17       | Equity in earnings - Woodward          | 623,220.00       | 383,260       | (23,571.00)           | 380,342.00       | 793,391       | 432,643.00       | 3,201,510.00     |            |                     |  |
| 18       | Total other income (loss)              | 625,741.36       | 577,000       | (23,226.19)           | 763,177.34       | 1,354,000     | 888,588.53       | 4,996,503.62     |            |                     |  |
| 19       | Income before interest charges         | 16,901,721.02    | 15,365,000    | 14,845,535.41         | 29,431,079.84    | 26,599,000    | 26,856,707.57    | 60,007,558.14    |            |                     |  |
| 20       | Interest charges                       | 3,161,052.24     | 2,971,000     | 2,937,066.00          | 9,308,984.74     | 8,824,000     | 8,701,395.86     | 34,202,613.10    |            |                     |  |
| 21       | Net income                             | \$13,740,668.78  | \$12,394,000  | \$11,908,469.41       | \$20,122,095.10  | \$17,775,000  | \$18,155,311.71  | \$25,804,945.04  |            |                     |  |
| 22       | Basic earnings per share               | \$0.46           | \$0.42        | \$0.41                | \$0.68           | \$0.60        | \$0.62           | \$0.88           |            |                     |  |
| 23       | Basic avg. common shares outstanding   | 29,611,469       | 29,606,000    | 29,292,563            | 29,569,493       | 29,677,000    | 29,243,335       | 29,456,325       |            |                     |  |
| 24       | Diluted earnings (loss) per share      | \$0.46           | \$0.42        | \$0.41                | \$0.68           | \$0.60        | \$0.62           | \$0.88           |            |                     |  |
| 25       | Diluted avg. common shares outstanding | 29,629,429       | 29,624,000    | 29,304,563            | 29,749,124       | 29,857,000    | 29,255,335       | 29,474,285       |            |                     |  |

( THIS PAGE LEFT BLANK INTENTIONALLY )

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEETS  
AS OF 12/31/97

| Line No.      | Description (a)   | Atmos Operating Divisions (b) | Atmos Non Regulated (c) | Eliminations and Adjustments (d) | Consolidated (e)   | Line No. |
|---------------|---|-------------------------------|-------------------------|----------------------------------|--------------------|----------|
| <b>ASSETS</b> |   |                               |                         |                                  |                    |          |
|               | Property, plant and equipment                             |                               |                         |                                  |                    |          |
| 1             | Utility plant   | \$1,241,340,136.87            | \$859,549.26            | (\$19,403,463.27)                | \$1,222,796,222.86 | 1        |
| 2             | Nonutility plant  | 3,021,400.01                  | 80,134,835.58           | 0.00                             | 83,156,235.59      | 2        |
| 3             | Construction work in progress                             | 51,988,452.37                 | 4,806.71                | 0.00                             | 51,993,259.08      | 3        |
| 4             | Less accumulated depreciation and amortization            | 1,296,349,989.25              | 80,999,191.55           | (19,403,463.27)                  | 1,357,945,717.53   | 4        |
| 5             | Net property, plant and equipment                         | 494,677,803.33                | 24,206,428.23           | (21,684,476.75)                  | 497,199,754.81     | 5        |
| 6             | Investments in & advances to subsidiaries                 | 801,672,185.92                | 56,792,763.32           | 2,281,013.48                     | 860,745,962.72     | 6        |
| 7             | Current assets  | 8,353,208.01                  | 0.00                    | (8,353,208.01)                   | 0.00               | 7        |
| 8             | Cash and temporary cash investments                       | 6,396,869.17                  | 2,609,173.70            | 45,169.00                        | 9,051,211.87       | 8        |
| 9             | Accounts receivable, less allowance for doubtful accounts | 166,504,831.20                | 6,052,885.71            | 212,112.00                       | 172,769,828.91     | 9        |
| 10            | Inventories   | 12,570,908.24                 | 1,083,216.00            | 0.00                             | 13,654,124.24      | 10       |
| 11            | Gas stored underground                                    | 39,189,048.07                 | 6,491,036.00            | 0.00                             | 45,680,084.07      | 11       |
| 12            | Other current assets                                      | 4,403,189.89                  | 1,343,061.94            | (400,956.00)                     | 5,345,295.83       | 12       |
| 13            | Intercompany accounts - net                               | 7,935,225.46                  | 5,390,624.85            | (13,325,850.31)                  | 0.00               | 13       |
| 14            | Total current assets                                      | 237,000,072.03                | 22,969,998.20           | (13,469,525.31)                  | 246,500,544.92     | 14       |
| 15            | Deferred charges and other assets                         | 85,264,294.13                 | 13,091,891.28           | 386,864.68                       | 98,743,050.09      | 15       |
| 16            | Total assets  | \$1,132,289,760.09            | \$92,854,652.80         | (\$19,154,855.16)                | \$1,205,989,557.73 | 16       |



ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEETS (Continued)  
AS OF 12/31/97

| Line No.                                    | Description (a)                                   | Atmos Operating Divisions (b) | Atmos Non Regulated (c) | Eliminations and Adjustments (d) | Consolidated (e)          | Line No. |
|---|---|-------------------------------|-------------------------|----------------------------------|---------------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |   |                               |                         |                                  |                           |          |
| <b>Shareholders' equity</b>                 |   |                               |                         |                                  |                           |          |
| 1   | Common stock                                      | \$149,254.67                  | \$1,005,100.00          | (\$1,005,100.00)                 | \$149,254.67              | 1        |
| 2   | Common stock subscribed                           | 0.00                          | 0.00                    | 0.00                             | 0.00                      | 2        |
| 3   | Additional paid-in capital                        | 256,562,692.55                | 7,348,108.01            | (7,348,108.01)                   | 256,562,692.55            | 3        |
| 4   | Retained earnings                                 | 61,912,388.90                 | 26,257,911.71           | 0.00                             | 88,170,300.61             | 4        |
| 5   | <b>Total shareholders' equity</b>                 | <b>318,624,336.12</b>         | <b>34,611,119.72</b>    | <b>(8,353,208.01)</b>            | <b>344,882,247.83</b>     | 5        |
| 6   | Long-term debt (including current maturities)     | 292,303,308.00                | 19,752,506.00           | 0.00                             | 312,055,814.00            | 6        |
| 7   | Total capitalization                              | 610,927,644.12                | 54,363,625.72           | (8,353,208.01)                   | 656,938,061.83            | 7        |
| <b>Current liabilities</b>                  |   |                               |                         |                                  |                           |          |
| 8   | Notes payable                                     | 213,600,000.00                | 5,507,000.00            | 0.00                             | 219,107,000.00            | 8        |
| 9   | Accounts payable                                  | 106,213,950.80                | 4,756,420.56            | 0.00                             | 110,970,371.36            | 9        |
| 10  | Accrued taxes                                     | 10,239,449.88                 | 324,665.08              | 0.00                             | 10,564,114.96             | 10       |
| 11  | Income taxes payable                              | (6,608,792.36)                | 7,151,121.74            | 0.00                             | 542,329.38                | 11       |
| 12  | Dividends declared                                | 0.00                          | 0.00                    | 0.00                             | 0.00                      | 12       |
| 13  | Customers' deposits                               | 14,642,362.43                 | 459,938.17              | (400,956.00)                     | 14,701,344.60             | 13       |
| 14  | Other current liabilities                         | 46,740,116.59                 | 954,516.32              | 111,118.00                       | 47,805,750.91             | 14       |
| 15  | Intercompany accounts - net                       | 996,533.00                    | 12,116,373.31           | (13,112,906.31)                  | 0.00                      | 15       |
| 16  | <b>Total current liabilities</b>                  | <b>385,823,620.34</b>         | <b>31,270,035.18</b>    | <b>(13,402,744.31)</b>           | <b>403,690,911.21</b>     | 16       |
| 17  | Deferred income taxes                             | 81,160,550.30                 | 6,494,198.90            | 0.00                             | 87,654,749.20             | 17       |
| 18  | Deferred credits and other liabilities            | 54,377,945.33                 | 726,793.00              | 2,601,097.16                     | 57,705,835.49             | 18       |
| 19  | <b>Total liabilities and shareholders' equity</b> | <b>\$1,132,289,760.09</b>     | <b>\$92,854,652.80</b>  | <b>(\$19,154,855.16)</b>         | <b>\$1,205,989,557.73</b> | 19       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
ELIMINATIONS TO CONSOLIDATING BALANCE SHEET  
AS OF 12/31/97

| ELIMINATIONS                                 |                 |                 |
|--|-----------------|-----------------|
| 1. Common Stock                              | \$1,005,100.00  | \$1,005,100.00  |
| Investment in and advances to subs           |                 |                 |
| To eliminate common stock of subs            |                 |                 |
| 2. Paid-in Capital                           |                 |                 |
| Trans La Industrial                          | 2,292,947.89    |                 |
| WKG Resources                                | 1,603,833.12    |                 |
| United Cities Storage                        | 3,451,327.00    |                 |
| Investment in and advances to subs           |                 |                 |
| To eliminate paid-in capital of subs         |                 |                 |
| 3. Atmos Utility Plant                       | 2,281,013.48    | 7,348,108.01    |
| Atmos Deferred Debit                         | 320,083.68      |                 |
| Atmos Deferred Credit                        |                 |                 |
| To adjust for capital leases associated      |                 |                 |
| with the sale/lease back transaction         |                 |                 |
| with the Gilliland Group                     |                 |                 |
| 4. Intercompany Accounts- UCGC               |                 |                 |
| Customer Deposits                            | 400,956.00      | 400,956.00      |
| Prepays                                      |                 |                 |
| To eliminate UCGS deposit from UCGC          |                 |                 |
| 5. Intercompany Accounts UCGC                |                 |                 |
| Cash   | 45,169.00       |                 |
| Accounts Receivable - Service                | 212,112.00      |                 |
| Misc. Deferred Debits                        | 66,781.00       |                 |
| Misc. Current Liabilities                    |                 |                 |
| To eliminate intercompany accounts           |                 |                 |
| 6. Intercompany Accounts Payable - Egasco    |                 |                 |
| - Services                                   | 1,046,788.33    |                 |
| - United Cities Gas                          | 5,609.98        |                 |
| - United Cities Energy                       | 996,533.00      |                 |
| - United Cities Storage                      | 7,131,738.00    |                 |
|  | 3,932,237.00    |                 |
| Intercompany Accounts Receivable             |                 |                 |
| To eliminate Intercompany - Net              |                 |                 |
|  | 13,325,850.31   | 13,325,850.31   |
| Total Net Eliminations                       | \$19,590,035.16 | \$19,590,035.16 |
| <b>ADJUSTMENTS</b>                           |                 |                 |
| 7. WKG Accumulated Provision                 |                 |                 |
| WKG Division Utility Plant                   | \$16,873,185.32 | \$16,873,185.32 |
| To adjust 11-30-1987 depreciation on         |                 |                 |
| WKG Division - amortization Month            | \$280,000       |                 |
| To date                                      | 3,880,000       |                 |
| 8. Trans La Accumulated Provision            |                 |                 |
| Trans La Division Utility Plant              | 4,767,852.51    | 4,767,852.51    |
| To adjust 12-31-85 depreciation on           |                 |                 |
| Trans La Division - amortization Month       | 48,202          |                 |
| To date                                      | 6,924,928       |                 |
| 9. Trans La Industrial Accumulated Provision |                 |                 |
| Trans La Industrial Utility Plant            | 43,438.92       | 43,438.92       |
| To adjust 12-31-85 depreciation on           |                 |                 |
| Trans La Industrial - amortization Month     | 550             |                 |
| To date                                      | 79,200          |                 |

( THIS PAGE LEFT BLANK INTENTIONALLY )

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEET - NON REGULATED  
AS OF 12/31/97

| Line No.              | Description (a)   | 1997               |                 |                |                         |                      |                     |                   |                                  |                  |        | Line No. |                 |
|-----------------------|---|--------------------|-----------------|----------------|-------------------------|----------------------|---------------------|-------------------|----------------------------------|------------------|--------|----------|-----------------|
|                       |   | ATMOS SERVICES (b) | EGASCO INC. (c) | ENERMART (d)   | TRANS LA INDUSTRIAL (e) | UCG ENERGY CORP. (f) | UCG STORAGE CO. (g) | WKG RESOURCES (h) | Eliminations and Adjustments (i) | Consolidated (j) |        |          |                 |
| <b>ASSETS</b>         |   |                    |                 |                |                         |                      |                     |                   |                                  |                  |        |          |                 |
| 1                     | Property, plant and equipment                             |                    |                 |                |                         |                      |                     |                   |                                  |                  |        |          |                 |
| 2                     | Utility plant   | \$0.00             | \$0.00          | \$0.00         | \$859,549.26            | \$0.00               | \$0.00              | \$0.00            | \$0.00                           | \$0.00           | \$0.00 | \$0.00   | \$859,549.26    |
| 3                     | Nonutility plant  | 0.00               | 0.00            | 0.00           | 0.00                    | 0.00                 | 0.00                | 0.00              | 0.00                             | 0.00             | 0.00   | 0.00     | 0.00            |
| 4                     | Construction work in progress                             | 0.00               | 0.00            | 0.00           | 4,806.71                | 0.00                 | 0.00                | 0.00              | 0.00                             | 0.00             | 0.00   | 0.00     | 4,806.71        |
| 5                     | Less accumulated depreciation and amortization            | 0.00               | 0.00            | 0.00           | 864,355.97              | 0.00                 | 0.00                | 0.00              | 0.00                             | 0.00             | 0.00   | 0.00     | 80,999,191.55   |
| 6                     | Net property, plant and equipment                         | 0.00               | 0.00            | 0.00           | 460,810.06              | 0.00                 | 0.00                | 0.00              | 0.00                             | 0.00             | 0.00   | 0.00     | 24,206,428.23   |
| 7                     | Investments in & advances to subsidiaries                 | 0.00               | 0.00            | 0.00           | 403,545.91              | 0.00                 | 0.00                | 0.00              | 0.00                             | 0.00             | 0.00   | 0.00     | 56,792,763.32   |
| <b>Current assets</b> |   |                    |                 |                |                         |                      |                     |                   |                                  |                  |        |          |                 |
| 8                     | Cash and temporary cash investments                       | 1,321.00           | 5,597.34        | 12,024.81      | 13,569.52               | 56,666.00            | 0.00                | 0.00              | 0.00                             | 0.00             | 0.00   | 0.00     | 2,609,173.70    |
| 9                     | Accounts receivable, less allowance for doubtful accounts | 0.00               | 18,384.62       | 3,050,708.26   | 892,415.56              | 2,079,689.00         | 2,514,982.00        | 5,013.03          | 0.00                             | 0.00             | 0.00   | 0.00     | 6,052,885.71    |
| 10                    | Inventories   | 0.00               | 0.00            | 0.00           | 0.00                    | 1,081,804.00         | 5,151.00            | 6,537.27          | 0.00                             | 0.00             | 0.00   | 0.00     | 1,083,216.00    |
| 11                    | Gas stored underground                                    | 0.00               | 0.00            | 0.00           | 0.00                    | 140,878.00           | 1,412.00            | 0.00              | 0.00                             | 0.00             | 0.00   | 0.00     | 142,290.00      |
| 12                    | Other current assets                                      | 0.00               | 0.00            | 29,159.91      | 1,749.15                | 1,292,012.00         | 6,350,158.00        | 0.00              | 0.00                             | 0.00             | 0.00   | 0.00     | 6,491,036.00    |
| 13                    | Intercompany accounts - net                               | 0.00               | 0.00            | 695,719.24     | 2,473,872.26            | 463,438.00           | 5,599.00            | 14,541.88         | 0.00                             | 0.00             | 0.00   | 0.00     | 1,343,061.94    |
| 14                    | Total current assets                                      | 1,321.00           | 23,981.96       | 3,787,612.22   | 3,381,606.49            | 5,114,487.00         | 9,577,466.00        | 1,083,523.53      | 0.00                             | 0.00             | 0.00   | 0.00     | 22,969,998.20   |
| 15                    | Deferred charges and other assets                         | 0.00               | 629,757.57      | 0.00           | 15,677.79               | 12,027,887.00        | 360,687.00          | 57,881.92         | 0.00                             | 0.00             | 0.00   | 0.00     | 13,091,891.28   |
| 16                    | Total assets  | \$1,321.00         | \$653,739.53    | \$3,787,612.22 | \$3,800,830.19          | \$55,708,616.00      | \$27,314,271.00     | \$1,588,262.86    | \$0.00                           | \$0.00           | \$0.00 | \$0.00   | \$92,854,652.80 |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEET - NON REGULATED  
AS OF 12/31/97

1997

| Line No.   | Description (a)                            | 1997               |                  |                |                          |                      |                     |                     | Eliminations and Adjustments |                 | Consolidated (j) | Line No. |
|--|--|--------------------|------------------|----------------|--------------------------|----------------------|---------------------|---------------------|------------------------------|-----------------|------------------|----------|
|  |  | ATMOS SERVICES (b) | EGASCO, INC. (c) | ENERMART (d)   | TRANS. LA INDUSTRIAL (c) | UCG ENERGY CORP. (f) | UCG STORAGE CO. (e) | W K G RESOURCES (b) | (i)                          |                 |                  |          |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>          |  |                    |                  |                |                          |                      |                     |                     |                              |                 |                  |          |
| <b>Shareholders' equity</b>                          |  |                    |                  |                |                          |                      |                     |                     |                              |                 |                  |          |
| 1  | Common stock                               | \$1,000.00         | \$1,000.00       | \$1,000.00     | \$100.00                 | \$1,000,000.00       | \$1,000.00          | \$1,000.00          | \$0.00                       | \$1,005,100.00  | 1                |          |
| 2  | Common stock subscribed                    | 0.00               | 0.00             | 0.00           | 0.00                     | 0.00                 | 0.00                | 0.00                | 0.00                         | 0.00            | 2                |          |
| 3  | Additional paid-in capital                 | 0.00               | 0.00             | 0.00           | 2,292,947.89             | 0.00                 | 3,451,327.00        | 1,603,833.12        | 0.00                         | 7,348,108.01    | 3                |          |
| 4  | Retained earnings                          | (3,462.33)         | (503,695.05)     | 992,610.90     | 298,971.06               | 21,581,811.00        | 3,917,738.00        | (26,061.87)         | 0.00                         | 26,257,911.71   | 4                |          |
| 5  | Total shareholders' equity                 | (2,462.33)         | (502,695.05)     | 993,610.90     | 2,592,018.95             | 22,581,811.00        | 7,370,065.00        | 1,578,771.25        | 0.00                         | 34,611,119.72   | 5                |          |
| <b>Long-term debt (including current maturities)</b> |  |                    |                  |                |                          |                      |                     |                     |                              |                 |                  |          |
| 6  |  | 0.00               | 0.00             | 0.00           | 0.00                     | 11,019,529.00        | 8,732,977.00        | 0.00                | 0.00                         | 19,752,506.00   | 6                |          |
| 7  | Total capitalization                       | (2,462.33)         | (502,695.05)     | 993,610.90     | 2,592,018.95             | 33,601,340.00        | 16,103,042.00       | 1,578,771.25        | 0.00                         | 54,363,625.72   | 7                |          |
| <b>Current liabilities</b>                           |  |                    |                  |                |                          |                      |                     |                     |                              |                 |                  |          |
| 8  | Notes payable                              | 0.00               | 0.00             | 0.00           | 0.00                     | 5,507,000.00         | 0.00                | 0.00                | 0.00                         | 5,507,000.00    | 8                |          |
| 9  | Accounts payable                           | 0.00               | 168,824.85       | 2,197,921.19   | 874,207.35               | 1,253,055.00         | 60,765.00           | 1,647.17            | 0.00                         | 4,756,420.56    | 9                |          |
| 10   | Accrued taxes                              | 0.00               | 2,802.40         | 36,821.08      | 17,235.42                | 270,000.00           | 0.00                | (2,193.82)          | 0.00                         | 324,665.08      | 10               |          |
| 11   | Income taxes payable                       | (1,826.65)         | (61,981.00)      | 359,259.05     | 160,318.29               | 5,565,582.00         | 1,139,070.00        | (9,299.95)          | 0.00                         | 7,151,121.74    | 11               |          |
| 12   | Dividends declared                         | 0.00               | 0.00             | 0.00           | 0.00                     | 0.00                 | 0.00                | 0.00                | 0.00                         | 0.00            | 12               |          |
| 13   | Customers' deposits                        | 0.00               | 0.00             | 0.00           | 58,882.17                | 100.00               | 400,956.00          | 0.00                | 0.00                         | 459,938.17      | 13               |          |
| 14   | Other current liabilities                  | 0.00               | 0.00             | 0.00           | 16,648.32                | 620,427.00           | 317,441.00          | 0.00                | 0.00                         | 954,516.32      | 14               |          |
| 15   | Intercompany accounts - net                | 5,609.98           | 1,046,788.33     | 0.00           | 0.00                     | 7,131,738.00         | 3,932,237.00        | 0.00                | 0.00                         | 12,116,373.31   | 15               |          |
| 16   | Total current liabilities                  | 3,783.33           | 1,156,434.58     | 2,794,001.32   | 1,127,291.55             | 20,347,902.00        | 5,850,469.00        | (9,846.60)          | 0.00                         | 31,270,035.18   | 16               |          |
| 17   | Deferred income taxes                      | 0.00               | 0.00             | 0.00           | 81,519.69                | 1,270,604.00         | 5,122,737.00        | 19,338.21           | 0.00                         | 6,494,198.90    | 17               |          |
| 18   | Deferred credits and other liabilities     | 0.00               | 0.00             | 0.00           | 0.00                     | 488,770.00           | 238,023.00          | 0.00                | 0.00                         | 726,793.00      | 18               |          |
| 19   | Total liabilities and shareholders' equity | \$1,321.00         | \$653,739.53     | \$3,787,612.22 | \$3,800,830.19           | \$55,708,616.00      | \$27,314,271.00     | \$1,588,262.86      | \$0.00                       | \$92,854,652.80 | 19               |          |

( THIS PAGE LEFT BLANK INTENTIONALLY )

( THIS PAGE LEFT BLANK INTENTIONALLY )

ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME  
FOR THE MONTH ENDED DECEMBER 31, 1997

| Line No. | Description (a)                       | Current Month     |                       |                  |                  |                                |                     | Total Atmos Consolidated (h) | Line No. |
|----------|---------------------------------------|-------------------|-----------------------|------------------|------------------|--------------------------------|---------------------|------------------------------|----------|
|          |                                       | Regulated (1) (b) | Non-Regulated (2) (c) | Eliminations (d) | Total (e)        | Non-Utility Operations (3) (f) | Shared Services (g) |                              |          |
| 1        | Operating revenues                    |                   |                       |                  |                  |                                |                     |                              |          |
| 2        | Gas                                   | \$125,767,100.79  | \$3,159,092.62        | \$0.00           | \$128,926,193.41 | \$0.00                         | \$0.00              | \$128,926,193.41             | 1        |
| 3        | Transportation                        | 2,689,691.92      | 6,030.15              | (294,816.85)     | 2,400,905.22     | 0.00                           | 0.00                | 2,400,905.22                 | 2        |
| 4        | Other                                 | 0.00              | 0.00                  | 0.00             | 0.00             | 6,102,803.00                   | 0.00                | 6,102,803.00                 | 3        |
| 5        | Total operating revenues              | 128,456,792.71    | 3,165,122.77          | (294,816.85)     | 131,327,098.63   | 6,102,803.00                   | 0.00                | 137,429,901.63               | 4        |
| 6        | Purchased gas cost                    | 85,811,134.17     | 2,750,766.99          | (294,816.85)     | 88,267,084.31    | 3,662,316.00                   | 0.00                | 91,929,400.31                | 5        |
| 7        | Gross profit                          | 42,645,658.54     | 414,355.78            | 0.00             | 43,060,014.32    | 2,440,487.00                   | 0.00                | 45,500,501.32                | 6        |
| 8        | Operating expenses                    |                   |                       |                  |                  |                                |                     |                              |          |
| 9        | Operation                             | 9,647,341.76      | 413,109.44            | 0.00             | 10,060,451.20    | 812,728.00                     | 1,825,728.28        | 12,698,907.48                | 7        |
| 10       | Maintenance                           | 696,535.07        | 0.00                  | 0.00             | 696,535.07       | 57,068.00                      | 1,056.00            | 754,659.07                   | 8        |
| 11       | Depreciation                          | 3,291,549.89      | 2,865.00              | 0.00             | 3,294,414.89     | 354,419.00                     | (30,527.35)         | 3,618,306.54                 | 9        |
| 12       | Taxes - other than income taxes       | 2,967,154.33      | 9,933.00              | 0.00             | 2,977,087.33     | 98,741.00                      | 78,520.62           | 3,154,348.95                 | 10       |
| 13       | Shared Services - direct              | 593,789.62        | 0.00                  | 0.00             | 593,789.62       | 0.00                           | 0.00                | 593,789.62                   | 11       |
| 14       | Shared Services - billed              | 2,123,924.75      | 25,409.19             | 443.61           | 2,149,777.55     | 25,000.00                      | (2,174,777.55)      | 0.00                         | 12       |
| 15       | Provision for income taxes            | 7,746,310.00      | (37,000.00)           | 0.00             | 7,709,310.00     | 581,200.00                     | 114,000.00          | 8,404,510.00                 | 13       |
| 16       | Total operating expenses              | 27,066,605.42     | 414,316.63            | 443.61           | 27,481,365.66    | 1,929,156.00                   | (186,000.00)        | 29,224,521.66                | 14       |
| 17       | Operating income (loss)               | 15,579,053.12     | 39.15                 | (443.61)         | 15,578,648.66    | 511,331.00                     | 186,000.00          | 16,275,979.66                | 15       |
| 18       | Other income                          |                   |                       |                  |                  |                                |                     |                              |          |
| 19       | Merchandise                           | (18,972.58)       | 0.00                  | 0.00             | (18,972.58)      | 0.00                           | 0.00                | (18,972.58)                  | 16       |
| 20       | Interest income                       | 144,443.50        | 0.00                  | 0.00             | 144,443.50       | (38,658.00)                    | 0.00                | 105,785.50                   | 17       |
| 21       | Shared Services - billed              | 0.00              | (443.61)              | 443.61           | 0.00             | 0.00                           | 0.00                | 0.00                         | 18       |
| 22       | Other nonoperating income             | (71,180.45)       | (41,278.11)           | 0.00             | (112,458.56)     | 28,167.00                      | 0.00                | (84,291.56)                  | 19       |
| 23       | Equity in earnings - Woodward         | 0.00              | 0.00                  | 0.00             | 0.00             | 623,220.00                     | 0.00                | 623,220.00                   | 20       |
| 24       | Total other income (loss)             | 54,290.47         | (41,721.72)           | 443.61           | 13,012.36        | 612,729.00                     | 0.00                | 625,741.36                   | 21       |
| 25       | Income (loss) before interest charges | 15,633,343.59     | (41,682.57)           | 0.00             | 15,591,661.02    | 1,124,060.00                   | 186,000.00          | 16,901,721.02                | 22       |
| 26       | Interest charges                      | 2,941,789.24      | 0.00                  | 0.00             | 2,941,789.24     | 219,263.00                     | 0.00                | 3,161,052.24                 | 23       |
| 27       | Net income (loss)                     | \$12,691,554.35   | (\$41,682.57)         | \$0.00           | \$12,649,871.78  | \$904,797.00                   | \$186,000.00        | \$13,740,668.78              | 24       |

Footnotes: (1) Regulated Utility Operations includes Energas, GGC, Trans La, UCG, WKG and CNG.  
(2) Non-Regulated Utility Operations includes Egasco, Enermart, TLIG and WKGR.  
(3) Non-Utility Operations includes Atmos Energy Services, UCG Energy and UCG Storage.  
(4) Includes all Shared Services expenses booked directly to the business units.  
(5) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.



ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME  
FOR THE THREE MONTHS ENDED DECEMBER 31, 1997

| Line No. | Description (a)                       | Year To Date       |                  |              |                            |                |                  | Line No. |
|----------|---------------------------------------|--------------------|------------------|--------------|----------------------------|----------------|------------------|----------|
|          |                                       | Utility Operations |                  |              | Non-Utility Operations (3) |                |                  |          |
|          | Regulated (1)                         | Non-Regulated (2)  | Eliminations (d) | Total (e)    | Shared Services (g)        |                |                  |          |
|          | Operating revenues                    |                    |                  |              |                            |                |                  |          |
| 1        | Gas                                   | \$267,301,501.48   | \$7,929,040.38   | \$0.00       | \$275,230,541.86           | \$0.00         | \$275,230,541.86 |          |
| 2        | Transportation                        | 7,433,333.46       | 19,768.00        | (617,902.60) | 6,835,198.86               | 0.00           | 6,835,198.86     |          |
| 3        | Other                                 | 0.00               | 0.00             | 0.00         | 0.00                       | 0.00           | 13,265,120.00    |          |
| 4        | Total operating revenues              | 274,734,834.94     | 7,948,808.38     | (617,902.60) | 282,065,740.72             | 0.00           | 295,330,860.72   |          |
| 5        | Purchased gas cost                    | 182,628,343.58     | 6,759,574.14     | (617,037.52) | 188,770,880.20             | 0.00           | 195,730,079.20   |          |
| 6        | Gross profit                          | 92,106,491.36      | 1,189,234.24     | (865.08)     | 93,294,860.52              | 0.00           | 99,600,781.52    |          |
|          | Operating expenses                    |                    |                  |              |                            |                |                  |          |
| 7        | Operation                             | 25,970,948.64      | 1,288,147.22     | 0.00         | 27,259,095.86              | 4,355,496.51   | 33,778,631.19    |          |
| 8        | Maintenance                           | 2,253,844.54       | 0.00             | 0.00         | 2,253,844.54               | 7,293.96       | 2,481,063.50     |          |
| 9        | Depreciation                          | 10,022,348.37      | 8,595.00         | 0.00         | 10,030,943.37              | 813,357.93     | 11,908,347.30    |          |
| 10       | Taxes - other than income taxes       | 7,754,430.03       | 28,194.17        | 0.00         | 7,782,624.20               | 235,474.00     | 8,219,264.07     |          |
| 11       | Shared Services - direct              | 2,261,981.37       | 0.00             | 0.00         | 2,261,981.37               | 201,165.87     | 2,261,981.37     |          |
| 12       | Shared Services - billed              | 5,515,747.64       | 76,187.00        | 1,164.35     | 5,593,098.99               | (5,672,098.99) | 0.00             |          |
| 13       | Provision for income taxes            | 11,348,991.15      | (112,000.00)     | 0.00         | 11,236,991.15              | 114,000.00     | 12,283,591.59    |          |
|          | Total operating expenses              | 65,128,291.74      | 1,289,123.39     | 1,164.35     | 66,418,579.48              | (180,784.72)   | 70,932,879.02    |          |
| 14       | Operating income (loss)               | 26,978,199.62      | (99,889.15)      | (2,029.43)   | 26,876,281.04              | 1,610,836.74   | 28,667,902.50    |          |
|          | Other income                          |                    |                  |              |                            |                |                  |          |
| 15       | Merchandise                           | 31,307.75          | 0.00             | 0.00         | 31,307.75                  | 0.00           | 31,307.75        |          |
| 16       | Interest income                       | 414,685.12         | 0.00             | 0.00         | 414,685.12                 | 0.00           | 470,049.12       |          |
| 18       | Shared Services - billed              | 0.00               | (1,164.35)       | 1,164.35     | 0.00                       | 0.00           | 0.00             |          |
| 19       | Other nonoperating income             | (111,584.63)       | (72,355.98)      | 865.08       | (183,075.53)               | 64,554.00      | (118,521.53)     |          |
| 20       | Equity in earnings - Woodward         | 0.00               | 0.00             | 0.00         | 0.00                       | 380,342.00     | 380,342.00       |          |
| 21       | Total other income (loss)             | 334,408.24         | (73,520.33)      | 2,029.43     | 262,917.34                 | 500,260.00     | 763,177.34       |          |
| 22       | Income (loss) before interest charges | 27,312,607.86      | (173,409.48)     | 0.00         | 27,139,198.38              | 2,111,096.74   | 29,431,079.84    |          |
| 23       | Interest charges                      | 8,661,604.06       | 490.68           | 0.00         | 8,662,094.74               | 646,890.00     | 9,308,984.74     |          |
| 24       | Net income (loss)                     | \$18,651,003.80    | (\$173,900.16)   | \$0.00       | \$18,477,103.64            | \$1,464,206.74 | \$20,122,095.10  |          |

Footnotes: (1) Regulated Utility Operations includes Energas, GGC, Trans La, UCG, WKG and CNG.  
(2) Non-Regulated Utility Operations includes Egasco, Emermart, TLIG and WKGR.  
(3) Non-Utility Operations includes Atmos Energy Services, UCG Energy and UCG Storage.  
(4) Includes all Shared Services expenses booked directly to the business units.  
(5) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 ELIMINATIONS TO CONSOLIDATING INCOME STATEMENT  
 12/31/97

|   | Current Month |            | YEAR TO DATE |            |
|---|---------------|------------|--------------|------------|
|   | Dr            | Cr         | Dr           | Cr         |
| 1. Gas Revenue  |               |            |              |            |
| Purchased Gas Cost  | \$0.00        | \$0.00     | \$0.00       | \$0.00     |
| To eliminate gas sales to Atmos from Trans La Industrial  |               |            |              |            |
| 2. Transportation Revenue   |               |            |              |            |
| Purchased Gas Cost  | 183,404.96    | 183,404.96 | 413,310.00   | 413,310.00 |
| To eliminate transportation charges to Enermart Trust from Atmos  |               |            |              |            |
| 3. Transportation Revenue   |               |            |              |            |
| Purchased Gas Cost  | 34,463.16     | 34,463.16  | 94,897.33    | 94,897.33  |
| To eliminate transportation charges to Trans La Industrial from Atmos   |               |            |              |            |
| 4. Transportation Revenue   |               |            |              |            |
| Purchased Gas Cost  | 76,948.73     | 76,948.73  | 108,830.19   | 108,830.19 |
| To eliminate transportation charges to Amarillo Distribution Division from Amarillo Transmission Division-Atmos |               |            |              |            |
| 5. Transportation Revenue   |               |            |              |            |
| Other Nonoperating Income   | 0.00          | 0.00       | 865.08       | 865.08     |
| To eliminate transportation charges for CNG sales at public fill stations from Atmos                            |               |            |              |            |
| 6. Operation Expense  |               |            |              |            |
| Other Nonoperating Income   | 443.61        | 443.61     | 1,164.35     | 1,164.35   |
| To eliminate allocation of Corporate Division expenses to WKGR from Atmos                                       |               |            |              |            |

ATMOS ENERGY CORPORATION  
 CONSOLIDATING STATEMENTS OF INCOME - REGULATED  
 FOR THE MONTH ENDED DECEMBER 31, 1997

| Line No. | Description (a)                       | Current Month   |                 |                  |                 |                 |  |                  | Total Regulated (g) | Line No. |
|----------|---------------------------------------|-----------------|-----------------|------------------|-----------------|-----------------|--|------------------|---------------------|----------|
|          |                                       | Energis (1) (b) | Grealey (c)     | Trans La (1) (d) | UCG (e)         | WKG (f)         |  |                  |                     |          |
| 1        | Operating revenues                    |                 |                 |                  |                 |                 |  |                  |                     |          |
| 2        | Gas                                   | \$29,184,719.47 | \$12,818,408.22 | \$3,640,313.83   | \$53,608,911.00 | \$26,514,748.27 |  | \$125,767,100.79 | 1                   |          |
| 3        | Transportation                        | 354,831.00      | 145,999.64      | 34,463.16        | 1,357,364.00    | 797,034.12      |  | 2,689,691.92     | 2                   |          |
| 4        | Other                                 | 0.00            | 0.00            | 0.00             | 0.00            | 0.00            |  | 0.00             | 3                   |          |
| 5        | Total operating revenues              | 29,539,550.47   | 12,964,407.86   | 3,674,776.99     | 54,966,275.00   | 27,311,782.39   |  | 128,456,792.71   | 4                   |          |
| 6        | Purchased gas cost                    | 20,971,499.50   | 8,473,961.77    | (159,673.30)     | 36,194,127.00   | 20,331,219.20   |  | 85,811,134.17    | 5                   |          |
| 7        | Gross profit                          | 8,568,050.97    | 4,490,446.09    | 3,834,450.29     | 18,772,148.00   | 6,980,563.19    |  | 42,645,658.54    | 6                   |          |
| 8        | Operating expenses                    |                 |                 |                  |                 |                 |  |                  |                     |          |
| 9        | Operation                             | 1,770,353.67    | 1,050,327.02    | 626,016.13       | 4,882,199.93    | 1,318,445.01    |  | 9,647,341.76     | 7                   |          |
| 10       | Maintenance                           | 70,951.92       | 57,238.91       | 50,097.59        | 452,643.00      | 65,603.65       |  | 696,535.07       | 8                   |          |
| 11       | Depreciation                          | 502,571.24      | 414,021.60      | 303,588.92       | 1,536,004.00    | 545,364.13      |  | 3,291,549.89     | 9                   |          |
| 12       | Taxes - other than income taxes       | 1,170,721.39    | 243,612.42      | 188,203.64       | 1,174,660.00    | 189,956.88      |  | 2,967,154.33     | 10                  |          |
| 13       | Shared Services - direct              | 198,420.04      | 110,714.49      | 91,389.57        | 0.00            | 193,265.52      |  | 593,789.62       | 10                  |          |
| 14       | Shared Services - billed              | 668,954.24      | 267,492.40      | 190,119.33       | 604,231.52      | 393,127.26      |  | 2,123,924.75     | 11                  |          |
| 15       | Provision for income taxes            | 1,263,000.63    | 775,724.08      | 775,800.84       | 3,431,310.00    | 1,500,474.45    |  | 7,746,310.00     | 12                  |          |
| 16       | Total operating expenses              | 5,644,973.13    | 2,919,130.92    | 2,225,216.02     | 12,071,048.45   | 4,206,236.90    |  | 27,066,605.42    | 13                  |          |
| 17       | Operating income (loss)               | 2,923,077.84    | 1,571,315.17    | 1,609,234.27     | 6,701,099.55    | 2,774,326.29    |  | 15,579,053.12    | 14                  |          |
| 18       | Other income                          |                 |                 |                  |                 |                 |  |                  |                     |          |
| 19       | Merchandise                           | (20,043.73)     | 232.83          | (39.28)          | (8,828.00)      | 9,705.60        |  | (18,972.58)      | 15                  |          |
| 20       | Interest income                       | 15,750.00       | 24.50           | 0.00             | 126,869.00      | 1,800.00        |  | 144,443.50       | 16                  |          |
| 21       | Other nonoperating income             | (32,980.07)     | (6,808.71)      | (7,724.40)       | (18,082.00)     | (5,585.27)      |  | (71,180.45)      | 17                  |          |
| 22       | Equity in earnings - Woodward         | 0.00            | 0.00            | 0.00             | 0.00            | 0.00            |  | 0.00             | 17                  |          |
| 23       | Total other income (loss)             | (37,273.80)     | (6,551.38)      | (7,763.68)       | 99,959.00       | 5,920.33        |  | 54,290.47        | 18                  |          |
| 24       | Income (loss) before interest charges | 2,885,804.04    | 1,564,763.79    | 1,601,470.59     | 6,801,058.55    | 2,780,246.62    |  | 15,633,343.59    | 19                  |          |
| 25       | Interest charges                      | 653,254.55      | 375,076.03      | 332,067.93       | 1,078,411.00    | 502,979.73      |  | 2,941,789.24     | 20                  |          |
| 26       | Net income (loss)                     | \$2,232,549.49  | \$1,189,687.76  | \$1,269,402.66   | \$5,722,647.55  | \$2,277,266.89  |  | \$12,691,554.35  | 21                  |          |

Footnote: (1) Includes CNG.  
 (2) Operations expense in the business units does not include any shared services costs.  
 (3) Includes all Shared Services expenses booked directly to the business units.  
 (4) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.

ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME - REGULATED  
FOR THE THREE MONTHS ENDED DECEMBER 31, 1997

| Line No. | Description (a)                       | Year To Date       |                 |                     |                  |                 |                        | Line No. |
|----------|---------------------------------------|--------------------|-----------------|---------------------|------------------|-----------------|------------------------|----------|
|          |                                       | Energas (1)<br>(b) | Greeley<br>(c)  | Trans La (1)<br>(d) | UCG<br>(e)       | WKG<br>(f)      | Total Regulated<br>(g) |          |
|          | Operating revenues                    |                    |                 |                     |                  |                 |                        |          |
| 1        | Gas                                   | \$63,722,238.87    | \$29,436,681.89 | \$11,468,989.77     | \$111,482,009.00 | \$51,191,581.95 | \$267,301,501.48       | 1        |
| 2        | Transportation                        | 773,052.63         | 398,337.16      | 102,994.09          | 3,939,761.00     | 2,219,188.58    | 7,433,333.46           | 2        |
| 3        | Other                                 | 0.00               | 0.00            | 0.00                | 0.00             | 0.00            | 0.00                   | 3        |
| 4        | Total operating revenues              | 64,495,291.50      | 29,835,019.05   | 11,571,983.86       | 115,421,770.00   | 53,410,770.53   | 274,734,834.94         | 4        |
| 5        | Purchased gas cost                    | 44,725,641.00      | 18,820,352.98   | 3,711,862.65        | 76,072,732.00    | 39,297,754.95   | 182,628,343.58         | 5        |
| 6        | Gross profit                          | 19,769,650.50      | 11,014,666.07   | 7,860,121.21        | 39,349,038.00    | 14,113,015.58   | 92,106,491.36          | 6        |
|          | Operating expenses                    |                    |                 |                     |                  |                 |                        |          |
| 7        | Operation                             | 4,683,965.77       | 3,162,037.58    | 1,694,598.87        | 12,807,393.93    | 3,622,952.49    | 25,970,948.64          | 7        |
| 8        | Maintenance                           | 289,866.70         | 145,165.01      | 129,077.02          | 1,471,690.00     | 218,045.81      | 2,253,844.54           | 8        |
| 9        | Depreciation                          | 1,645,901.70       | 1,239,976.90    | 910,586.22          | 4,589,906.00     | 1,635,977.55    | 10,022,348.37          | 9        |
| 10       | Taxes - other than income taxes       | 2,757,200.23       | 664,016.87      | 559,351.36          | 3,263,625.00     | 511,236.57      | 7,754,430.03           | 10       |
| 10       | Shared Services - direct              | 849,812.76         | 341,884.63      | 402,432.06          | 0.00             | 667,851.92      | 2,261,981.37           | 10       |
| 11       | Shared Services - billed              | 1,746,009.67       | 662,279.22      | 468,836.25          | 1,618,690.49     | 1,019,932.01    | 5,515,747.64           | 11       |
| 12       | Provision for income taxes            | 2,103,997.32       | 1,431,024.07    | 1,038,654.19        | 4,741,991.15     | 2,033,324.42    | 11,348,991.15          | 12       |
| 13       | Total operating expenses              | 14,076,754.15      | 7,646,384.28    | 5,202,515.97        | 28,493,296.57    | 9,709,320.77    | 65,128,291.74          | 13       |
| 14       | Operating income (loss)               | 5,692,896.35       | 3,368,281.79    | 2,657,585.24        | 10,855,741.43    | 4,403,694.81    | 26,978,199.62          | 14       |
|          | Other income                          |                    |                 |                     |                  |                 |                        |          |
| 15       | Merchandise                           | (14,679.59)        | (872.75)        | 7,360.30            | (40,698.00)      | 80,197.79       | 31,307.75              | 15       |
| 16       | Interest income                       | 45,891.72          | 226.47          | 588.97              | 362,219.00       | 5,758.96        | 414,685.12             | 16       |
| 17       | Other nonoperating income             | (74,665.47)        | 31,373.66       | (29,163.38)         | (22,043.00)      | (17,086.44)     | (111,584.63)           | 17       |
| 17       | Equity in earnings - Woodward         | 0.00               | 0.00            | 0.00                | 0.00             | 0.00            | 0.00                   | 17       |
| 18       | Total other income (loss)             | (43,453.34)        | 30,727.38       | (21,214.11)         | 299,478.00       | 68,870.31       | 334,408.24             | 18       |
| 19       | Income (loss) before interest charges | 5,649,443.01       | 3,399,009.17    | 2,636,371.13        | 11,155,219.43    | 4,472,565.12    | 27,312,607.86          | 19       |
| 20       | Interest charges                      | 1,873,468.92       | 1,109,966.11    | 951,123.59          | 3,279,395.00     | 1,447,650.44    | 8,661,604.06           | 20       |
| 21       | Net income (loss)                     | \$3,775,974.09     | \$2,289,043.06  | \$1,685,247.54      | \$7,875,824.43   | \$3,024,914.68  | \$18,651,003.80        | 21       |

Footnote: (1) Includes CNG.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATING STATEMENT OF INCOME- NON-REGULATED UTILITY  
 FOR THE MONTH ENDED 12/31/97

| Line No. | Description (a)                       | 1997             |                |                         |                   |                                  |                         | Line No. |
|----------|---------------------------------------|------------------|----------------|-------------------------|-------------------|----------------------------------|-------------------------|----------|
|          |                                       | EGASCO, INC. (b) | ENERMART (c)   | TRANS LA INDUSTRIAL (d) | WKG RESOURCES (e) | ELIMINATIONS and ADJUSTMENTS (f) | ATMOS NON REGULATED (g) |          |
| 1        | Operating revenues                    |                  |                |                         |                   |                                  |                         |          |
| 2        | Gas                                   | \$119,584.98     | \$2,397,728.99 | \$641,778.65            | \$0.00            | \$0.00                           | \$3,159,092.62          | 1        |
| 3        | Transportation                        | 0.00             | 0.00           | 6,030.15                | 0.00              | 0.00                             | 6,030.15                | 2        |
| 3        | Other                                 | 0.00             | 0.00           | 0.00                    | 0.00              | 0.00                             | 0.00                    | 3        |
| 4        | Total operating revenues              | 119,584.98       | 2,397,728.99   | 647,808.80              | 0.00              | 0.00                             | 3,165,122.77            | 4        |
| 5        | Purchased gas cost                    | 92,962.62        | 1,979,600.50   | 678,203.87              | 0.00              | 0.00                             | 2,750,766.99            | 5        |
| 6        | Gross profit                          | 26,622.36        | 418,128.49     | (30,395.07)             | 0.00              | 0.00                             | 414,355.78              | 6        |
| 7        | Operating expenses                    |                  |                |                         |                   |                                  |                         |          |
| 8        | Operation                             | 56,092.84        | 356,430.01     | 586.59                  | 0.00              | 0.00                             | 413,109.44              | 7        |
| 8        | Maintenance                           | 0.00             | 0.00           | 0.00                    | 0.00              | 0.00                             | 0.00                    | 8        |
| 9        | Depreciation and amortization         | 0.00             | 0.00           | 2,865.00                | 0.00              | 0.00                             | 2,865.00                | 9        |
| 10       | Taxes - other than income taxes       | 0.00             | 5,000.00       | 4,933.00                | 0.00              | 0.00                             | 9,933.00                | 10       |
| 11       | Shared services - billed              | 1,672.87         | 18,605.29      | 5,131.03                | 0.00              | 0.00                             | 25,409.19               | 11       |
| 12       | Provision for income taxes            | (33,000.00)      | 13,000.00      | (17,000.00)             | 0.00              | 0.00                             | (37,000.00)             | 12       |
| 13       | Total operating expenses              | 24,765.71        | 393,035.30     | (3,484.38)              | 0.00              | 0.00                             | 414,316.63              | 13       |
| 14       | Operating income (loss)               | 1,856.65         | 25,093.19      | (26,910.69)             | 0.00              | 0.00                             | 39.15                   | 14       |
| 15       | Other income                          |                  |                |                         |                   |                                  |                         |          |
| 15       | Merchandise                           | 0.00             | 0.00           | 0.00                    | 0.00              | 0.00                             | 0.00                    | 15       |
| 16       | Interest income                       | 0.00             | 0.00           | 0.00                    | 0.00              | 0.00                             | 0.00                    | 16       |
| 17       | Shared services - billed              | 0.00             | 0.00           | 0.00                    | (443.61)          | 0.00                             | (443.61)                | 17       |
| 18       | Other nonoperating income             | (40,377.74)      | 0.00           | 0.00                    | (900.37)          | 0.00                             | (41,278.11)             | 18       |
| 19       | Total other income (loss)             | (40,377.74)      | 0.00           | 0.00                    | (1,343.98)        | 0.00                             | (41,721.72)             | 19       |
| 20       | Income (loss) before interest charges | (38,521.09)      | 25,093.19      | (26,910.69)             | (1,343.98)        | 0.00                             | (41,682.57)             | 20       |
| 21       | Interest charges                      | 0.00             | 0.00           | 0.00                    | 0.00              | 0.00                             | 0.00                    | 21       |
| 22       | Net income (loss)                     | (\$38,521.09)    | \$25,093.19    | (\$26,910.69)           | (\$1,343.98)      | \$0.00                           | (\$41,682.57)           | 22       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF INCOME: NON-REGULATED UTILITY  
FOR THE THREE ENDED MONTHS 12/31/97

| Line No. | Description (a)                       | 1997             |                |                          |                     |                                  |                         |        |        |        |                | Line No. |
|----------|---------------------------------------|------------------|----------------|--------------------------|---------------------|----------------------------------|-------------------------|--------|--------|--------|----------------|----------|
|          |                                       | EGASCO, INC. (b) | ENERMART (c)   | TRANS I.A INDUSTRIAL (d) | W K G RESOURCES (e) | ELIMINATIONS and ADJUSTMENTS (f) | ATMOS NON REGULATED (b) |        |        |        |                |          |
| 1        | Operating revenues                    |                  |                |                          |                     |                                  |                         |        |        |        |                | 1        |
| 2        | Gas                                   | \$471,533.96     | \$5,741,779.04 | \$1,715,727.38           | \$0.00              | \$0.00                           | \$0.00                  | \$0.00 | \$0.00 | \$0.00 | \$7,929,040.38 | 2        |
| 3        | Transportation                        | 0.00             | 0.00           | 19,768.00                | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00   | 0.00   | 19,768.00      | 3        |
| 4        | Other                                 | 0.00             | 0.00           | 0.00                     | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00   | 0.00   | 0.00           | 4        |
| 4        | Total operating revenues              | 471,533.96       | 5,741,779.04   | 1,735,495.38             | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00   | 0.00   | 7,948,808.38   | 4        |
| 5        | Purchased gas cost                    | 380,412.97       | 4,816,890.24   | 1,562,270.93             | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00   | 0.00   | 6,759,574.14   | 5        |
| 6        | Gross profit                          | 91,120.99        | 924,888.80     | 173,224.45               | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00   | 0.00   | 1,189,234.24   | 6        |
| 7        | Operating expenses                    |                  |                |                          |                     |                                  |                         |        |        |        |                | 7        |
| 8        | Operation                             | 176,683.85       | 1,086,707.18   | 24,756.19                | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00   | 0.00   | 1,288,147.22   | 8        |
| 9        | Maintenance                           | 0.00             | 0.00           | 0.00                     | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00   | 0.00   | 0.00           | 9        |
| 10       | Depreciation and amortization         | 0.00             | 0.00           | 8,595.00                 | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00   | 0.00   | 8,595.00       | 10       |
| 11       | Taxes - other than income taxes       | 0.00             | 13,395.17      | 14,799.00                | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00   | 0.00   | 28,194.17      | 11       |
| 12       | Shared services - billed              | 4,443.23         | 56,287.96      | 15,455.81                | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00   | 0.00   | 76,187.00      | 12       |
| 12       | Provision for income taxes            | (74,000.00)      | (81,000.00)    | 43,000.00                | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00   | 0.00   | (112,000.00)   | 12       |
| 13       | Total operating expenses              | 107,127.08       | 1,075,390.31   | 106,606.00               | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00   | 0.00   | 1,289,123.39   | 13       |
| 14       | Operating income (loss)               | (16,006.09)      | (150,501.51)   | 66,618.45                | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00   | 0.00   | (99,889.15)    | 14       |
| 15       | Other income                          |                  |                |                          |                     |                                  |                         |        |        |        |                | 15       |
| 16       | Merchandise                           | 0.00             | 0.00           | 0.00                     | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00   | 0.00   | 0.00           | 16       |
| 17       | Interest income                       | 0.00             | 0.00           | 0.00                     | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00   | 0.00   | 0.00           | 17       |
| 17       | Shared services - billed              | 0.00             | 0.00           | 0.00                     | (1,164.35)          | 0.00                             | (1,164.35)              | 0.00   | 0.00   | 0.00   | (1,164.35)     | 17       |
| 18       | Other nonoperating income             | (72,205.83)      | 0.00           | 0.00                     | (150.15)            | 0.00                             | (150.15)                | 0.00   | 0.00   | 0.00   | (72,355.98)    | 18       |
| 19       | Total other income (loss)             | (72,205.83)      | 0.00           | 0.00                     | (1,314.50)          | 0.00                             | (1,314.50)              | 0.00   | 0.00   | 0.00   | (73,520.33)    | 19       |
| 20       | Income (loss) before interest charges | (88,211.92)      | (150,501.51)   | 66,618.45                | (1,314.50)          | 0.00                             | (1,314.50)              | 0.00   | 0.00   | 0.00   | (173,409.48)   | 20       |
| 21       | Interest charges                      | 0.00             | 0.00           | 490.68                   | 0.00                | 0.00                             | 0.00                    | 0.00   | 0.00   | 0.00   | 490.68         | 21       |
| 22       | Net income (loss)                     | (88,211.92)      | (150,501.51)   | \$66,127.77              | (1,314.50)          | \$0.00                           | (1,314.50)              | \$0.00 | \$0.00 | \$0.00 | (173,900.16)   | 22       |

NON-UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME- NON-UTILITY  
FOR THE MONTH ENDED 12/31/97

1997

| Line No. | Description (a)                 | Eliminations and Adjustments (f) |                 |                     |                            |                 | UCG Energy Corp. Consolidated (g) | Energy Services (h) | Atmos (i)   | UCG Storage Co. (j) | Total Non-Utility (k) | Line No. |
|----------|---------------------------------|----------------------------------|-----------------|---------------------|----------------------------|-----------------|-----------------------------------|---------------------|-------------|---------------------|-----------------------|----------|
|          |                                 | UCG Leasing (b)                  | UCG Propane (c) | Rental Division (d) | Utility Serv. Division (e) | Adjustments (f) |                                   |                     |             |                     |                       |          |
| 1        | Operating revenues              |                                  |                 |                     |                            |                 |                                   |                     |             |                     |                       | 1        |
| 2        | Gas                             | \$0.00                           | \$0.00          | \$0.00              | \$0.00                     | \$0.00          | \$0.00                            | \$0.00              | \$0.00      | \$0.00              | 2                     |          |
| 3        | Transportation                  | 0.00                             | 0.00            | 0.00                | 0.00                       | 0.00            | 0.00                              | 0.00                | 0.00        | 0.00                | 3                     |          |
| 4        | Other                           | 91,038.00                        | 4,698,928.00    | 269,693.00          | 95,777.00                  | 0.00            | 5,155,436.00                      | 0.00                | 947,367.00  | 6,102,803.00        | 4                     |          |
| 5        | Total operating revenues        | 91,038.00                        | 4,698,928.00    | 269,693.00          | 95,777.00                  | 0.00            | 5,155,436.00                      | 0.00                | 947,367.00  | 6,102,803.00        | 5                     |          |
| 6        | Purchased gas cost              | 0.00                             | 2,922,798.00    | 0.00                | 90,802.00                  | 0.00            | 3,013,600.00                      | 0.00                | 648,716.00  | 3,662,316.00        | 6                     |          |
| 7        | Gross profit                    | 91,038.00                        | 1,776,130.00    | 269,693.00          | 4,975.00                   | 0.00            | 2,141,836.00                      | 0.00                | 298,651.00  | 2,440,487.00        | 7                     |          |
| 8        | Operating expenses              |                                  |                 |                     |                            |                 |                                   |                     |             |                     | 8                     |          |
| 9        | Operation                       | 1,195.00                         | 750,313.00      | 8,902.00            | 3,413.00                   | 0.00            | 763,823.00                        | 45.00               | 48,860.00   | 812,728.00          | 9                     |          |
| 10       | Maintenance                     | 0.00                             | 50,550.00       | 0.00                | 0.00                       | 0.00            | 50,550.00                         | 0.00                | 6,518.00    | 57,068.00           | 10                    |          |
| 11       | Depreciation and amortization   | 32,327.00                        | 183,074.00      | 64,869.00           | 40,516.00                  | 0.00            | 320,786.00                        | 0.00                | 33,633.00   | 354,419.00          | 11                    |          |
| 12       | Taxes - other than income taxes | 0.00                             | 25,983.00       | 39,136.00           | 0.00                       | 0.00            | 65,119.00                         | 0.00                | 33,622.00   | 98,741.00           | 12                    |          |
| 13       | Shared services - billed        | 1,250.00                         | 19,500.00       | 4,000.00            | 250.00                     | 0.00            | 25,000.00                         | 0.00                | 0.00        | 25,000.00           | 13                    |          |
| 14       | Provision for income taxes      | 18,000.00                        | 274,000.00      | 46,000.00           | 202,200.00                 | 0.00            | 540,200.00                        | 0.00                | 41,000.00   | 581,200.00          | 14                    |          |
| 15       | Total operating expenses        | 52,772.00                        | 1,303,420.00    | 162,907.00          | 246,379.00                 | 0.00            | 1,765,478.00                      | 45.00               | 163,633.00  | 1,929,156.00        | 15                    |          |
| 16       | Operating income (loss)         | 38,266.00                        | 472,710.00      | 106,786.00          | (241,404.00)               | 0.00            | 376,358.00                        | (45.00)             | 135,018.00  | 511,331.00          | 16                    |          |
| 17       | Other income                    |                                  |                 |                     |                            |                 |                                   |                     |             |                     | 17                    |          |
| 18       | Merchandise                     | 0.00                             | 0.00            | 0.00                | 0.00                       | 0.00            | 0.00                              | 0.00                | 0.00        | 0.00                | 18                    |          |
| 19       | Interest income                 | 3,631.00                         | 10,995.00       | 33,828.00           | (45,862.00)                | (41,250.00)     | (38,658.00)                       | 0.00                | 0.00        | (38,658.00)         | 19                    |          |
| 20       | Other nonoperating income       | 94.00                            | 13,729.00       | (4,152.00)          | 18,496.00                  | 0.00            | 28,167.00                         | 0.00                | 0.00        | 28,167.00           | 20                    |          |
| 21       | Equity in earnings - Woodward   | 0.00                             | 0.00            | 0.00                | 623,220.00                 | 0.00            | 623,220.00                        | 0.00                | 0.00        | 623,220.00          | 21                    |          |
| 22       | Total other income (loss)       | 3,725.00                         | 24,724.00       | 29,676.00           | 595,854.00                 | (41,250.00)     | 612,729.00                        | 0.00                | 0.00        | 612,729.00          | 22                    |          |
| 23       | Income (loss) before int chgs   | 41,991.00                        | 497,434.00      | 136,462.00          | 354,450.00                 | (41,250.00)     | 989,087.00                        | (45.00)             | 135,018.00  | 1,124,060.00        | 23                    |          |
| 24       | Interest charges                | 13,793.00                        | 70,493.00       | 64,629.00           | 31,319.00                  | (41,250.00)     | 138,984.00                        | 0.00                | 80,279.00   | 219,263.00          | 24                    |          |
| 25       | Net income (loss)               | \$28,198.00                      | \$426,941.00    | \$71,833.00         | \$323,131.00               | \$0.00          | \$850,103.00                      | (\$45.00)           | \$54,739.00 | \$904,797.00        | 25                    |          |

NON-UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME- NON UTILITY  
FOR THE THREE MONTHS ENDED 12/31/97

1997

| Line No. | Description (a)                 | Eliminations and Adjustments |                 |                     |                            |                 |                                   |                           |                     |           |                | Total Non-Utility (j) | Line No.       |    |                |
|----------|---------------------------------|------------------------------|-----------------|---------------------|----------------------------|-----------------|-----------------------------------|---------------------------|---------------------|-----------|----------------|-----------------------|----------------|----|----------------|
|          |                                 | UCG Leasing (b)              | UCG Propane (c) | Rental Division (d) | Utility Serv. Division (e) | Adjustments (f) | UCG Energy Corp. Consolidated (g) | Atmos Energy Services (h) | UCG Storage Co. (i) |           |                |                       |                |    |                |
| 1        | Operating revenues              |                              |                 |                     |                            |                 |                                   |                           |                     |           |                |                       |                |    |                |
| 2        | Gas                             | \$0.00                       | \$0.00          | \$0.00              | \$0.00                     | \$0.00          | \$0.00                            | \$0.00                    | \$0.00              | \$0.00    | \$0.00         | \$0.00                | \$0.00         | 1  | \$0.00         |
| 3        | Transportation                  | 0.00                         | 0.00            | 0.00                | 0.00                       | 0.00            | 0.00                              | 0.00                      | 0.00                | 0.00      | 0.00           | 0.00                  | 0.00           | 2  | 0.00           |
| 3        | Other                           | 274,511.00                   | 10,443,219.00   | 816,743.00          | 210,203.00                 | 0.00            | 11,744,676.00                     | 0.00                      | 1,520,444.00        | 0.00      | 13,265,120.00  | 0.00                  | 13,265,120.00  | 3  | 13,265,120.00  |
| 4        | Total operating revenues        | 274,511.00                   | 10,443,219.00   | 816,743.00          | 210,203.00                 | 0.00            | 11,744,676.00                     | 0.00                      | 1,520,444.00        | 0.00      | 13,265,120.00  | 0.00                  | 13,265,120.00  | 4  | 13,265,120.00  |
| 5        | Purchased gas cost              | 0.00                         | 6,065,427.00    | 0.00                | 245,056.00                 | 0.00            | 6,310,483.00                      | 0.00                      | 648,716.00          | 0.00      | 6,959,199.00   | 0.00                  | 6,959,199.00   | 5  | 6,959,199.00   |
| 6        | Gross profit                    | 274,511.00                   | 4,377,792.00    | 816,743.00          | (34,853.00)                | 0.00            | 5,434,193.00                      | 0.00                      | 871,728.00          | 0.00      | 6,305,921.00   | 0.00                  | 6,305,921.00   | 6  | 6,305,921.00   |
| 7        | Operating expenses              |                              |                 |                     |                            |                 |                                   |                           |                     |           |                |                       |                |    |                |
| 7        | Operation                       | 5,097.39                     | 1,955,805.55    | 88,106.39           | 10,306.79                  | 0.00            | 2,059,316.12                      | 0.00                      | 104,652.70          | 70.00     | 2,164,038.82   | 0.00                  | 2,164,038.82   | 7  | 2,164,038.82   |
| 8        | Maintenance                     | 0.00                         | 185,734.00      | 0.00                | 0.00                       | 0.00            | 185,734.00                        | 0.00                      | 34,191.00           | 0.00      | 219,925.00     | 0.00                  | 219,925.00     | 8  | 219,925.00     |
| 9        | Depreciation and amortization   | 98,366.00                    | 551,221.00      | 203,828.00          | 109,844.00                 | 0.00            | 963,259.00                        | 0.00                      | 100,787.00          | 0.00      | 1,064,046.00   | 0.00                  | 1,064,046.00   | 9  | 1,064,046.00   |
| 10       | Taxes - other than income taxes | 0.00                         | 71,494.00       | 61,248.00           | 0.00                       | 0.00            | 134,742.00                        | 0.00                      | 100,732.00          | 0.00      | 235,474.00     | 0.00                  | 235,474.00     | 10 | 235,474.00     |
| 11       | Shared services - billed        | 3,950.00                     | 61,620.00       | 12,640.00           | 790.00                     | 0.00            | 79,000.00                         | 0.00                      | (0.00)              | 0.00      | 79,000.00      | 0.00                  | 79,000.00      | 11 | 79,000.00      |
| 12       | Provision for income taxes      | 53,730.82                    | 532,000.84      | 142,009.46          | 77,458.91                  | 0.00            | 805,200.03                        | 0.00                      | 127,400.41          | 0.00      | 932,600.44     | 0.00                  | 932,600.44     | 12 | 932,600.44     |
| 13       | Total operating expenses        | 161,144.21                   | 3,359,875.39    | 507,831.85          | 198,399.70                 | 0.00            | 4,227,251.15                      | 0.00                      | 467,763.11          | 70.00     | 4,695,084.26   | 0.00                  | 4,695,084.26   | 13 | 4,695,084.26   |
| 14       | Operating income (loss)         | 113,366.79                   | 1,017,916.61    | 308,911.15          | (233,252.70)               | 0.00            | 1,206,941.85                      | 0.00                      | 403,964.89          | (70.00)   | 1,610,836.74   | 0.00                  | 1,610,836.74   | 14 | 1,610,836.74   |
| 15       | Other income                    |                              |                 |                     |                            |                 |                                   |                           |                     |           |                |                       |                |    |                |
| 15       | Merchandise                     | 0.00                         | 0.00            | 0.00                | 0.00                       | 0.00            | 0.00                              | 0.00                      | 0.00                | 0.00      | 0.00           | 0.00                  | 0.00           | 15 | 0.00           |
| 16       | Interest income                 | 10,776.00                    | 25,180.00       | 102,874.00          | 16,400.00                  | (123,363.00)    | 31,867.00                         | 0.00                      | 23,497.00           | 0.00      | 55,364.00      | 0.00                  | 55,364.00      | 16 | 55,364.00      |
| 17       | Other nonoperating income       | 280.00                       | 12,100.00       | (4,519.00)          | 56,693.00                  | 0.00            | 64,554.00                         | 0.00                      | 0.00                | 0.00      | 64,554.00      | 0.00                  | 64,554.00      | 17 | 64,554.00      |
| 18       | Equity in earnings - Woodward   | 0.00                         | 0.00            | 0.00                | 380,342.00                 | 0.00            | 380,342.00                        | 0.00                      | 380,342.00          | 0.00      | 380,342.00     | 0.00                  | 380,342.00     | 18 | 380,342.00     |
| 19       | Total other income (loss)       | 11,056.00                    | 37,280.00       | 98,355.00           | 453,435.00                 | (123,363.00)    | 476,763.00                        | 0.00                      | 23,497.00           | 0.00      | 500,260.00     | 0.00                  | 500,260.00     | 19 | 500,260.00     |
| 20       | Income (loss) before int chgs   | 124,422.79                   | 1,055,196.61    | 407,266.15          | 220,182.30                 | (123,363.00)    | 1,683,704.85                      | 0.00                      | 427,461.89          | (70.00)   | 2,111,096.74   | 0.00                  | 2,111,096.74   | 20 | 2,111,096.74   |
| 21       | Interest charges                | 41,379.00                    | 211,432.00      | 189,131.00          | 94,915.00                  | (123,363.00)    | 413,494.00                        | 0.00                      | 233,396.00          | 0.00      | 646,890.00     | 0.00                  | 646,890.00     | 21 | 646,890.00     |
| 22       | Net income (loss)               | \$83,043.79                  | \$843,764.61    | \$218,135.15        | \$125,267.30               | \$0.00          | \$1,270,210.85                    | (\$70.00)                 | \$194,065.89        | (\$70.00) | \$1,464,206.74 | 0.00                  | \$1,464,206.74 | 22 | \$1,464,206.74 |



ATMOS ENERGY CORPORATION  
Allocation of Division 02 - Corporate Cost  
For The Month Ended 12/31/97

ALLOCATED DOLLARS

| DEPARTMENT                     | Total O&M    | Total        | Enargas     | GGC          | Trans La    | UCG          | WKG          | Egesso   | Emermat   | TLIG     | UCG Energy | UCG Storage | WKOR    |
|--------------------------------|--------------|--------------|-------------|--------------|-------------|--------------|--------------|----------|-----------|----------|------------|-------------|---------|
| ACCOUNTING:                    | (696,871.62) | (496,871.62) | (70,938.69) | (100,614.42) | (55,099.42) | (193,372.68) | (101,781.65) | 63.72    | 254.68    | 63.72    | 25,000.00  | -           | 51.12   |
| BUSINESS DEVELOPMENT:          | 41,822.88    | 41,822.88    | 10,388.81   | 5,032.20     | 3,534.03    | 15,096.88    | 6,950.96     | -        | -         | -        | -          | -           | -       |
| CALL CENTER:                   | 1,106.17     | 1,106.17     | 437.60      | 214.93       | 150.88      | 294.57       | 1.22         | 5.31     | 1.22      | 1.22     | -          | -           | 0.44    |
| EXECUTIVE:                     | 276,866.35   | 276,866.35   | 68,760.17   | 31,642.42    | 23,421.11   | 104,078.87   | 45,720.46    | 183.53   | 829.30    | 177.25   | -          | -           | 51.24   |
| GAS CONTROL:                   | -            | -            | -           | -            | -           | -            | -            | -        | -         | -        | -          | -           | -       |
| GAS SUPPLY:                    | 123,131.69   | 123,131.69   | 24,308.88   | 19,313.47    | 7,386.93    | 31,346.34    | 26,878.61    | -        | 10,379.63 | 3,517.68 | -          | -           | -       |
| HUMAN RESOURCES:               | 138,849.42   | 138,849.42   | 62,221.62   | 28,813.57    | 20,611.78   | (11,236.66)  | 39,084.51    | (81.23)  | (359.95)  | (81.23)  | -          | -           | (22.99) |
| INFORMATION TECHNOLOGY:        | 207,584.37   | 207,584.37   | 83,570.20   | 31,286.19    | 22,456.22   | 21,367.13    | 48,904.63    | -        | -         | -        | -          | -           | -       |
| INTERNAL AUDIT:                | 35,246.54    | 35,246.54    | 8,712.96    | 4,240.16     | 2,964.23    | 13,337.29    | 5,826.25     | 24.67    | 109.26    | 24.67    | -          | -           | 7.05    |
| INVESTOR RELATIONS:            | 188,165.03   | 188,165.03   | 51,742.80   | 25,243.41    | 17,667.31   | 57,869.87    | 34,662.11    | 145.82   | 643.21    | 145.82   | -          | -           | 44.68   |
| LEGAL:                         | 1,314,361.76 | 1,314,361.76 | 326,419.20  | 157,851.26   | 110,412.97  | 495,902.44   | 215,527.46   | 923.04   | 4,167.32  | 902.08   | -          | -           | 256.89  |
| NEW BUSINESS VENTURES:         | 11,229.92    | 11,229.92    | 2,776.03    | 1,350.96     | 944.44      | 4,249.40     | 1,856.31     | 7.86     | 34.81     | 7.86     | -          | -           | 2.25    |
| PLANNING & BUDGETING:          | 39,883.19    | 39,883.19    | 12,164.20   | 5,917.17     | 4,145.10    | 9,468.01     | 8,120.38     | 33.98    | 149.39    | 33.98    | -          | -           | 10.98   |
| PRICE POLICY & ADMINISTRATION: | 69,633.91    | 69,633.91    | 22,084.29   | 19,520.15    | 8,405.49    | 5,564.85     | 13,778.76    | 26.49    | 202.26    | 32.09    | -          | -           | 19.53   |
| REGULATORY AFFAIRS:            | 16,030.40    | 16,030.40    | 2,404.56    | 4,007.60     | 1,603.04    | 6,412.16     | 1,603.04     | -        | -         | -        | -          | -           | -       |
| REMITTANCE PROCESSING:         | 23,241.07    | 23,241.07    | 10,319.03   | 3,862.67     | 2,772.66    | -            | 6,038.03     | 27.89    | 216.14    | 4.65     | -          | -           | -       |
| TECHNICAL SERVICES:            | 32,460.09    | 32,460.09    | 7,379.15    | 4,484.60     | 2,923.75    | 12,519.24    | 5,045.99     | 22.72    | 51.92     | 19.47    | -          | -           | 3.25    |
| TREASURY:                      | 102,799.11   | 102,799.11   | 34,138.33   | 17,405.43    | 11,694.67   | 12,704.14    | 24,508.99    | 256.83   | 1,709.91  | 247.44   | -          | -           | 9.37    |
| TOTAL OPERATIONS:              | 2,125,728.28 | 2,125,728.28 | 656,829.34  | 261,591.77   | 185,994.29  | 583,671.28   | 385,019.41   | 1,639.54 | 18,453.24 | 5,096.70 | 25,000.00  | -           | 473.81  |
| Operations w/o A&G Cap.        | 3,006,728.28 | 3,006,728.28 | 873,652.95  | 433,800.81   | 291,362.43  | 770,083.96   | 584,915.31   | 1,979.68 | 19,964.02 | 5,477.84 | 25,000.00  | -           | 531.28  |
| MAINTENANCE                    | 1,056.00     | 1,056.00     | 261.04      | 127.04       | 88.81       | 399.59       | 174.56       | 0.74     | 3.27      | 0.74     | -          | -           | 0.21    |
| DEPRECIATION                   | (90,277.35)  | (90,277.35)  | (7,546.36)  | (3,672.44)   | (2,567.35)  | (11,551.55)  | (5,046.17)   | (21.37)  | (94.63)   | (21.37)  | -          | -           | (6.11)  |
| TAXES - OTHER                  | 78,520.62    | 78,520.62    | 19,410.32   | 9,446.03     | 6,603.58    | 29,712.20    | 12,979.46    | 54.96    | 243.41    | 54.96    | -          | -           | 15.70   |
| TOTAL                          | 2,174,772.55 | 2,174,772.55 | 668,954.24  | 267,492.40   | 190,119.33  | 604,231.52   | 393,127.26   | 1,672.87 | 18,603.29 | 5,131.03 | 25,000.00  | -           | 443.61  |

ATMOS ENERGY CORPORATION  
Allocation of Division 02 - Corporate Cost  
For The Year-To-Date 12/31/97

ALLOCATED DOLLARS

| DEPARTMENT                     | Total O&M      | Total          | Energas      | GCC          | Trans La     | UCCO         | WKKG         | Egesco   | Enertart  | TLIG      | UCC Energy | UCC Storage | WKGR     |
|--------------------------------|----------------|----------------|--------------|--------------|--------------|--------------|--------------|----------|-----------|-----------|------------|-------------|----------|
| ACCOUNTING:                    | (1,739,527.09) | (1,716,694.41) | (318,475.01) | (367,281.75) | (213,263.39) | (534,687.55) | (862,166.16) | 14.78    | 36.11     | 51.79     | 79,000.00  | -           | 83.77    |
| BUSINESS DEVELOPMENT:          | 159,050.14     | 159,050.14     | 39,508.06    | 19,213.25    | 13,439.74    | 60,454.96    | 26,434.13    | -        | -         | -         | -          | -           | -        |
| CALL CENTER:                   | 21,028.33      | 21,028.33      | 8,318.78     | 4,083.79     | 2,868.24     | -            | 5,599.81     | 23.13    | 100.94    | 33.13     | -          | -           | 8.41     |
| EXECUTIVE:                     | 805,540.60     | 789,069.15     | 196,220.51   | 95,913.35    | 66,797.27    | 296,238.28   | 130,332.34   | 536.76   | 2,376.07  | 488.02    | -          | -           | 147.55   |
| GAS CONTROL:                   | -              | -              | -            | -            | -            | -            | -            | -        | -         | -         | -          | -           | -        |
| GAS SUPPLY:                    | 389,906.92     | 389,906.92     | 76,794.43    | 60,385.27    | 23,008.93    | 99,356.40    | 84,604.81    | -        | 34,489.51 | 11,257.57 | -          | -           | -        |
| HUMAN RESOURCES:               | 1,104,456.63   | 1,075,424.19   | 335,993.52   | 159,690.09   | 112,867.57   | 246,276.26   | 218,419.22   | 336.53   | 1,447.46  | 294.43    | -          | -           | 97.11    |
| INFORMATION TECHNOLOGY:        | 686,992.84     | 686,992.84     | 287,601.73   | 107,665.38   | 77,282.31    | 46,149.31    | 168,294.11   | -        | -         | -         | -          | -           | -        |
| INTERNAL AUDIT:                | 113,869.30     | 111,534.06     | 27,593.05    | 13,407.52    | 9,379.91     | 42,181.25    | 18,444.72    | 79.70    | 349.21    | 75.92     | -          | -           | 22.78    |
| INVESTOR RELATIONS:            | 521,080.67     | 519,035.83     | 141,232.82   | 68,867.89    | 48,199.99    | 163,468.85   | 94,588.84    | 399.56   | 1,759.91  | 396.25    | -          | -           | 121.62   |
| LEGAL:                         | 1,689,947.05   | 1,689,947.05   | 420,349.40   | 202,842.47   | 141,908.33   | 636,979.32   | 279,801.26   | 1,168.10 | 5,398.39  | 1,152.07  | -          | -           | 327.71   |
| NEW BUSINESS VENTURES:         | 45,470.35      | 41,288.15      | 10,959.06    | 5,322.78     | 3,724.59     | 16,746.87    | 7,324.96     | 31.83    | 139.84    | 29.92     | -          | -           | 9.10     |
| PLANNING & BUDGETING:          | 153,601.59     | 150,615.49     | 43,908.68    | 21,421.57    | 15,009.78    | 40,010.08    | 29,432.16    | 125.44   | 547.50    | 120.61    | -          | -           | 39.67    |
| PRICE POLICY & ADMINISTRATION: | 201,002.43     | 200,598.45     | 63,512.99    | 56,129.02    | 24,172.13    | 16,352.41    | 39,625.51    | 76.36    | 381.36    | 92.41     | -          | -           | 56.26    |
| REGULATORY AFFAIRS:            | 64,229.54      | 64,229.54      | 9,634.44     | 16,037.39    | 6,422.95     | 25,691.81    | 6,422.95     | -        | -         | -         | -          | -           | -        |
| REMITTANCE PROCESSING:         | 56,303.09      | 56,303.09      | 24,998.56    | 9,357.58     | 6,716.96     | -            | 14,627.55    | 67.57    | 523.61    | 11.26     | -          | -           | -        |
| TECHNICAL SERVICES:            | 116,022.70     | 112,322.62     | 25,532.37    | 15,522.62    | 10,128.90    | 43,339.57    | 17,460.93    | 76.30    | 180.71    | 69.61     | -          | -           | 11.61    |
| TREASURY:                      | 298,674.44     | 296,864.36     | 99,419.08    | 50,939.68    | 34,258.56    | 33,949.97    | 71,679.59    | 744.34   | 5,132.53  | 714.08    | -          | -           | 26.53    |
| TOTAL OPERATIONS:              | 4,687,659.44   | 4,659,515.70   | 1,493,184.47 | 539,532.90   | 342,922.77   | 1,232,517.49 | 859,926.13   | 3,700.40 | 53,023.35 | 14,777.07 | 79,000.00  | -           | 952.12   |
| Operations w/o A&G Cap.        | 7,353,444.54   | 7,293,515.70   | 2,158,811.20 | 1,077,399.75 | 715,940.66   | 1,736,776.33 | 1,416,806.21 | 4,619.59 | 57,229.05 | 15,689.39 | 79,000.00  | -           | 1,223.32 |
| MAINTENANCE                    | 7,361.35       | 7,293.96       | 1,803.70     | 877.17       | 613.42       | 2,759.37     | 1,205.93     | 5.15     | 22.71     | 5.04      | -          | -           | 1.47     |
| DEPRECIATION                   | 849,928.68     | 813,337.93     | 201,403.50   | 97,689.87    | 68,401.85    | 307,410.77   | 134,575.62   | 594.95   | 2,575.61  | 535.78    | -          | -           | 169.98   |
| TAXES - OTHER                  | 203,904.16     | 200,931.40     | 49,698.00    | 24,159.28    | 16,988.21    | 76,002.86    | 33,234.33    | 142.73   | 627.29    | 137.92    | -          | -           | 40.78    |
| TOTAL                          | 5,748,853.63   | 5,672,998.99   | 1,746,009.67 | 662,279.22   | 468,836.25   | 1,618,690.49 | 1,019,932.01 | 4,412.23 | 56,387.96 | 15,455.81 | 79,000.00  | -           | 1,164.35 |

ATMOS ENERGY CORPORATION  
Allocation of Division 02 - Corporate Cost  
For The Month Ended 12/31/97

12-Dec-97  
03:22 PM

ALLOCATED DOLLARS

| DEPARTMENT  | Total O&M    | Total        | Piergas      | GCC          | Trans A     | UCG          | WKG          | Egaso   | Enemart   | TLIG     | UCO Energy | UCO Storage | WKGR    |
|---|--------------|--------------|--------------|--------------|-------------|--------------|--------------|---------|-----------|----------|------------|-------------|---------|
| 0112900 VP & Controller                                 | 149,169.57   | 149,169.57   | 59,011.47    | 28,993.65    | 20,346.73   | -            | 39,723.86    | 164.09  | 716.01    | 164.09   | -          | -           | 59.67   |
| 0113000 Assistant Controller General Acctg              | 11,681.51    | 11,681.51    | 4,621.20     | 2,269.72     | 1,593.36    | -            | 3,110.79     | 12.85   | 56.07     | 12.85    | -          | -           | 4.67    |
| 0113100 General Accounting                              | 32,351.77    | 32,351.77    | 12,798.35    | 6,295.95     | 4,412.78    | -            | 8,615.28     | 35.59   | 155.29    | 35.59    | -          | -           | 12.94   |
| 0113200 Payroll Accounting                              | 27,946.77    | 27,946.77    | 11,055.75    | 5,420.06     | 3,811.94    | -            | 7,442.22     | 30.74   | 134.14    | 30.74    | -          | -           | 11.18   |
| 0113300 Accounts Payable                                | 21,416.89    | 21,416.89    | 8,472.51     | 4,161.30     | 2,921.26    | -            | 5,703.32     | 21.56   | 102.80    | 21.56    | -          | -           | 8.57    |
| 0113400 Accounting Systems                              | 995.38       | 995.38       | 393.78       | 193.40       | 135.77      | -            | 265.97       | 1.09    | 4.78      | 1.09     | -          | -           | 0.40    |
| 0113500 Assistant Controller, Utility Acctg             | 3,363.46     | 3,363.46     | 1,330.58     | 653.52       | 488.78      | -            | 895.69       | 3.70    | 16.14     | 3.70     | -          | -           | 1.35    |
| 0113600 Plant Accounting                                | 26,677.39    | 26,677.39    | 10,553.56    | 5,133.42     | 3,698.80    | -            | 7,104.19     | 29.35   | 128.05    | 29.35    | -          | -           | 10.67   |
| 0113700 Gas Accounting                                  | 52,813.05    | 52,813.05    | 20,892.84    | 10,261.58    | 7,203.70    | -            | 14,064.12    | 58.09   | 253.50    | 58.09    | -          | -           | 21.13   |
| 0113800 Customer Billing                                | 6,842.45     | 6,842.45     | 2,706.87     | 1,379.49     | 933.31      | -            | 1,822.14     | 7.53    | 32.84     | 7.53     | -          | -           | 2.74    |
| 0113900 Financial Reporting                             | 18,634.49    | 18,634.49    | 7,371.81     | 3,620.68     | 2,541.74    | -            | 4,962.36     | 20.50   | 89.45     | 20.50    | -          | -           | 7.45    |
| 0114600 Dallas Taxation                                 | 32,060.49    | 32,060.49    | 12,683.13    | 6,228.35     | 4,373.05    | -            | 8,537.71     | 35.27   | 153.89    | 35.27    | -          | -           | 12.82   |
| 0118300 Dallas Stores                                   | (40.00)      | (40.00)      | (40.00)      |              |             |              |              |         |           |          |            |             |         |
| 0119200 Controller Miscellaneous Management Fee - UCCGE | (24,766.83)  | (24,766.83)  | (24,766.83)  | (3,007.50)   | (2,102.59)  | (9,460.00)   | (4,132.59)   | (17.50) | (77.50)   | (17.50)  | -          | -           | (5.00)  |
| 0119700 I/C Billing & Other                             | 25,000.00    | 25,000.00    |              |              |             |              |              |         |           |          | 25,000.00  |             |         |
| 0119800 Overhead Capitalized-Division 02                | (487,348.53) | (487,348.53) | (120,472.57) | (58,628.03)  | (40,986.61) | (184,412.68) | (80,558.71)  |         |           |          |            |             |         |
| 0119800 Overhead Capitalized-Op Company ACCOUNTING:     | (391,651.47) | (391,651.47) | (96,351.14)  | (113,581.01) | (64,382.13) |              | (119,337.19) |         |           |          |            |             | (97.47) |
|   | (496,871.62) | (496,871.62) | (70,938.69)  | (100,614.43) | (55,099.43) |              | (101,781.65) |         |           |          |            |             |         |
| 0056000 Business Development BUSINESS DEVELOPMENT:      | 41,822.88    | 41,822.88    | 10,388.81    | 5,852.20     | 3,534.03    | 15,896.88    | 6,950.96     |         |           |          | 25,000.00  |             |         |
|   | 41,822.88    | 41,822.88    | 10,388.81    | 5,852.20     | 3,534.03    | 15,896.88    | 6,950.96     |         |           |          | 25,000.00  |             |         |
| 0120100 Amarillo Call Center CALL CENTER:               | 1,106.17     | 1,106.17     | 437.60       | 214.93       | 150.88      |              | 294.57       | 1.22    | 5.31      | 1.22     |            |             | 0.44    |
|   | 1,106.17     | 1,106.17     | 437.60       | 214.93       | 150.88      |              | 294.57       | 1.22    | 5.31      | 1.22     |            |             | 0.44    |
| 0050500 Chairman, President & CEO                       | 125,081.64   | 125,081.64   | 30,920.01    | 15,017.25    | 10,519.32   | 47,230.67    | 26,675.90    | 87.56   | 387.75    | 87.56    |            |             | 25.02   |
| 0052100 Dallas Operations                               | 41,407.38    | 41,407.38    | 10,534.74    | 5,316.71     | 3,619.01    | 14,981.19    | 6,799.09     | 20.70   | 98.38     | 12.42    |            |             | 4.14    |
| 0052500 Utility Services                                | 21,942.15    | 21,942.15    | 5,024.10     | 2,639.64     | 1,845.33    | 9,302.91     | 3,627.04     | 15.36   | 68.02     | 15.36    |            |             | 4.39    |
| 0054700 Chief Financial Officer EXECUTIVE:              | 88,435.78    | 88,435.78    | 21,861.32    | 10,638.82    | 7,437.45    | 33,664.10    | 14,618.43    | 61.91   | 274.15    | 61.91    |            |             | 17.69   |
|   | 276,866.35   | 276,866.35   | 68,760.17    | 33,642.42    | 23,421.11   | 104,978.87   | 45,720.46    | 185.53  | 825.30    | 177.25   |            |             | 51.24   |
| 0051700 Corporate Gas Control GAS CONTROL:              |              |              |              |              |             |              |              |         |           |          |            |             |         |
| 0051500 Interstate Gas Supply                           | 52,778.09    | 52,778.09    | 9,590.06     | 10,555.62    | 2,638.90    | 14,250.08    | 15,833.43    |         |           |          |            |             |         |
| 0051600 Intrastate Gas Supply                           | 45,746.65    | 45,746.65    | 9,149.33     | 4,574.67     | 2,873.33    | 11,436.66    | 6,862.00     |         |           |          |            |             |         |
| 0051900 Gas Supply GAS SUPPLY:                          | 24,606.95    | 24,606.95    | 5,659.59     | 4,193.18     | 2,460.70    | 5,659.60     | 4,183.18     |         | 9,149.33  | 2,873.33 |            |             |         |
|   | 123,131.69   | 123,131.69   | 24,308.98    | 19,313.47    | 7,386.93    | 31,346.34    | 26,878.61    |         | 10,379.68 | 3,517.68 |            |             |         |

ATMOS ENERGY CORPORATION  
Allocation of Division 02 - Corporate Cost  
For The Month Ended 12/31/97

ALLOCATED DOLLARS

| DEPARTMENT   | Total O&M    | Total        | Finergrs    | GGC         | Trans La    | UCG | WKG         | Frassco  | Finermt  | TLIG     | UCG Energy | UCG Storage | WKGR    |
|--|--------------|--------------|-------------|-------------|-------------|-----|-------------|----------|----------|----------|------------|-------------|---------|
| 0056100 Professional Development                       | 3,792.16     | 3,792.16     | 1,550.61    | 729.61      | 518.01      | -   | 993.93      | -        | -        | -        | -          | -           | -       |
| 0117100 Corporate Services                             | 2,566.42     | 2,566.42     | 1,015.27    | 498.66      | 350.06      | -   | 683.44      | 2.82     | 12.32    | 2.82     | -          | -           | 1.03    |
| 0117200 Compensation & Employment                      | 48,419.84    | 48,419.84    | 19,799.87   | 9,315.98    | 6,614.15    | -   | 12,690.84   | -        | -        | -        | -          | -           | -       |
| 0117300 Human Resources - VP                           | 19,567.39    | 19,567.39    | 5,238.20    | 2,463.53    | 1,749.32    | -   | 6,764.53    | -        | -        | -        | -          | -           | -       |
| 0117400 Employees & Labor Relations                    | 10,722.42    | 10,722.42    | 2,870.39    | 1,349.95    | 958.58      | -   | 3,704.60    | -        | -        | -        | -          | -           | -       |
| 0117500 Employee Benefits                              | 105,258.47   | 105,258.47   | 49,040.19   | 20,251.73   | 14,378.31   | -   | 27,588.24   | -        | -        | -        | -          | -           | -       |
| 0117600 Employee Communications                        | 27,203.23    | 27,203.23    | 7,282.30    | 3,421.89    | 2,491.97    | -   | 9,398.72    | -        | -        | -        | -          | -           | -       |
| 0117900 Facilities                                     | 10,691.45    | 10,691.45    | 2,862.10    | 1,346.05    | 955.82      | -   | 3,693.90    | -        | -        | -        | -          | -           | -       |
| 0118100 Employee Development                           | 30,815.85    | 30,815.85    | 8,249.39    | 3,879.72    | 2,754.94    | -   | 10,656.88   | -        | -        | -        | -          | -           | -       |
| 0119000 Employee Relocation Expense                    | 541.84       | 541.84       | 133.94      | 65.18       | 45.57       | -   | 205.03      | 0.38     | 1.68     | 0.38     | -          | -           | 0.11    |
| 0119210 Performance Plan                               | 116,667.00   | 116,667.00   | 28,840.08   | 14,033.04   | 9,811.69    | -   | 44,146.79   | 81.67    | 361.67   | 81.67    | -          | -           | 23.33   |
| 0119300 Outside Directors Retirement Cost              | 23,000.00    | 23,000.00    | 5,685.60    | 2,766.90    | 1,934.30    | -   | 8,701.20    | 16.10    | 71.30    | 16.10    | -          | -           | 4.60    |
| 0119400 Treasury - Worker's Comp                       | 0.13         | 0.13         | 0.05        | 0.03        | 0.02        | -   | 0.03        | -        | -        | -        | -          | -           | -       |
| 0119500 Human Resources - Benefits                     | 0.01         | 0.01         | 0.01        | 0.01        | -           | -   | -           | -        | -        | -        | -          | -           | -       |
| 0119600 Retirement Costs                               | (260,296.79) | (260,296.79) | (64,345.39) | (31,313.70) | (21,890.96) | -   | (98,406.31) | (182.20) | (806.92) | (182.20) | -          | -           | (52.06) |
| HUMAN RESOURCES:                                       | 138,949.42   | 138,949.42   | 62,221.62   | 29,813.57   | 20,611.78   | -   | (11,236.66) | (81.23)  | (350.95) | (81.23)  | -          | -           | (22.99) |
| 0115000 Information Services                           | 15,821.37    | 15,821.37    | 4,740.08    | 1,775.16    | 1,273.62    | -   | 5,257.44    | -        | -        | -        | -          | -           | -       |
| 0115100 Production Services                            | 73,091.93    | 73,091.93    | 32,803.66   | 12,279.44   | 8,814.89    | -   | 19,193.94   | -        | -        | -        | -          | -           | -       |
| 0115200 Mass Mail                                      | 54.74        | 54.74        | 24.57       | 9.20        | 6.60        | -   | 14.37       | -        | -        | -        | -          | -           | -       |
| 0115300 Information Systems                            | 46,935.18    | 46,935.18    | 21,064.51   | 7,885.11    | 5,660.38    | -   | 13,325.18   | -        | -        | -        | -          | -           | -       |
| 0115400 Information Support                            | 23,201.80    | 23,201.80    | 3,897.90    | 2,798.14    | 2,092.79    | -   | 6,692.79    | -        | -        | -        | -          | -           | -       |
| 0115500 Office Equipment                               | 11,494.39    | 11,494.39    | 3,443.71    | 1,289.67    | 925.30      | -   | 3,818.59    | -        | -        | -        | -          | -           | -       |
| 0115600 Telecommunication Services                     | 36,984.96    | 36,984.96    | 11,080.70   | 4,149.71    | 2,977.29    | -   | 12,209.10   | -        | -        | -        | -          | -           | -       |
| INFORMATION TECHNOLOGY:                                | 207,584.37   | 207,584.37   | 83,570.20   | 31,296.19   | 22,456.22   | -   | 21,367.13   | -        | -        | -        | -          | -           | -       |
| 0116400 Internal Audit                                 | 35,246.54    | 35,246.54    | 8,712.96    | 4,240.16    | 2,964.23    | -   | 13,337.29   | 24.67    | 109.26   | 24.67    | -          | -           | 7.05    |
| INTERNAL AUDIT:  | 35,246.54    | 35,246.54    | 8,712.96    | 4,240.16    | 2,964.23    | -   | 13,337.29   | 24.67    | 109.26   | 24.67    | -          | -           | 7.05    |
| 0054900 Investor Relations                             | 100,253.64   | 100,253.64   | 24,782.69   | 12,060.51   | 8,431.33    | -   | 37,935.98   | 70.18    | 310.79   | 70.18    | -          | -           | 20.05   |
| 0117700 Corporate Communications                       | 52,679.42    | 52,679.42    | 13,022.34   | 6,337.33    | 4,330.34    | -   | 19,933.89   | 36.88    | 163.31   | 36.88    | -          | -           | 10.54   |
| 0052400 Public Affairs                                 | 35,231.97    | 35,231.97    | 13,937.77   | 6,845.57    | 4,805.64    | -   | 9,392.27    | 38.76    | 169.11   | 38.76    | -          | -           | 14.09   |
| INVESTOR RELATIONS:                                    | 188,165.03   | 188,165.03   | 51,742.80   | 25,243.41   | 17,667.31   | -   | 57,869.87   | 145.82   | 643.21   | 145.82   | -          | -           | 44.68   |
| 0052000 Legal  | 1,156,704.74 | 1,156,704.74 | 285,937.43  | 139,151.58  | 97,278.87   | -   | 437,697.07  | 809.69   | 3,585.78 | 809.69   | -          | -           | 231.34  |
| 0052099 Contract Administration                        | 8,184.69     | 8,184.69     | 2,023.25    | 984.62      | 688.33      | -   | 3,097.09    | 5.73     | 23.37    | 5.73     | -          | -           | 1.64    |
| 0052200 Governmental Affairs                           | 119,533.10   | 119,533.10   | 29,548.59   | 14,379.83   | 10,832.73   | -   | 45,231.33   | 83.67    | 370.55   | 83.67    | -          | -           | 23.91   |
| 0057900 Corporate Secretary                            | 29,939.23    | 29,939.23    | 8,909.93    | 3,335.23    | 2,392.14    | -   | 9,376.93    | 23.95    | 185.62   | 23.95    | -          | -           | 5.90    |
| 0118200 Central Records                                | 1,314,361.76 | 1,314,361.76 | 326,419.20  | 157,851.26  | 110,412.07  | -   | 495,902.44  | 923.04   | 4,167.32 | 923.04   | -          | -           | 254.89  |
| LEGAL:   | 11,229.92    | 11,229.92    | 2,716.03    | 1,350.96    | 944.44      | -   | 4,249.40    | 7.86     | 34.81    | 7.86     | -          | -           | 2.25    |
| 0054600 New Business Ventures                          | 11,229.92    | 11,229.92    | 2,716.03    | 1,350.96    | 944.44      | -   | 4,249.40    | 7.86     | 34.81    | 7.86     | -          | -           | 2.25    |
| NEW BUSINESS VENTURES:                                 | 11,229.92    | 11,229.92    | 2,716.03    | 1,350.96    | 944.44      | -   | 4,249.40    | 7.86     | 34.81    | 7.86     | -          | -           | 2.25    |
| 0054400 Financial & Strategic Planning                 | 24,999.66    | 24,999.66    | 6,179.92    | 3,007.46    | 2,102.47    | -   | 9,459.87    | 17.50    | 77.50    | 17.50    | -          | -           | 5.00    |
| 0054500 Business Strategies & Competitive Intelligence | 21.50        | 21.50        | 5.30        | 2.59        | 1.81        | -   | 8.14        | 0.02     | 0.07     | 0.02     | -          | -           | -       |
| 0114300 Budget & Planning                              | 14,962.03    | 14,962.03    | 5,918.98    | 2,907.12    | 2,040.82    | -   | 3,984.39    | 16.46    | 71.82    | 16.46    | -          | -           | 5.90    |
| PLANNING & BUDGETING:                                  | 39,983.19    | 39,983.19    | 12,104.20   | 5,917.17    | 4,145.10    | -   | 14,681.01   | 33.98    | 148.39   | 33.98    | -          | -           | 10.98   |
| 0054000 Price Policy & Administration - V.P.           | 13,605.98    | 13,605.98    | 2,821.89    | 2,375.60    | 1,619.02    | -   | 5,564.85    | 4.08     | 28.57    | 4.08     | -          | -           | 2.72    |
| 0054000 Price Policy & Administration                  | 56,027.93    | 56,027.93    | 19,262.40   | 17,144.55   | 12,366.47   | -   | 33,664.77   | 22.41    | 173.69   | 22.41    | -          | -           | 16.81   |
| PRICE POLICY & ADMINISTRATION:                         | 69,633.91    | 69,633.91    | 22,084.29   | 19,520.15   | 8,405.49    | -   | 5,564.85    | 36.49    | 202.26   | 36.49    | -          | -           | 19.53   |

ATMOS ENERGY CORPORATION  
Allocation of Division 02 - Corporate Cost  
For The Month Ended 12/31/97

ALLOCATED DOLLARS

| DEPARTMENT                     | Total O&M    | Total        | Energys    | OGC        | Trans Ia   | UCG         | WKG        | Enersco  | Enermart  | TLIG     | UCG Energy | UCG Storage | WKOR   |
|--------------------------------|--------------|--------------|------------|------------|------------|-------------|------------|----------|-----------|----------|------------|-------------|--------|
| 0054100 Regulatory Affairs     | 16,030.40    | 16,030.40    | 2,404.56   | 4,007.60   | 1,603.04   | 6,412.16    | 1,603.04   | -        | -         | -        | -          | -           | -      |
| REGULATORY AFFAIRS:            | 16,030.40    | 16,030.40    | 2,404.56   | 4,007.60   | 1,603.04   | 6,412.16    | 1,603.04   | -        | -         | -        | -          | -           | -      |
| 0118000 Remittance Processing  | 23,241.07    | 23,241.07    | 10,319.03  | 3,862.67   | 2,772.66   | -           | 6,038.03   | 27.89    | 216.14    | 4.65     | -          | -           | -      |
| REMITTANCE PROCESSING:         | 23,241.07    | 23,241.07    | 10,319.03  | 3,862.67   | 2,772.66   | -           | 6,038.03   | 27.89    | 216.14    | 4.65     | -          | -           | -      |
| 0056200 Technical Services     | 32,450.09    | 32,450.09    | 7,379.15   | 4,484.60   | 2,923.75   | 12,519.24   | 5,045.99   | 22.72    | 51.92     | 19.47    | -          | -           | 3.25   |
| TECHNICAL SERVICES:            | 32,450.09    | 32,450.09    | 7,379.15   | 4,484.60   | 2,923.75   | 12,519.24   | 5,045.99   | 22.72    | 51.92     | 19.47    | -          | -           | 3.25   |
| 0114500 Dallas Treasury        | 23,476.44    | 23,476.44    | 9,186.69   | 3,866.57   | 2,101.14   | -           | 6,244.73   | 235.37   | 1,633.96  | 215.98   | -          | -           | -      |
| 0114700 Dallas Risk Management | 8,841.83     | 8,841.83     | 2,185.70   | 1,063.67   | 743.69     | 3,345.75    | 1,461.55   | 6.19     | 27.41     | 6.19     | -          | -           | 1.77   |
| 0114800 Dallas Treasurer       | 24,900.61    | 24,900.61    | 6,155.44   | 2,995.54   | 2,094.14   | 9,422.39    | 4,116.07   | 17.43    | 77.19     | 17.43    | -          | -           | 4.98   |
| 0117600 Purchasing             | 14,950.26    | 14,950.26    | 4,761.66   | 3,362.31   | 2,411.48   | -           | 4,414.81   | -        | -         | -        | -          | -           | -      |
| 0118500 Mail & Supply          | 17,583.67    | 17,583.67    | 7,189.96   | 3,393.10   | 2,401.93   | -           | 4,608.68   | -        | -         | -        | -          | -           | -      |
| 0118900 Fleet Administration   | 17.25        | 17.25        | 6.83       | 3.35       | 2.35       | -           | 4.59       | 0.02     | 0.08      | 0.02     | -          | -           | 0.01   |
| 0118600 Purchasing & Stores    | 13,029.05    | 13,029.05    | 4,650.05   | 2,730.89   | 1,948.03   | -           | 3,638.56   | 7.82     | 31.27     | 7.82     | -          | -           | 2.61   |
| TREASURY:                      | 102,799.11   | 102,799.11   | 34,138.33  | 17,405.43  | 11,694.67  | 12,768.14   | 24,508.99  | 256.83   | 1,769.91  | 247.44   | -          | -           | 9.37   |
| TOTAL OPERATIONS:              | 2,125,728.28 | 2,125,728.28 | 656,829.28 | 261,591.77 | 165,994.29 | 585,671.28  | 385,019.41 | 1,638.54 | 18,433.24 | 5,096.70 | 25,000.00  | -           | 431.81 |
| Operations w/o A&G Osp.        | 3,006,728.28 | 3,006,728.28 | 873,632.95 | 433,800.81 | 291,362.43 | 770,083.96  | 584,915.31 | 1,979.68 | 19,964.02 | 5,437.84 | 25,000.00  | -           | 531.28 |
| MAINTENANCE                    | 1,056.00     | 1,056.00     | 261.04     | 127.04     | 88.81      | 399.59      | 174.56     | 0.74     | 3.27      | 0.74     | -          | -           | 0.21   |
| DEPRECIATION                   | (30,527.35)  | (30,527.35)  | (7,546.56) | (3,672.44) | (2,567.35) | (11,551.55) | (5,046.17) | (21.37)  | (94.63)   | (21.37)  | -          | -           | (6.11) |
| TAXES - OTHER                  | 78,520.62    | 78,520.62    | 19,410.32  | 9,446.03   | 6,603.58   | 29,712.20   | 12,979.46  | 54.96    | 203.41    | 54.96    | -          | -           | 15.70  |
| TOTAL                          | 2,174,777.55 | 2,174,777.55 | 668,954.24 | 267,492.40 | 190,118.33 | 664,331.52  | 393,127.26 | 1,672.87 | 18,605.79 | 5,131.03 | 25,000.00  | -           | 443.61 |

ATMOS ENERGY CORPORATION  
Allocation of Division 02 - Corporate Cost  
For The Year-To-Date 12/31/97

ALLOCATED DOLLARS

| DEPARTMENT                                  | Total O&M      | Total          | Energies     | GGC          | Trans La     | UCG          | WKG          | Egaso    | Enemart    | TLIG      | UCG Energy | UCG Storage | WKGR     |
|---|----------------|----------------|--------------|--------------|--------------|--------------|--------------|----------|------------|-----------|------------|-------------|----------|
| 0112900 VP & Controller                     | 239,125.61     | 238,125.61     | 94,202.46    | 46,267.81    | 32,480.34    | -            | 63,412.86    | 261.94   | 1,443.00   | 261.94    | -          | -           | 95.26    |
| 0113000 Assistant Controller General Acctg  | 36,678.11      | 36,678.11      | 14,509.86    | 7,126.56     | 5,002.89     | -            | 9,767.38     | 40.35    | 176.05     | 40.35     | -          | -           | 14.67    |
| 0113100 General Accounting                  | 96,965.24      | 96,965.24      | 38,359.44    | 18,800.35    | 13,226.06    | -            | 25,831.85    | 106.66   | 465.43     | 106.66    | -          | -           | 38.79    |
| 0113200 Payroll Accounting                  | 82,279.04      | 82,279.04      | 31,549.60    | 15,966.82    | 11,222.86    | -            | 21,910.90    | 90.50    | 394.94     | 90.50     | -          | -           | 32.92    |
| 0113300 Accounts Payable                    | 67,975.69      | 67,975.69      | 26,535.13    | 13,032.81    | 9,149.13     | -            | 17,862.26    | 73.78    | 321.96     | 73.78     | -          | -           | 26.44    |
| 0113400 Accounting Systems                  | 17,537.27      | 17,537.27      | 6,937.76     | 3,407.48     | 2,392.08     | -            | 4,670.17     | 19.29    | 84.18      | 19.29     | -          | -           | 7.02     |
| 0113500 Assistant Controller, Utility Acctg | 10,175.85      | 10,175.85      | 4,025.54     | 1,977.17     | 1,387.99     | -            | 2,709.83     | 11.20    | 48.84      | 11.20     | -          | -           | 4.08     |
| 0113600 Plant Accounting                    | 80,377.11      | 80,377.11      | 31,797.15    | 15,671.28    | 10,963.45    | -            | 21,464.43    | 88.42    | 385.81     | 88.42     | -          | -           | 32.15    |
| 0113700 Gas Accounting                      | 142,948.43     | 142,948.43     | 56,550.40    | 27,744.88    | 19,498.16    | -            | 38,067.17    | 157.24   | 686.15     | 157.24    | -          | -           | 57.19    |
| 0113800 Customer Billing                    | 20,093.61      | 20,093.61      | 7,949.01     | 3,904.19     | 2,740.77     | -            | 5,350.93     | 22.11    | 96.45      | 22.11     | -          | -           | 8.04     |
| 0113900 Financial Reporting                 | 46,678.67      | 46,678.67      | 18,466.07    | 9,069.67     | 6,366.97     | -            | 12,430.53    | 51.35    | 224.06     | 51.35     | -          | -           | 18.67    |
| 0114600 Dallas Taxation                     | 88,615.03      | 88,615.03      | 35,056.09    | 17,217.90    | 12,087.09    | -            | 23,598.19    | 97.48    | 425.36     | 97.48     | -          | -           | 35.44    |
| 0118300 Dallas Stores                       | (40.00)        | (40.00)        | (40.00)      | -            | -            | -            | -            | -        | -          | -         | -          | -           | -        |
| 0119200 Controller Miscellaneous            | (80,291.65)    | (80,291.65)    | (19,666.79)  | (8,673.82)   | (6,763.09)   | (30,429.01)  | (13,293.28)  | (56.35)  | (249.42)   | (56.35)   | -          | -           | (16.10)  |
| Management Fee - UCGE                       | 79,000.00      | 79,000.00      | -            | -            | -            | -            | -            | -        | -          | -         | 79,000.00  | -           | -        |
| 0119700 I/C Billing & Other                 | -              | -              | -            | -            | -            | -            | -            | -        | -          | -         | -          | -           | -        |
| 0119800 Overhead Capitalized-Division 02    | (1,355,992.12) | (1,333,207.02) | (329,781.52) | (160,286.93) | (112,121.74) | (94,438.84)  | (226,438.58) | (849.19) | (4,166.70) | (912.32)  | -          | -           | (271.20) |
| 0119800 Overhead Capitalized-Op Company     | (1,309,792.98) | (1,309,792.98) | (335,925.21) | (377,549.92) | (229,896.55) | -            | (375,421.50) | -        | -          | -         | -          | -           | -        |
| ACCOUNTING:                                 | (1,739,327.09) | (1,716,694.41) | (318,475.01) | (367,297.75) | (213,263.39) | (334,687.85) | (362,166.86) | 14.78    | 36.11      | 31.79     | 79,000.00  | -           | 83.77    |
| 0056000 Business Development                | 159,050.14     | 159,050.14     | 39,508.06    | 19,213.25    | 13,439.74    | 60,434.96    | 26,134.13    | -        | -          | -         | -          | -           | -        |
| BUSINESS DEVELOPMENT:                       | 159,050.14     | 159,050.14     | 39,508.06    | 19,213.25    | 13,439.74    | 60,434.96    | 26,134.13    | -        | -          | -         | -          | -           | -        |
| 0120100 Amarillo Call Center                | 21,028.23      | 21,028.23      | 8,318.78     | 4,085.79     | 2,868.24     | -            | 5,599.81     | 23.13    | 100.94     | 23.13     | -          | -           | 8.41     |
| CALL CENTER:                                | 21,028.23      | 21,028.23      | 8,318.78     | 4,085.79     | 2,868.24     | -            | 5,599.81     | 23.13    | 100.94     | 23.13     | -          | -           | 8.41     |
| 0050500 Chairman, President & CEO           | 380,537.60     | 372,718.67     | 92,209.03    | 44,804.47    | 31,345.31    | 140,938.96   | 61,637.67    | 266.38   | 1,167.01   | 233.73    | -          | -           | 76.11    |
| 0052100 Dallas Operations                   | 135,621.14     | 132,520.23     | 33,796.90    | 17,006.91    | 11,592.08    | 47,933.09    | 21,738.20    | 67.81    | 320.98     | 40.69     | -          | -           | 13.57    |
| 0052500 Utility Services                    | 66,822.13      | 65,336.53      | 16,165.76    | 7,854.20     | 5,494.74     | 24,709.95    | 10,804.83    | 46.68    | 204.54     | 44.50     | -          | -           | 13.33    |
| 0054700 Chief Financial Officer             | 222,688.73     | 218,493.72     | 54,050.92    | 26,266.77    | 18,375.14    | 82,636.28    | 36,131.64    | 155.89   | 683.54     | 149.10    | -          | -           | 44.54    |
| EXECUTIVE:                                  | 805,540.60     | 789,669.15     | 196,220.51   | 95,932.35    | 66,797.27    | 296,238.28   | 130,332.34   | 536.76   | 2,376.07   | 489.02    | -          | -           | 147.55   |
| 0051700 Corporate Gas Control               | -              | -              | -            | -            | -            | -            | -            | -        | -          | -         | -          | -           | -        |
| GAS CONTROL:                                | -              | -              | -            | -            | -            | -            | -            | -        | -          | -         | -          | -           | -        |
| 0051500 Interstate Gas Supply               | 164,755.56     | 164,755.56     | 29,656.01    | 32,951.11    | 8,237.77     | 44,483.99    | 49,426.68    | -        | -          | -         | -          | -           | -        |
| 0051600 Intrastate Gas Supply               | 154,879.51     | 154,879.51     | 30,975.91    | 15,487.95    | 7,743.97     | 38,719.88    | 22,231.92    | -        | 30,975.91  | 7,743.97  | -          | -           | -        |
| 0051900 Gas Supply                          | 70,271.85      | 70,271.85      | 16,162.51    | 11,946.21    | 7,027.19     | 16,162.53    | 11,946.21    | -        | 3,313.60   | 3,313.60  | -          | -           | -        |
| GAS SUPPLY:                                 | 389,906.92     | 389,906.92     | 76,784.43    | 60,385.27    | 21,008.93    | 99,366.40    | 84,604.81    | -        | 34,489.51  | 11,273.57 | -          | -           | -        |

ATMOS ENERGY CORPORATION  
Allocation of Division 02 - Corporate Cost  
For The Year-To-Date 12/31/97

ALLOCATED DOLLARS

| DEPARTMENT   | Total O&M    | Total        | Energies   | GGC        | Trans La   | UCG        | WKG        | Egases   | Enemart  | TLIG     | UCG Energy | UCG Storage | WKGR   |
|--|--------------|--------------|------------|------------|------------|------------|------------|----------|----------|----------|------------|-------------|--------|
| 0056100 Professional Development                       | 11,067.09    | 11,067.09    | 4,525.32   | 2,129.31   | 1,511.77   | -          | 2,900.69   | -        | -        | -        | -          | -           | -      |
| 0117100 Corporate Services                             | 11,144.25    | 11,144.25    | 4,408.66   | 2,165.33   | 1,520.07   | -          | 2,967.72   | -        | -        | 12.26    | -          | -           | 4.46   |
| 0117200 Compensation & Employment                      | 149,864.84   | 149,864.84   | 61,279.74  | 29,833.99  | 20,471.53  | -          | 39,279.58  | 12.26    | 53.49    | -        | -          | -           | -      |
| 0117300 Human Resources - VP                           | 57,352.24    | 57,352.24    | 15,351.21  | 7,220.64   | 5,127.28   | 19,815.19  | 9,835.92   | -        | -        | -        | -          | -           | -      |
| 0117400 Employee & Labor Relations                     | 31,185.54    | 30,265.15    | 8,101.53   | 3,810.49   | 2,705.70   | 10,656.97  | 5,190.46   | -        | -        | -        | -          | -           | -      |
| 0117500 Employee Benefits                              | 231,426.34   | 231,426.34   | 94,630.22  | 44,526.43  | 31,612.85  | -          | 60,656.84  | -        | -        | -        | -          | -           | -      |
| 0117800 Employee Communications                        | 41,945.26    | 40,813.79    | 10,925.29  | 5,138.59   | 3,648.76   | 14,101.61  | 6,999.54   | -        | -        | -        | -          | -           | -      |
| 0117900 Facilities                                     | 21,275.06    | 21,298.28    | 7,307.27   | 3,436.97   | 2,406.67   | 27,283.00  | 13,542.79  | -        | -        | -        | -          | -           | -      |
| 0118100 Employee Development                           | 78,966.69    | 78,966.69    | 21,139.37  | 9,941.91   | 7,059.62   | 4,469.92   | 1,943.91   | 8.23     | 36.46    | 8.23     | -          | -           | 2.36   |
| 0119000 Employee Relocation Expense                    | 11,759.85    | 11,759.85    | 2,907.03   | 1,414.71   | 999.00     | 9,449.92   | 1,943.91   | 230.05   | 1,095.69 | 238.38   | -          | -           | 71.44  |
| 0119210 Performance Plan                               | 357,209.96   | 350,000.00   | 86,587.31  | 42,074.03  | 29,434.69  | 132,168.26 | 57,880.15  | 49.29    | 216.01   | 46.99    | -          | -           | 14.08  |
| 0119300 Outside Directors Retirement Cost              | 70,421.40    | 69,000.00    | 17,070.08  | 8,294.59   | 5,802.84   | 26,095.46  | 11,410.66  | -        | -        | -        | -          | -           | -      |
| 0119400 Treasury - Workers Comp                        | 0.13         | 0.13         | 0.03       | 0.03       | 0.02       | -          | 0.03       | -        | -        | -        | -          | -           | -      |
| 0119500 Human Resources - Benefits                     | (0.79)       | (0.79)       | (0.31)     | (0.16)     | (0.11)     | -          | (0.21)     | -        | -        | (11.43)  | -          | -           | -      |
| 0119600 Retirement Costs                               | 23,848.79    | 6,466.33     | 1,760.75   | 703.23     | 543.08     | 2,273.91   | 1,129.51   | 16.70    | 45.81    | (11.43)  | -          | -           | 4.77   |
| HUMAN RESOURCES:                                       | 1,104,466.65 | 1,075,424.19 | 333,995.52 | 159,690.09 | 112,867.57 | 246,276.26 | 218,419.22 | 336.53   | 1,447.46 | 294.43   | -          | -           | 97.11  |
| 0115000 Information Services                           | 48,554.17    | 48,554.17    | 14,546.82  | 5,447.78   | 3,908.61   | 16,134.55  | 8,516.41   | -        | -        | -        | -          | -           | -      |
| 0115100 Production Services                            | 250,842.87   | 250,842.87   | 112,578.28 | 42,141.60  | 30,251.65  | -          | 65,871.34  | -        | -        | -        | -          | -           | -      |
| 0115200 Mass Mail                                      | 54.74        | 54.74        | 24.57      | 9.20       | 6.60       | -          | 14.37      | -        | -        | -        | -          | -           | -      |
| 0115300 Information Systems                            | 230,090.31   | 230,090.31   | 101,264.54 | 38,655.17  | 27,748.89  | -          | 60,421.71  | -        | -        | -        | -          | -           | -      |
| 0115400 Information Support                            | 67,126.45    | 67,126.45    | 30,126.35  | 11,277.24  | 8,095.45   | -          | 17,627.41  | -        | -        | -        | -          | -           | -      |
| 0115500 Office Equipment                               | 18,488.78    | 18,488.78    | 5,539.24   | 2,074.44   | 1,488.35   | 6,443.82   | 3,242.93   | -        | -        | -        | -          | -           | -      |
| 0115600 Telecommunication Services                     | 71,835.52    | 71,835.52    | 21,521.93  | 8,059.95   | 5,782.76   | 23,270.94  | 12,599.94  | -        | -        | -        | -          | -           | -      |
| INFORMATION TECHNOLOGY:                                | 686,992.84   | 686,992.84   | 287,601.73 | 107,665.38 | 77,282.31  | 46,149.31  | 168,294.11 | -        | -        | -        | -          | -           | -      |
| 0116400 Internal Audit                                 | 113,869.30   | 111,534.06   | 27,593.05  | 13,407.52  | 9,378.91   | 42,181.25  | 18,444.72  | 79.70    | 349.21   | 75.92    | -          | -           | 22.78  |
| INTERNAL AUDIT:  | 113,869.30   | 111,534.06   | 27,593.05  | 13,407.52  | 9,378.91   | 42,181.25  | 18,444.72  | 79.70    | 349.21   | 75.92    | -          | -           | 22.78  |
| 0054900 Investor Relations                             | 304,495.23   | 304,495.23   | 75,271.19  | 36,670.78  | 25,608.05  | 115,221.00 | 50,333.07  | 213.15   | 943.94   | 213.15   | -          | -           | 66.90  |
| 0117700 Corporate Communications                       | 129,603.51   | 127,558.67   | 31,551.58  | 15,316.52  | 10,277.60  | 48,247.85  | 21,092.58  | 90.73    | 398.46   | 87.42    | -          | -           | 25.93  |
| 0052400 Public Affairs                                 | 86,981.93    | 86,981.93    | 34,410.05  | 16,900.59  | 11,864.54  | -          | 23,163.29  | 95.68    | 417.51   | 95.68    | -          | -           | 34.79  |
| INVESTOR RELATIONS:                                    | 521,080.67   | 519,035.83   | 141,232.82 | 68,867.89  | 48,199.99  | 163,468.85 | 94,588.94  | 395.56   | 1,759.91 | 396.25   | -          | -           | 121.62 |
| 0052000 Legal  | 1,361,538.93 | 1,361,538.93 | 336,572.46 | 167,793.13 | 114,505.42 | 515,206.33 | 225,062.38 | 953.07   | 4,226.76 | 953.07   | -          | -           | 272.31 |
| 0052099 Contract Administration                        | 25,153.09    | 25,153.09    | 6,217.84   | 3,025.91   | 2,115.37   | 9,517.93   | 4,157.81   | 17.61    | 77.97    | 17.61    | -          | -           | 5.04   |
| 0052200 Governmental Affairs                           | 251,777.88   | 251,777.88   | 62,239.50  | 30,288.87  | 21,744.52  | 94,272.75  | 41,618.89  | 176.24   | 786.51   | 176.24   | -          | -           | 50.36  |
| 0118200 Central Records                                | 51,477.15    | 51,477.15    | 15,319.60  | 5,734.56   | 4,113.02   | 16,922.31  | 8,962.18   | 41.18    | 319.15   | 5.15     | -          | -           | -      |
| LEGAL:   | 1,693,947.05 | 1,689,947.05 | 420,340.40 | 202,842.47 | 141,908.33 | 636,979.32 | 279,801.26 | 1,188.10 | 5,398.39 | 1,152.07 | -          | -           | 327.71 |
| 0054600 New Business Ventures                          | 45,470.35    | 44,288.15    | 10,959.06  | 5,322.78   | 3,724.59   | 16,746.87  | 7,324.96   | 31.83    | 139.04   | 29.92    | -          | -           | 9.10   |
| NEW BUSINESS VENTURES:                                 | 45,470.35    | 44,288.15    | 10,959.06  | 5,322.78   | 3,724.59   | 16,746.87  | 7,324.96   | 31.83    | 139.04   | 29.92    | -          | -           | 9.10   |
| 0054400 Financial & Strategic Planning                 | 108,767.49   | 105,781.40   | 26,177.06  | 12,712.68  | 8,896.09   | 39,997.97  | 17,496.07  | 76.13    | 332.35   | 71.30    | -          | -           | 21.75  |
| 0054500 Business Strategies & Competitive Intelligence | 32.00        | 32.00        | 7.90       | 3.85       | 2.69       | 12.11      | 6.03       | 0.03     | 0.10     | 0.03     | -          | -           | -      |
| 0114300 Budget & Planning                              | 44,802.09    | 44,802.09    | 17,232.72  | 8,205.04   | 6,111.00   | -          | 11,930.80  | 49.28    | 215.05   | 49.28    | -          | -           | 17.92  |
| PLANNING & BUDGETING:                                  | 153,601.58   | 150,615.49   | 43,908.68  | 21,421.57  | 15,009.78  | 40,010.08  | 29,432.16  | 125.44   | 547.50   | 120.61   | -          | -           | 39.67  |
| 0054000 Price Policy & Administration - V.P.           | 40,413.96    | 40,009.98    | 8,302.67   | 6,988.94   | 3,086.87   | 16,332.41  | 5,163.23   | 12.12    | 83.54    | 12.12    | -          | -           | 8.08   |
| 0054000 Price Policy & Administration                  | 160,588.47   | 160,588.47   | 55,210.32  | 49,140.08  | 21,085.26  | 34,462.38  | 64.24      | 407.82   | 407.82   | 80.29    | -          | -           | 48.18  |
| PRICE POLICY & ADMINISTRATION:                         | 201,002.43   | 200,598.45   | 63,512.99  | 56,129.02  | 24,172.13  | 16,332.41  | 39,635.51  | 76.36    | 581.36   | 92.41    | -          | -           | 56.26  |

ATMOS ENERGY CORPORATION  
Allocation of Division 02 - Corporate Cost  
For The Year-To-Date 12/31/97

ALLOCATED DOLLARS

| DEPARTMENT                     | Total O&M    | Total        | Energies     | GCC          | Trans La   | UCG          | WKGO         | Egresco  | Buerkert  | TLIG      | UCG Energy | UCO Storage | WKGR     |
|--------------------------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|----------|-----------|-----------|------------|-------------|----------|
| 0054100 Regulatory Affairs     | 64,229.54    | 64,229.54    | 9,634.44     | 16,057.39    | 6,422.95   | 25,691.81    | 6,422.95     | -        | -         | -         | -          | -           | -        |
| REGULATORY AFFAIRS:            | 64,229.54    | 64,229.54    | 9,634.44     | 16,057.39    | 6,422.95   | 25,691.81    | 6,422.95     | -        | -         | -         | -          | -           | -        |
| 0118000 Remittance Processing  | 56,303.09    | 56,303.09    | 24,998.56    | 9,357.58     | 6,716.96   | -            | 14,627.55    | 67.57    | 523.61    | 11.26     | -          | -           | -        |
| REMITTANCE PROCESSING:         | 56,303.09    | 56,303.09    | 24,998.56    | 9,357.58     | 6,716.96   | -            | 14,627.55    | 67.57    | 523.61    | 11.26     | -          | -           | -        |
| 0056200 Technical Services     | 116,022.70   | 112,322.62   | 25,532.37    | 15,522.62    | 10,128.90  | 43,339.57    | 17,460.93    | 76.30    | 180.71    | 69.61     | -          | -           | 11.61    |
| TECHNICAL SERVICES:            | 116,022.70   | 112,322.62   | 25,532.37    | 15,522.62    | 10,128.90  | 43,339.57    | 17,460.93    | 76.30    | 180.71    | 69.61     | -          | -           | 11.61    |
| 0114500 Dallas Treasury        | 68,290.01    | 68,290.01    | 26,728.71    | 11,247.37    | 6,111.96   | -            | 18,165.14    | 655.58   | 4,752.99  | 628.26    | -          | -           | -        |
| 0114700 Dallas Risk Management | 20,618.88    | 20,618.88    | 4,959.99     | 2,408.67     | 1,685.58   | 7,578.46     | 3,315.08     | 14.44    | 62.98     | 13.50     | -          | -           | 4.12     |
| 0114800 Dallas Treasurer       | 70,951.60    | 69,724.59    | 17,247.46    | 8,382.56     | 5,863.78   | 26,371.51    | 11,529.78    | 49.67    | 217.97    | 47.67     | -          | -           | 14.19    |
| 0117600 Purchasing             | 45,804.86    | 45,804.86    | 14,588.84    | 10,301.51    | 7,388.33   | -            | 13,526.18    | -        | -         | -         | -          | -           | -        |
| 0118500 Mail & Supply          | 51,942.36    | 51,942.36    | 21,239.23    | 9,993.71     | 7,095.33   | -            | 13,614.09    | -        | -         | -         | -          | -           | -        |
| 0118909 Fleet Administration   | 17.25        | 17.25        | 6.83         | 3.35         | 2.35       | -            | 4.59         | 0.02     | 0.08      | 0.02      | -          | -           | 0.01     |
| 0118600 Purchasing & Stores    | 41,042.48    | 41,042.48    | 14,648.03    | 8,602.51     | 6,111.23   | -            | 11,524.73    | 24.63    | 98.51     | 24.63     | -          | -           | 8.21     |
| TREASURY:                      | 298,674.44   | 296,664.36   | 99,419.08    | 50,939.68    | 34,258.56  | 33,949.97    | 71,679.59    | 744.34   | 5,132.53  | 714.08    | -          | -           | 26.53    |
| TOTAL OPERATIONS:              | 4,697,659.44 | 4,650,515.70 | 1,493,104.47 | 539,552.90   | 382,922.77 | 1,332,517.49 | 850,926.13   | 3,700.40 | 53,062.15 | 14,777.07 | 79,000.00  | -           | 952.12   |
| Operations w/o A&G Cap.        | 7,253,444.54 | 7,295,515.70 | 2,158,811.20 | 1,077,389.75 | 715,940.66 | 1,736,776.33 | 1,446,806.21 | 4,649.59 | 57,229.05 | 15,689.39 | 79,000.00  | -           | 1,223.32 |
| MAINTENANCE                    | 7,361.35     | 7,293.96     | 1,803.70     | 877.17       | 613.42     | 2,759.37     | 1,205.93     | 5.15     | 32.71     | 5.04      | -          | -           | 1.47     |
| DEPRECIATION                   | 849,928.68   | 813,357.93   | 201,403.50   | 97,689.87    | 68,401.85  | 307,410.37   | 134,575.62   | 594.95   | 2,575.61  | 535.78    | -          | -           | 169.98   |
| TAXES - OTHER                  | 203,904.16   | 200,931.40   | 49,698.00    | 24,159.28    | 16,898.21  | 76,002.86    | 33,224.33    | 142.73   | 627.29    | 137.92    | -          | -           | 40.78    |
| TOTAL                          | 5,748,833.63 | 5,672,098.99 | 1,746,009.67 | 662,279.22   | 468,836.23 | 1,618,690.49 | 1,019,932.01 | 4,443.23 | 56,287.96 | 15,455.81 | 79,000.00  | -           | 1,164.35 |



**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Month Ended 12/31/97**

| Department Name               | FY '98           |                  | Actual Over (Under) Budget |        | Actual Over (Under) Prior Year |                  |
|-------------------------------|------------------|------------------|----------------------------|--------|--------------------------------|------------------|
|                               | Actual           | Budget           | Over (Under) Budget        | Budget | Prior Year                     | Prior            |
| <b>EXECUTIVE:</b>             | 277,000          | 264,568          | 12,480                     |        | 167,404                        | 109,644          |
| <b>FINANCE:</b>               |                  |                  |                            |        |                                |                  |
| ACCOUNTING                    | 383,794          | 325,974          | 57,820                     |        | 290,692                        | 93,102           |
| INFORMATION TECHNOLOGY        | 563,002          | 583,062          | (20,060)                   |        | 540,300                        | 22,702           |
| INTERNAL AUDIT                | 35,248           | 53,161           | (17,913)                   |        | 39,784                         | (4,536)          |
| INVESTOR RELATIONS            | 188,165          | 190,264          | (2,099)                    |        | 171,976                        | 16,189           |
| NEW BUSINESS VENTURES         | 11,229           | 22,943           | (11,714)                   |        | -                              | 11,229           |
| PLANNING & BUDGETING          | 40,203           | 74,121           | (33,918)                   |        | 41,745                         | (1,542)          |
| PRICE POLICY & ADMINISTRATION | 80,946           | 89,689           | (8,743)                    |        | 97,550                         | (16,604)         |
| REGULATORY AFFAIRS            | 18,591           | 27,646           | (9,055)                    |        | -                              | 18,591           |
| TREASURY:                     | 234,186          | 402,783          | (168,597)                  |        | 312,054                        | (77,868)         |
| <b>TOTAL FINANCE:</b>         | <b>1,555,364</b> | <b>1,769,643</b> | <b>(214,279)</b>           |        | <b>1,494,101</b>               | <b>61,263</b>    |
| <b>OPERATIONS:</b>            |                  |                  |                            |        |                                |                  |
| BUSINESS DEVELOPMENT          | 43,041           | 59,637           | (16,596)                   |        | 56,774                         | (13,733)         |
| CALL CENTER                   | 4,414            | -                | 4,414                      |        | -                              | 4,414            |
| GAS SUPPLY & GAS CONTROL      | 116,991          | 175,600          | (58,609)                   |        | 109,576                        | 7,415            |
| TECHNICAL SERVICES            | 32,451           | 29,488           | 2,963                      |        | 90,039                         | (57,588)         |
| <b>TOTAL OPERATIONS:</b>      | <b>196,897</b>   | <b>264,725</b>   | <b>(67,828)</b>            |        | <b>256,389</b>                 | <b>(59,492)</b>  |
| <b>HUMAN RESOURCES:</b>       | <b>185,752</b>   | <b>585,285</b>   | <b>(399,533)</b>           |        | <b>657,328</b>                 | <b>(471,576)</b> |
| <b>LEGAL:</b>                 | <b>1,082,827</b> | <b>384,047</b>   | <b>698,780</b>             |        | <b>263,895</b>                 | <b>818,932</b>   |
| <b>OVERHEAD CAPITALIZED:</b>  | <b>(881,000)</b> | <b>(883,917)</b> | <b>2,917</b>               |        | <b>(830,000)</b>               | <b>(51,000)</b>  |
| <b>TOTAL O&amp;M</b>          | <b>2,416,888</b> | <b>2,384,351</b> | <b>32,537</b>              |        | <b>2,009,117</b>               | <b>407,771</b>   |
| <b>DEPRECIATION</b>           | <b>(30,527)</b>  | <b>198,000</b>   | <b>(228,527)</b>           |        | <b>385,972</b>                 | <b>(416,499)</b> |
| <b>TAXES - OTHER</b>          | <b>78,521</b>    | <b>57,000</b>    | <b>21,521</b>              |        | <b>106,145</b>                 | <b>(27,624)</b>  |
| <b>TOTAL</b>                  | <b>2,464,882</b> | <b>2,639,351</b> | <b>(174,469)</b>           |        | <b>2,501,234</b>               | <b>(36,352)</b>  |

ATMOS ENERGY CORPORATION  
 Analysis of Shared Services - Actual vs. Budget  
 For The Year-To-Date Ended 12/31/97

| Department Name               | FY '98      |             | Actual Over (Under) Budget | Prior Year  | Actual Over (Under) Prior |
|-------------------------------|-------------|-------------|----------------------------|-------------|---------------------------|
|                               | Actual      | Budget      |                            |             |                           |
| EXECUTIVE:                    | 791,000     | 809,011     | (18,093)                   | 543,041     | 247,877                   |
| FINANCE:                      |             |             |                            |             |                           |
| ACCOUNTING                    | 899,701     | 964,564     | (64,863)                   | 867,861     | 31,840                    |
| INFORMATION TECHNOLOGY        | 1,719,720   | 1,893,275   | (173,555)                  | 1,675,936   | 43,784                    |
| INTERNAL AUDIT                | 111,627     | 160,483     | (48,856)                   | 130,941     | (19,314)                  |
| INVESTOR RELATIONS            | 519,037     | 570,792     | (51,755)                   | 507,281     | 11,756                    |
| NEW BUSINESS VENTURES         | 44,288      | 68,829      | (24,541)                   | -           | 44,288                    |
| PLANNING & BUDGETING          | 151,370     | 235,254     | (83,884)                   | 128,062     | 23,308                    |
| PRICE POLICY & ADMINISTRATION | 231,113     | 268,811     | (37,698)                   | 296,732     | (65,619)                  |
| REGULATORY AFFAIRS            | 72,372      | 82,959      | (10,587)                   | -           | 72,372                    |
| TREASURY:                     | 922,212     | 1,297,679   | (375,467)                  | 1,000,932   | (78,720)                  |
| TOTAL FINANCE:                | 4,671,440   | 5,542,646   | (871,206)                  | 4,607,745   | 63,695                    |
| OPERATIONS:                   |             |             |                            |             |                           |
| BUSINESS DEVELOPMENT          | 166,946     | 178,911     | (11,965)                   | 152,614     | 14,332                    |
| CALL CENTER                   | 28,872      | -           | 28,872                     | -           | 28,872                    |
| GAS SUPPLY & GAS CONTROL      | 387,404     | 526,800     | (139,396)                  | 329,239     | 58,165                    |
| TECHNICAL SERVICES            | 112,323     | 102,666     | 9,657                      | 275,931     | (163,608)                 |
| TOTAL OPERATIONS:             | 695,545     | 808,377     | (112,832)                  | 757,784     | (62,239)                  |
| HUMAN RESOURCES:              | 1,273,849   | 1,737,507   | (463,658)                  | 1,854,656   | (580,807)                 |
| LEGAL:                        | 1,832,335   | 1,013,301   | 819,034                    | 821,001     | 1,011,334                 |
| OVERHEAD CAPITALIZED:         | (2,643,000) | (2,651,751) | 8,751                      | (2,490,000) | (153,000)                 |
| TOTAL O&M                     | 6,621,087   | 7,259,091   | (638,004)                  | 6,094,227   | 526,860                   |
| DEPRECIATION                  | 813,358     | 594,000     | 219,358                    | 1,157,916   | (344,558)                 |
| TAXES - OTHER                 | 200,931     | 171,000     | 29,931                     | 223,677     | (22,746)                  |
| TOTAL                         | 7,635,376   | 8,024,091   | (388,715)                  | 7,475,820   | 159,556                   |

**ATMOS ENERGY CORPORATION**

**Analysis of Shared Services - Actual vs. Budget  
For The Month Ended 12/31/97**

| Department Name                             | FY 98          |                | Actual          |        | Actual         |                | Actual     |  |
|---|----------------|----------------|-----------------|--------|----------------|----------------|------------|--|
|   | Actual         | Budget         | Over (Under)    | Budget | Prior Year     | Over (Under)   | Prior Year |  |
| <b>EXECUTIVE:</b>                           |                |                |                 |        |                |                |            |  |
| 0050500 Chairman, President & CEO           | 125,080        | 119,484        | 5,596           |        | 79,841         | 45,239         |            |  |
| 0052100 Dallas Operations                   | 41,591         | 54,010         | (12,419)        |        | 29,132         | 12,459         |            |  |
| 0052500 Utility Services                    | 21,942         | 23,290         | (1,348)         |        | 21,193         | 749            |            |  |
| 0054700 Chief Financial Officer             | 88,435         | 67,784         | 20,651          |        | 37,238         | 51,197         |            |  |
| <b>EXECUTIVE:</b>                           | <b>277,000</b> | <b>264,568</b> | <b>12,480</b>   |        | <b>167,404</b> | <b>109,644</b> |            |  |
| <b>FINANCE:</b>                             |                |                |                 |        |                |                |            |  |
| 0112900 VP & Controller                     | 157,007        | 64,456         | 92,551          |        | 58,459         | 98,548         |            |  |
| 0113000 Assistant Controller General Acct   | 11,682         | 92,865         | (81,183)        |        | 14,725         | (3,043)        |            |  |
| 0113100 General Accounting                  | 32,351         | -              | 32,351          |        | 36,182         | (3,831)        |            |  |
| 0113200 Payroll Accounting                  | 27,947         | -              | 27,947          |        | 23,319         | 4,628          |            |  |
| 0113300 Accounts Payable                    | 21,416         | -              | 21,416          |        | 19,456         | 1,960          |            |  |
| 0113400 Accounting Systems                  | 1,187          | 34,473         | (33,286)        |        | 7,436          | (6,249)        |            |  |
| 0113500 Assistant Controller, Utility Acctg | 3,364          | -              | 3,364           |        | 3,862          | (498)          |            |  |
| 0113600 Plant Accounting                    | 26,676         | -              | 26,676          |        | 19,410         | 7,266          |            |  |
| 0113700 Gas Accounting                      | 52,814         | 54,393         | (1,579)         |        | 49,024         | 3,790          |            |  |
| 0113800 Customer Billing                    | 6,842          | -              | 6,842           |        | 11,583         | (4,741)        |            |  |
| 0113900 Financial Reporting                 | 18,634         | 42,891         | (24,257)        |        | 20,193         | (1,559)        |            |  |
| 0114600 Dallas Taxation                     | 23,914         | 36,896         | (12,982)        |        | 27,043         | (3,129)        |            |  |
| 0118300 Dallas Stores                       | (40)           | -              | (40)            |        | -              | (40)           |            |  |
| 0119200 Controller Miscellaneous            | -              | -              | -               |        | -              | -              |            |  |
| <b>ACCOUNTING</b>                           | <b>383,794</b> | <b>325,974</b> | <b>57,820</b>   |        | <b>290,692</b> | <b>93,102</b>  |            |  |
| 0115000 Information Services                | 25,135         | 24,028         | 1,107           |        | 25,008         | 127            |            |  |
| 0115100 Production Services                 | 124,989        | 175,378        | (50,389)        |        | 167,651        | (42,662)       |            |  |
| 0115200 Mass Mail                           | 243,763        | 240,440        | 3,323           |        | 206,076        | 37,687         |            |  |
| 0115300 Information Systems                 | 80,260         | 77,432         | 2,828           |        | 91,461         | (11,201)       |            |  |
| 0115400 Information Support                 | 39,676         | 34,485         | 5,191           |        | 37,265         | 2,411          |            |  |
| 0115500 Office Equipment                    | 11,792         | 4,191          | 7,601           |        | 7,719          | 4,073          |            |  |
| 0115600 Telecommunication Services          | 37,387         | 27,108         | 10,279          |        | 5,120          | 32,267         |            |  |
| <b>INFORMATION TECHNOLOGY</b>               | <b>563,002</b> | <b>583,062</b> | <b>(20,060)</b> |        | <b>540,300</b> | <b>22,702</b>  |            |  |
| 0116400 Internal Audit                      | 35,248         | 53,161         | (17,913)        |        | 39,784         | (4,536)        |            |  |
| <b>INTERNAL AUDIT</b>                       | <b>35,248</b>  | <b>53,161</b>  | <b>(17,913)</b> |        | <b>39,784</b>  | <b>(4,536)</b> |            |  |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Month Ended 12/31/97**

| Department Name                           | FY '98           |                  | Actual Over (Under) Budget |                     | Actual Over (Under) Prior |                    |
|---|------------------|------------------|----------------------------|---------------------|---------------------------|--------------------|
|   | Actual           | Budget           | Over (Under) Budget        | Over (Under) Budget | Prior Year                | Over (Under) Prior |
| 0054900 Investor Relations                | 100,253          | 132,080          | (31,827)                   |                     | 78,778                    | 21,475             |
| 0052400 Public Affairs                    | 35,232           | -                | 35,232                     |                     | 28,131                    | 7,101              |
| 0117700 Corporate Communications          | 52,680           | 58,184           | (5,504)                    |                     | 65,067                    | (12,387)           |
| <b>INVESTOR RELATIONS</b>                 | <b>188,165</b>   | <b>190,264</b>   | <b>(2,099)</b>             |                     | <b>171,976</b>            | <b>16,189</b>      |
| 0054600 New Business Ventures             | 11,229           | 22,943           | (11,714)                   |                     | -                         | 11,229             |
| <b>NEW BUSINESS VENTURES</b>              | <b>11,229</b>    | <b>22,943</b>    | <b>(11,714)</b>            |                     | <b>-</b>                  | <b>11,229</b>      |
| 0054400 Financial & Strategic Planning    | 25,000           | 20,629           | 4,371                      |                     | 23,434                    | 1,566              |
| 0054500 Business Strategies & Competitive | 22               | 27,932           | (27,910)                   |                     | -                         | 22                 |
| 0114300 Budget & Planning                 | 15,181           | 25,560           | (10,379)                   |                     | 18,311                    | (3,130)            |
| <b>PLANNING &amp; BUDGETING</b>           | <b>40,203</b>    | <b>74,121</b>    | <b>(33,918)</b>            |                     | <b>41,745</b>             | <b>(1,542)</b>     |
| 0054000 Price Policy & Administration     | 80,946           | 89,689           | (8,743)                    |                     | 97,550                    | (16,604)           |
| <b>PRICE POLICY &amp; ADMINISTRATION</b>  | <b>80,946</b>    | <b>89,689</b>    | <b>(8,743)</b>             |                     | <b>97,550</b>             | <b>(16,604)</b>    |
| 0054100 Regulatory Affairs                | 18,591           | 27,646           | (9,055)                    |                     | -                         | 18,591             |
| <b>REGULATORY AFFAIRS</b>                 | <b>18,591</b>    | <b>27,646</b>    | <b>(9,055)</b>             |                     | <b>-</b>                  | <b>18,591</b>      |
| 0114500 Dallas Treasury                   | (67,361)         | 36,632           | (103,993)                  |                     | 32,358                    | (99,719)           |
| 0114700 Dallas Risk Management            | 165,973          | 238,345          | (72,372)                   |                     | -                         | 165,973            |
| 0114800 Dallas Treasurer                  | 24,900           | 18,634           | 6,266                      |                     | 171,610                   | (146,710)          |
| 0117600 Purchasing                        | 14,951           | 16,879           | (1,928)                    |                     | 16,985                    | (2,034)            |
| 0118000 Remittance Processing             | 64,415           | 54,562           | 9,853                      |                     | 49,586                    | 14,829             |
| 0118500 Mail & Supply                     | 18,262           | 20,408           | (2,146)                    |                     | 21,953                    | (3,691)            |
| 0118600 Purchasing & Stores               | 13,029           | 11,031           | 1,998                      |                     | 19,562                    | (6,533)            |
| 0118909 Fleet Administration              | 17               | 6,292            | (6,275)                    |                     | -                         | 17                 |
| <b>TREASURY:</b>                          | <b>234,186</b>   | <b>402,783</b>   | <b>(168,597)</b>           |                     | <b>312,054</b>            | <b>(77,868)</b>    |
| <b>TOTAL FINANCE:</b>                     | <b>1,555,364</b> | <b>1,769,643</b> | <b>(214,279)</b>           |                     | <b>1,494,101</b>          | <b>61,263</b>      |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Month Ended 12/31/97**

| Department Name                          | FY 98<br>Actual | Budget  | Actual<br>Over (Under)<br>Budget | Prior<br>Year | Actual<br>Over (Under)<br>Prior |
|--|-----------------|---------|----------------------------------|---------------|---------------------------------|
|  |                 |         |                                  |               |                                 |
| <b>OPERATIONS:</b>                       |                 |         |                                  |               |                                 |
| 0056000 Business Development             | 43,041          | 59,637  | (16,596)                         | 56,774        | (13,733)                        |
| <b>BUSINESS DEVELOPMENT</b>              | 43,041          | 59,637  | (16,596)                         | 56,774        | (13,733)                        |
| 0120100 Amarillo Call Center             | 4,414           | -       | 4,414                            | -             | 4,414                           |
| <b>CALL CENTER</b>                       | 4,414           | -       | 4,414                            | -             | 4,414                           |
| 0051500 Interstate Gas Supply            | 46,474          | 59,600  | (13,126)                         | 41,729        | 4,745                           |
| 0051600 Intrastate Gas Supply            | 45,856          | 42,700  | 3,156                            | 44,273        | 1,583                           |
| 0051700 Corporate Gas Control            | -               | 48,200  | (48,200)                         | -             | -                               |
| 0051900 Gas Supply                       | 24,661          | 25,100  | (439)                            | 23,574        | 1,087                           |
| <b>GAS SUPPLY &amp; GAS CONTROL</b>      | 116,991         | 175,600 | (58,609)                         | 109,576       | 7,415                           |
| 0056200 Technical Services               | 32,451          | 29,488  | 2,963                            | 90,039        | (57,588)                        |
| <b>TECHNICAL SERVICES</b>                | 32,451          | 29,488  | 2,963                            | 90,039        | (57,588)                        |
| <b>TOTAL OPERATIONS:</b>                 | 196,897         | 264,725 | (67,828)                         | 256,389       | (59,492)                        |
| <b>HUMAN RESOURCES:</b>                  |                 |         |                                  |               |                                 |
| 0056100 Professional Development         | 3,792           | 24,721  | (20,929)                         | 13,176        | (9,384)                         |
| 0117100 Corporate Services               | 2,566           | -       | 2,566                            | 82,492        | (79,926)                        |
| 0117200 Compensation & Employment        | 49,239          | 54,277  | (5,038)                          | 42,322        | 6,917                           |
| 0117300 Human Resources - VP             | 19,569          | 21,538  | (1,969)                          | 20,687        | (1,118)                         |
| 0117400 Employee & Labor Relations       | 10,723          | 9,120   | 1,603                            | -             | 10,723                          |
| 0117500 Employee Benefits                | 120,926         | 108,106 | 12,820                           | 129,560       | (8,634)                         |
| 0117800 Employee Communications          | 27,204          | 19,665  | 7,539                            | -             | 27,204                          |
| 0117900 Facilities                       | 11,749          | 13,386  | (1,637)                          | -             | 11,749                          |
| 0118100 Employee Development             | 32,506          | 41,553  | (9,047)                          | 42,567        | (10,061)                        |
| 0119000 Employee Relocation Expense      | 4,293           | 67,919  | (63,626)                         | 16,862        | (12,569)                        |
| 0119210 Performance Plan                 | 116,667         | -       | 116,667                          | 316,666       | (199,999)                       |
| 0119300 Outside Directors Retirement Cos | 23,000          | -       | 23,000                           | 14,000        | 9,000                           |
| 0119400 Treasury - Worker's Comp         | -               | -       | -                                | 24            | (24)                            |
| 0119500 Human Resources - Benefits       | -               | -       | -                                | 112           | (112)                           |
| 0119600 Retirement Costs                 | (236,482)       | 225,000 | (461,482)                        | (21,140)      | (215,342)                       |
| <b>HUMAN RESOURCES:</b>                  | 185,752         | 585,285 | (399,533)                        | 657,328       | (471,576)                       |

ATMOS ENERGY CORPORATION  
 Analysis of Shared Services - Actual vs. Budget  
 For The Month Ended 12/31/97

| Department Name                 | FY '98    |           | Actual Over (Under) Budget |        | Actual Over (Under) Prior Year |                           |
|---------------------------------|-----------|-----------|----------------------------|--------|--------------------------------|---------------------------|
|                                 | Actual    | Budget    | Actual Over (Under) Budget | Budget | Prior Year                     | Actual Over (Under) Prior |
| LEGAL:                          |           |           |                            |        |                                |                           |
| 0052000 Legal                   | 925,172   | 189,474   | 735,698                    |        | 204,248                        | 720,924                   |
| 0052099 Contract Administration | -         | 11,402    | (11,402)                   |        | -                              | -                         |
| 0052200 Governmental Affairs    | 8,184     | 10,323    | (2,139)                    |        | 7,398                          | 786                       |
| 0057900 Corporate Secretary     | 119,533   | 150,590   | (31,057)                   |        | 28,841                         | 90,692                    |
| 0118200 Central Records         | 29,938    | 22,258    | 7,680                      |        | 23,408                         | 6,530                     |
| LEGAL:                          | 1,082,827 | 384,047   | 698,780                    |        | 263,895                        | 818,932                   |
| OVERHEAD CAPITALIZED:           |           |           |                            |        |                                |                           |
| 0119800 Overhead Capitalized    | (881,000) | (883,917) | 2,917                      |        | (830,000)                      | (51,000)                  |
| OVERHEAD CAPITALIZED:           | (881,000) | (883,917) | 2,917                      |        | (830,000)                      | (51,000)                  |
| TOTAL O&M                       | 2,416,888 | 2,384,351 | 32,537                     |        | 2,009,117                      | 407,771                   |
| DEPRECIATION                    | (30,527)  | 198,000   | (228,527)                  |        | 385,972                        | (416,499)                 |
| TAXES - OTHER                   | 78,521    | 57,000    | 21,521                     |        | 106,145                        | (27,624)                  |
| TOTAL                           | 2,464,882 | 2,639,351 | (174,469)                  |        | 2,501,234                      | (36,352)                  |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Year-To-Date Ended 12/31/97**

| Department Name                          | FY '98           |                  | Actual           |        | Budget                     |        | Actual Over (Under) Budget |                  | Actual Over (Under) Prior Year |  |
|--|------------------|------------------|------------------|--------|----------------------------|--------|----------------------------|------------------|--------------------------------|--|
|  | Actual           | Budget           | Actual           | Budget | Actual Over (Under) Budget | Budget | Actual Over (Under) Budget | Prior Year       | Actual Over (Under) Prior      |  |
| <b>EXECUTIVE:</b>                        |                  |                  |                  |        |                            |        |                            |                  |                                |  |
| 0050500 Chairman, President & CEO        | 372,718          | 371,444          | 1,274            |        |                            |        |                            | 270,158          | 102,560                        |  |
| 0052100 Dallas Operations                | 134,369          | 162,630          | (28,261)         |        |                            |        |                            | 93,614           | 40,755                         |  |
| 0052500 Utility Services                 | 65,337           | 69,870           | (4,533)          |        |                            |        |                            | 65,856           | (519)                          |  |
| 0054700 Chief Financial Officer          | 218,494          | 205,067          | 13,427           |        |                            |        |                            | 113,413          | 105,081                        |  |
|  | <u>791,000</u>   | <u>809,011</u>   | <u>(18,093)</u>  |        |                            |        |                            | <u>543,041</u>   | <u>247,877</u>                 |  |
| <b>FINANCE:</b>                          |                  |                  |                  |        |                            |        |                            |                  |                                |  |
| 0112900 VP & Controller                  | 274,131          | 193,368          | 80,763           |        |                            |        |                            | 174,677          | 99,454                         |  |
| 0113000 Assistant Controller General A.  | 36,678           | 278,595          | (241,917)        |        |                            |        |                            | 42,897           | (6,219)                        |  |
| 0113100 General Accounting               | 96,965           | -                | 96,965           |        |                            |        |                            | 117,769          | (20,804)                       |  |
| 0113200 Payroll Accounting               | 82,279           | -                | 82,279           |        |                            |        |                            | 76,742           | 5,537                          |  |
| 0113300 Accounts Payable                 | 67,075           | -                | 67,075           |        |                            |        |                            | 57,132           | 9,943                          |  |
| 0113400 Accounting Systems               | 17,729           | 103,419          | (85,690)         |        |                            |        |                            | 17,558           | 171                            |  |
| 0113500 Assistant Controller, Utility Ac | 10,175           | -                | 10,175           |        |                            |        |                            | 14,237           | (4,062)                        |  |
| 0113600 Plant Accounting                 | 80,376           | -                | 80,376           |        |                            |        |                            | 71,056           | 9,320                          |  |
| 0113700 Gas Accounting                   | 142,949          | 163,179          | (20,230)         |        |                            |        |                            | 139,515          | 3,434                          |  |
| 0113800 Customer Billing                 | 20,093           | -                | 20,093           |        |                            |        |                            | 38,863           | (18,770)                       |  |
| 0113900 Financial Reporting              | 46,678           | 128,673          | (81,995)         |        |                            |        |                            | 57,216           | (10,538)                       |  |
| 0114600 Dallas Taxation                  | 54,998           | 97,339           | (42,332)         |        |                            |        |                            | 60,199           | (5,201)                        |  |
| 0118300 Dallas Stores                    | -                | -                | -                |        |                            |        |                            | -                | -                              |  |
| 0119200 Controller Miscellaneous         | (30,425)         | -                | (30,425)         |        |                            |        |                            | -                | (30,425)                       |  |
| <b>ACCOUNTING</b>                        | <u>899,701</u>   | <u>964,564</u>   | <u>(64,863)</u>  |        |                            |        |                            | <u>867,861</u>   | <u>31,840</u>                  |  |
| 0115000 Information Services             | 74,778           | 72,520           | 2,258            |        |                            |        |                            | 69,938           | 4,840                          |  |
| 0115100 Production Services              | 405,315          | 583,896          | (178,581)        |        |                            |        |                            | 497,096          | (91,781)                       |  |
| 0115200 Mass Mail                        | 657,472          | 661,486          | (4,014)          |        |                            |        |                            | 599,593          | 57,879                         |  |
| 0115300 Information Systems              | 367,954          | 355,179          | 12,775           |        |                            |        |                            | 346,120          | 21,834                         |  |
| 0115400 Information Support              | 109,112          | 125,772          | (16,660)         |        |                            |        |                            | 117,693          | (8,581)                        |  |
| 0115500 Office Equipment                 | 32,851           | 12,573           | 20,278           |        |                            |        |                            | 34,010           | (1,159)                        |  |
| 0115600 Telecommunication Services       | 72,238           | 81,849           | (9,611)          |        |                            |        |                            | 11,486           | 60,752                         |  |
| <b>INFORMATION TECHNOLOGY</b>            | <u>1,719,720</u> | <u>1,893,275</u> | <u>(173,555)</u> |        |                            |        |                            | <u>1,675,936</u> | <u>43,784</u>                  |  |
| 0116400 Internal Audit                   | 111,627          | 160,483          | (48,856)         |        |                            |        |                            | 130,941          | (19,314)                       |  |
| <b>INTERNAL AUDIT</b>                    | <u>111,627</u>   | <u>160,483</u>   | <u>(48,856)</u>  |        |                            |        |                            | <u>130,941</u>   | <u>(19,314)</u>                |  |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Year-To-Date Ended 12/31/97**

| Department Name                        | FY '98    |           | Actual Over (Under) Budget |        | Actual Over (Under) Prior Year |           |
|--|-----------|-----------|----------------------------|--------|--------------------------------|-----------|
|  | Actual    | Budget    | Actual                     | Budget | Prior Year                     | Prior     |
| 0054900 Investor Relations             | 304,496   | 396,240   | (91,744)                   |        | 279,278                        | 25,218    |
| 0052400 Public Affairs                 | 86,982    | -         | 86,982                     |        | 75,477                         | 11,505    |
| 0117700 Corporate Communications       | 127,559   | 174,552   | (46,993)                   |        | 152,526                        | (24,967)  |
| INVESTOR RELATIONS                     | 519,037   | 570,792   | (51,755)                   |        | 507,281                        | 11,756    |
| 0054600 New Business Ventures          | 44,288    | 68,829    | (24,541)                   |        | -                              | 44,288    |
| NEW BUSINESS VENTURES                  | 44,288    | 68,829    | (24,541)                   |        | -                              | 44,288    |
| 0054400 Financial & Strategic Planning | 105,781   | 61,887    | 43,894                     |        | 74,891                         | 30,890    |
| 0054500 Business Strategies & Competi  | 32        | 98,141    | (98,109)                   |        | -                              | 32        |
| 0114300 Budget & Planning              | 45,557    | 75,226    | (29,669)                   |        | 53,171                         | (7,614)   |
| PLANNING & BUDGETING                   | 151,370   | 235,254   | (83,884)                   |        | 128,062                        | 23,308    |
| 0054000 Price Policy & Administration  | 231,113   | 268,811   | (37,698)                   |        | 296,732                        | (65,619)  |
| PRICE POLICY & ADMINISTRATION          | 231,113   | 268,811   | (37,698)                   |        | 296,732                        | (65,619)  |
| 0054100 Regulatory Affairs             | 72,372    | 82,959    | (10,587)                   |        | -                              | 72,372    |
| REGULATORY AFFAIRS                     | 72,372    | 82,959    | (10,587)                   |        | -                              | 72,372    |
| 0114500 Dallas Treasury                | 72,164    | 178,531   | (106,367)                  |        | 106,623                        | (34,459)  |
| 0114700 Dallas Risk Management         | 460,522   | 712,610   | (252,088)                  |        | -                              | 460,522   |
| 0114800 Dallas Treasurer               | 64,375    | 59,662    | 4,713                      |        | 570,871                        | (506,496) |
| 0117600 Purchasing                     | 45,805    | 50,382    | (4,577)                    |        | 49,483                         | (3,678)   |
| 0118000 Remittance Processing          | 183,922   | 183,670   | 252                        |        | 157,343                        | 26,579    |
| 0118500 Mail & Supply                  | 54,364    | 59,889    | (5,525)                    |        | 60,557                         | (6,193)   |
| 0118600 Purchasing & Stores            | 41,043    | 33,559    | 7,484                      |        | 56,055                         | (15,012)  |
| 0118909 Fleet Administration           | 17        | 19,376    | (19,359)                   |        | -                              | 17        |
| TREASURY:                              | 922,212   | 1,297,679 | (375,467)                  |        | 1,000,932                      | (78,720)  |
| TOTAL FINANCE:                         | 4,671,440 | 5,542,646 | (871,206)                  |        | 4,607,745                      | 63,695    |



**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Year-To-Date Ended 12/31/97**

| Department Name                        | FY '98           | Actual           | Budget           | Actual Over (Under) Budget | Prior Year       | Actual Over (Under) Prior |
|--|------------------|------------------|------------------|----------------------------|------------------|---------------------------|
|  | Actual           |                  |                  |                            |                  |                           |
| <b>OPERATIONS:</b>                     |                  |                  |                  |                            |                  |                           |
| 0056000 Business Development           | 166,946          | 178,911          | (11,965)         | 152,614                    | 14,332           |                           |
| <b>BUSINESS DEVELOPMENT</b>            | <u>166,946</u>   | <u>178,911</u>   | <u>(11,965)</u>  | <u>152,614</u>             | <u>14,332</u>    |                           |
| 0120100 Amarillo Call Center           | 28,872           | -                | 28,872           | -                          | 28,872           |                           |
| <b>CALL CENTER</b>                     | <u>28,872</u>    | <u>-</u>         | <u>28,872</u>    | <u>-</u>                   | <u>28,872</u>    |                           |
| 0051500 Interstate Gas Supply          | 160,947          | 178,800          | (17,853)         | 129,330                    | 31,617           |                           |
| 0051600 Intrastate Gas Supply          | 155,647          | 128,100          | 27,547           | 131,083                    | 24,564           |                           |
| 0051700 Corporate Gas Control          | -                | 144,600          | (144,600)        | -                          | -                |                           |
| 0051900 Gas Supply                     | 70,810           | 75,300           | (4,490)          | 68,826                     | 1,984            |                           |
| <b>GAS SUPPLY &amp; GAS CONTROL</b>    | <u>387,404</u>   | <u>526,800</u>   | <u>(139,396)</u> | <u>329,239</u>             | <u>58,165</u>    |                           |
| 0056200 Technical Services             | 112,323          | 102,666          | 9,657            | 275,931                    | (163,608)        |                           |
| <b>TECHNICAL SERVICES</b>              | <u>112,323</u>   | <u>102,666</u>   | <u>9,657</u>     | <u>275,931</u>             | <u>(163,608)</u> |                           |
| <b>TOTAL OPERATIONS:</b>               | <u>695,545</u>   | <u>808,377</u>   | <u>(112,832)</u> | <u>757,784</u>             | <u>(62,239)</u>  |                           |
| <b>HUMAN RESOURCES:</b>                |                  |                  |                  |                            |                  |                           |
| 0056100 Professional Development       | 11,067           | 74,163           | (63,096)         | 42,927                     | (31,860)         |                           |
| 0117100 Corporate Services             | 11,144           | -                | 11,144           | 140,550                    | (129,406)        |                           |
| 0117200 Compensation & Employment      | 152,616          | 165,576          | (12,960)         | 134,498                    | 18,118           |                           |
| 0117300 Human Resources - VP           | 57,352           | 64,839           | (7,487)          | 62,773                     | (5,421)          |                           |
| 0117400 Employee & Labor Relations     | 30,651           | 27,960           | 2,691            | -                          | 30,651           |                           |
| 0117500 Employee Benefits              | 309,624          | 318,206          | (8,582)          | 333,653                    | (24,029)         |                           |
| 0117800 Employee Communications        | 40,814           | 58,995           | (18,181)         | -                          | 40,814           |                           |
| 0117900 Facilities                     | 30,156           | 40,292           | (10,136)         | -                          | 30,156           |                           |
| 0118100 Employee Development           | 81,406           | 108,719          | (27,313)         | 130,542                    | (49,136)         |                           |
| 0119000 Employee Relocation Expense    | 52,124           | 203,757          | (151,633)        | 198,350                    | (146,226)        |                           |
| 0119210 Performance Plan               | 350,000          | -                | 350,000          | 550,000                    | (200,000)        |                           |
| 0119300 Outside Directors Retirement C | 69,000           | -                | 69,000           | 42,000                     | 27,000           |                           |
| 0119400 Treasury - Worker's Comp       | 1                | -                | 1                | 45                         | (44)             |                           |
| 0119500 Human Resources - Benefits     | (16)             | -                | (16)             | 263                        | (279)            |                           |
| 0119600 Retirement Costs               | 77,910           | 675,000          | (597,090)        | 219,055                    | (141,145)        |                           |
| <b>HUMAN RESOURCES:</b>                | <u>1,273,849</u> | <u>1,737,507</u> | <u>(463,658)</u> | <u>1,854,656</u>           | <u>(580,807)</u> |                           |

ATMOS ENERGY CORPORATION  
 Analysis of Shared Services - Actual vs. Budget  
 For The Year-To-Date Ended 12/31/97

| Department Name                 | FY '98      |             | Actual Over (Under) Budget |         | Prior Year  |           | Actual Over (Under) Prior |  |
|---------------------------------|-------------|-------------|----------------------------|---------|-------------|-----------|---------------------------|--|
|                                 | Actual      | Budget      | Over (Under) Budget        | Budget  | Year        | Prior     | Over (Under) Prior        |  |
| LEGAL:                          |             |             |                            |         |             |           |                           |  |
| 0052000 Legal                   | 1,503,928   | 571,142     | 932,786                    | 819,034 | 585,910     | 918,018   |                           |  |
| 0052099 Contract Administration | -           | 34,206      | (34,206)                   |         | -           | -         |                           |  |
| 0052200 Governmental Affairs    | 25,154      | 30,969      | (5,815)                    |         | 23,051      | 2,103     |                           |  |
| 0057900 Corporate Secretary     | 251,778     | 311,550     | (59,772)                   |         | 154,272     | 97,506    |                           |  |
| 0118200 Central Records         | 51,475      | 65,434      | (13,959)                   |         | 57,768      | (6,293)   |                           |  |
| LEGAL:                          | 1,832,335   | 1,013,301   | 819,034                    |         | 821,001     | 1,011,334 |                           |  |
| OVERHEAD CAPITALIZED:           |             |             |                            |         |             |           |                           |  |
| 0119800 Overhead Capitalized    | (2,643,000) | (2,651,751) | 8,751                      |         | (2,490,000) | (153,000) |                           |  |
| OVERHEAD CAPITALIZED:           | (2,643,000) | (2,651,751) | 8,751                      |         | (2,490,000) | (153,000) |                           |  |
| TOTAL O&M                       | 6,621,087   | 7,259,091   | (638,004)                  |         | 6,094,227   | 526,860   |                           |  |
| DEPRECIATION                    | 813,358     | 594,000     | 219,358                    |         | 1,157,916   | (344,558) |                           |  |
| TAXES - OTHER                   | 200,931     | 171,000     | 29,931                     |         | 223,677     | (22,746)  |                           |  |
| TOTAL                           | 7,635,376   | 8,024,091   | (388,715)                  |         | 7,475,820   | 159,556   |                           |  |

( THIS PAGE LEFT BLANK INTENTIONALLY )

( THIS PAGE LEFT BLANK INTENTIONALLY )

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE MONTH ENDED 12/31/97

| Line No. | Description (a)                       | 1997            |                 |                |                 |                 | Total Utility Business Units (g) | Line No. |
|----------|---------------------------------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------------------------|----------|
|          |                                       | Energy (b)      | GGC (c)         | Trans La (d)   | UCG (e)         | WKG (f)         |                                  |          |
| 1        | Operating revenues                    |                 |                 |                |                 |                 |                                  |          |
| 2        | Gas                                   | \$31,702,033.44 | \$12,818,408.22 | \$4,282,092.48 | \$53,608,911.00 | \$26,514,748.27 | \$128,976,193.41                 |          |
| 3        | Transportation                        | 94,477.31       | 145,999.64      | 6,030.15       | 1,357,364.00    | 797,034.12      | 2,400,905.22                     |          |
| 3        | Other                                 | 0.00            | 0.00            | 0.00           | 0.00            | 0.00            | 0.00                             |          |
| 4        | Total operating revenues              | 31,796,510.75   | 12,964,407.86   | 4,288,122.63   | 54,966,275.00   | 27,311,782.39   | 131,327,098.63                   |          |
| 5        | Purchased gas cost                    | 22,783,708.93   | 8,473,961.77    | 484,067.41     | 36,194,127.00   | 20,331,219.20   | 88,267,084.31                    |          |
| 6        | Gross profit                          | 9,012,801.82    | 4,490,446.09    | 3,804,055.22   | 18,772,148.00   | 6,980,563.19    | 43,060,014.32                    |          |
| 7        | Operating expenses                    |                 |                 |                |                 |                 |                                  |          |
| 8        | Operation                             | 2,182,876.52    | 1,050,327.02    | 626,602.72     | 4,882,199.93    | 1,318,445.01    | 10,060,451.20                    |          |
| 8        | Maintenance                           | 70,951.92       | 57,238.91       | 50,097.59      | 452,643.00      | 65,603.65       | 696,535.07                       |          |
| 9        | Depreciation and amortization         | 502,571.24      | 414,021.60      | 306,453.92     | 1,526,004.00    | 545,364.13      | 3,294,414.89                     |          |
| 10       | Taxes - other than income taxes       | 1,175,721.39    | 243,612.42      | 193,136.64     | 1,174,660.00    | 189,956.88      | 2,977,087.33                     |          |
| 11       | Shared services - direct              | 198,420.04      | 110,714.49      | 91,389.57      | 0.00            | 593,789.62      | 593,789.62                       |          |
| 12       | Shared services - billed              | 689,232.40      | 267,492.40      | 195,250.36     | 604,231.52      | 393,570.87      | 2,149,777.55                     |          |
| 13       | Provision for income taxes            | 1,243,000.63    | 775,724.08      | 758,800.84     | 3,431,310.00    | 1,500,474.45    | 7,709,310.00                     |          |
| 14       | Total operating expenses              | 6,062,774.14    | 2,919,130.92    | 2,221,731.64   | 12,071,048.45   | 4,206,680.51    | 27,481,365.66                    |          |
| 15       | Operating income (loss)               | 2,950,027.68    | 1,571,315.17    | 1,582,323.58   | 6,701,099.55    | 2,773,882.68    | 15,578,648.66                    |          |
| 16       | Other income                          |                 |                 |                |                 |                 |                                  |          |
| 16       | Merchandise                           | (20,043.73)     | 232.83          | (39.28)        | (8,328.00)      | 9,705.60        | (18,972.58)                      |          |
| 17       | Interest income                       | 15,750.00       | 24.50           | 0.00           | 126,869.00      | 1,800.00        | 144,443.50                       |          |
| 18       | Other nonoperating income             | (73,357.81)     | (6,808.71)      | (7,724.40)     | (18,082.00)     | (6,485.64)      | (112,458.56)                     |          |
| 19       | Total other income (loss)             | (77,651.54)     | (6,551.38)      | (7,763.68)     | 99,959.00       | 5,019.96        | 13,012.36                        |          |
| 20       | Income (loss) before interest charges | 2,872,376.14    | 1,564,763.79    | 1,574,559.90   | 6,801,058.55    | 2,778,902.64    | 15,591,661.02                    |          |
| 21       | Interest charges                      | 653,254.55      | 375,076.03      | 332,067.93     | 1,078,411.00    | 502,979.73      | 2,941,789.24                     |          |
| 22       | Net income (loss)                     | \$2,219,121.59  | \$1,189,687.76  | \$1,242,491.97 | \$5,722,647.55  | \$2,275,922.91  | \$12,649,871.78                  |          |

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE THREE MONTHS ENDED 12/31/97

1997

| Line No. | Description (a)                       | Utility Business Units |                 |                 |                  | WKG (f)         | Total Utility Business Units (g) | Line No. |
|----------|---------------------------------------|------------------------|-----------------|-----------------|------------------|-----------------|----------------------------------|----------|
|          |                                       | Energas (b)            | GGC (c)         | Trans La (d)    | UCG (e)          |                 |                                  |          |
| 1        | Operating revenues                    |                        |                 |                 |                  |                 |                                  | 1        |
| 2        | Gas                                   | \$69,935,551.87        | \$29,436,681.89 | \$13,184,717.15 | \$111,482,009.00 | \$51,191,581.95 | \$275,230,541.86                 | 2        |
| 3        | Transportation                        | 250,047.36             | 398,337.16      | 27,864.76       | 3,939,761.00     | 2,219,188.58    | 6,835,198.86                     | 3        |
|          | Other                                 | 0.00                   | 0.00            | 0.00            | 0.00             | 0.00            | 0.00                             |          |
| 4        | Total operating revenues              | 70,185,599.23          | 29,835,019.05   | 13,212,581.91   | 115,421,770.00   | 53,410,770.53   | 282,065,740.72                   | 4        |
| 5        | Purchased gas cost                    | 49,400,804.02          | 18,820,352.98   | 5,179,236.25    | 76,072,732.00    | 39,297,754.95   | 188,770,880.20                   | 5        |
| 6        | Gross profit                          | 20,784,795.21          | 11,014,666.07   | 8,033,345.66    | 39,349,038.00    | 14,113,015.58   | 93,294,860.52                    | 6        |
|          | Operating expenses                    |                        |                 |                 |                  |                 |                                  |          |
| 7        | Operation                             | 5,947,356.80           | 3,162,037.58    | 1,719,355.06    | 12,807,393.93    | 3,622,952.49    | 27,259,095.86                    | 7        |
| 8        | Maintenance                           | 289,866.70             | 145,165.01      | 129,077.02      | 1,471,690.00     | 218,045.81      | 2,253,844.54                     | 8        |
| 9        | Depreciation and amortization         | 1,645,901.70           | 1,239,976.90    | 919,181.22      | 4,589,906.00     | 1,635,977.55    | 10,030,943.37                    | 9        |
| 10       | Taxes - other than income taxes       | 2,770,595.40           | 664,016.87      | 573,150.36      | 3,263,625.00     | 511,236.57      | 7,782,624.20                     | 10       |
| 11       | Shared services - direct              | 849,812.76             | 341,884.63      | 402,432.06      | 0.00             | 667,851.92      | 2,261,981.37                     | 11       |
| 12       | Shared services - billed              | 1,806,740.86           | 662,279.22      | 484,292.06      | 1,618,690.49     | 1,021,096.36    | 5,593,098.99                     | 12       |
| 13       | Provision for income taxes            | 1,948,997.32           | 1,431,024.07    | 1,081,654.19    | 4,741,991.15     | 2,033,324.42    | 11,236,991.15                    | 13       |
| 14       | Total operating expenses              | 15,259,271.54          | 7,646,384.28    | 5,309,141.97    | 28,493,296.57    | 9,710,485.12    | 66,418,579.48                    | 14       |
| 15       | Operating income (loss)               | 5,525,523.67           | 3,368,281.79    | 2,724,203.69    | 10,855,741.43    | 4,402,530.46    | 26,876,281.04                    | 15       |
|          | Other income                          |                        |                 |                 |                  |                 |                                  |          |
| 16       | Merchandise                           | (14,679.59)            | (872.75)        | 7,360.30        | (40,698.00)      | 80,197.79       | 31,307.75                        | 16       |
| 17       | Interest income                       | 45,891.72              | 226.47          | 588.97          | 362,219.00       | 5,758.96        | 414,685.12                       | 17       |
| 18       | Other nonoperating income             | (146,006.22)           | 31,373.66       | (29,163.38)     | (22,043.00)      | (17,236.59)     | (183,075.53)                     | 18       |
| 19       | Total other income (loss)             | (114,794.09)           | 30,727.38       | (21,214.11)     | 299,478.00       | 68,720.16       | 262,917.34                       | 19       |
| 20       | Income (loss) before interest charges | 5,410,729.58           | 3,399,009.17    | 2,702,989.58    | 11,155,219.43    | 4,471,250.62    | 27,139,198.38                    | 20       |
| 21       | Interest charges                      | 1,873,468.92           | 1,109,966.11    | 951,614.27      | 3,279,395.00     | 1,447,650.44    | 8,662,094.74                     | 21       |
| 22       | Net income (loss)                     | \$3,537,260.66         | \$2,289,043.06  | \$1,751,375.31  | \$7,875,824.43   | \$3,023,600.18  | \$18,477,103.64                  | 22       |

( THIS PAGE LEFT BLANK INTENTIONALLY )

WESTERN KENTUCKY GAS BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE MONTH ENDED 12/31/97

| Line No. | Description (a)                    | 1997            |              |                                  |   | Line No. |
|----------|------------------------------------|-----------------|--------------|----------------------------------|---|----------|
|          |                                    | WKG (b)         | WKCR (c)     | Eliminations and Adjustments (d) | Western Kentucky Gas Business Units (e) |          |
| 1        | Operating revenues                 |                 |              |                                  |   |          |
| 2        | Gas                                | \$26,514,748.27 | \$0.00       | \$0.00                           | \$26,514,748.27                         |          |
| 3        | Transportation                     | 797,034.12      | 0.00         | 0.00                             | 797,034.12                              |          |
| 3        | Other                              | 0.00            | 0.00         | 0.00                             | 0.00                                    |          |
| 4        | Total operating revenues           | 27,311,782.39   | 0.00         | 0.00                             | 27,311,782.39                           |          |
| 5        | Purchased gas cost                 | 20,331,219.20   | 0.00         | 0.00                             | 20,331,219.20                           |          |
| 6        | Gross profit                       | 6,980,563.19    | 0.00         | 0.00                             | 6,980,563.19                            |          |
| 7        | Operating expenses                 |                 |              |                                  |   |          |
| 8        | Operation                          | 1,318,445.01    | 0.00         | 0.00                             | 1,318,445.01                            |          |
| 8        | Maintenance                        | 65,603.65       | 0.00         | 0.00                             | 65,603.65                               |          |
| 9        | Depreciation and amortization      | 545,364.13      | 0.00         | 0.00                             | 545,364.13                              |          |
| 10       | Taxes - other than income taxes    | 189,956.88      | 0.00         | 0.00                             | 189,956.88                              |          |
| 11       | Shared services - direct           | 193,265.52      | 0.00         | 0.00                             | 193,265.52                              |          |
| 12       | Shared services - billed           | 393,127.26      | 0.00         | 443.61                           | 393,570.87                              |          |
| 13       | Provision for income taxes         | 1,500,474.45    | 0.00         | 0.00                             | 1,500,474.45                            |          |
| 14       | Total operating expenses           | 4,206,236.90    | 0.00         | 443.61                           | 4,206,680.51                            |          |
| 15       | Operating income (loss)            | 2,774,326.29    | 0.00         | (443.61)                         | 2,773,882.68                            |          |
| 16       | Other income                       |                 |              |                                  |   |          |
| 17       | Merchandise                        | 9,705.60        | 0.00         | 0.00                             | 9,705.60                                |          |
| 17       | Interest income                    | 1,800.00        | 0.00         | 0.00                             | 1,800.00                                |          |
| 18       | Shared services - billed           | 0.00            | (443.61)     | 443.61                           | 0.00                                    |          |
| 19       | Other nonoperating income          | (5,585.27)      | (900.37)     | 0.00                             | (6,485.64)                              |          |
| 20       | Total other income (loss)          | 5,920.33        | (1,343.98)   | 443.61                           | 5,019.96                                |          |
| 21       | Income (loss) before interest chgs | 2,780,246.62    | (1,343.98)   | 0.00                             | 2,778,902.64                            |          |
| 22       | Interest charges                   | 502,979.73      | 0.00         | 0.00                             | 502,979.73                              |          |
| 23       | Net income (loss)                  | \$2,277,266.89  | (\$1,343.98) | \$0.00                           | \$2,275,922.91                          |          |



WESTERN KENTUCKY GAS BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE THREE MONTHS ENDED 12/31/97

| Line No. | Description (a)                    | 1997            |              |                                  | Line No.        |
|----------|------------------------------------|-----------------|--------------|----------------------------------|-----------------|
|          |                                    | WKGR (b)        | WKGR (c)     | Eliminations and Adjustments (d) |                 |
| 1        | Operating revenues                 |                 |              |                                  |                 |
| 2        | Gas                                | \$51,191,581.95 | \$0.00       | \$0.00                           | \$51,191,581.95 |
| 3        | Transportation                     | 2,219,188.58    | 0.00         | 0.00                             | 2,219,188.58    |
| 4        | Other                              | 0.00            | 0.00         | 0.00                             | 0.00            |
| 5        | Total operating revenues           | 53,410,770.53   | 0.00         | 0.00                             | 53,410,770.53   |
| 6        | Purchased gas cost                 | 39,297,754.95   | 0.00         | 0.00                             | 39,297,754.95   |
| 7        | Gross profit                       | 14,113,015.58   | 0.00         | 0.00                             | 14,113,015.58   |
| 8        | Operating expenses                 |                 |              |                                  |                 |
| 9        | Operation                          | 3,622,952.49    | 0.00         | 0.00                             | 3,622,952.49    |
| 10       | Maintenance                        | 218,045.81      | 0.00         | 0.00                             | 218,045.81      |
| 11       | Depreciation and amortization      | 1,635,977.55    | 0.00         | 0.00                             | 1,635,977.55    |
| 12       | Taxes - other than income taxes    | 511,236.57      | 0.00         | 0.00                             | 511,236.57      |
| 13       | Shared services - direct           | 667,851.92      | 0.00         | 0.00                             | 667,851.92      |
| 14       | Shared services - billed           | 1,019,932.01    | 0.00         | 1,164.35                         | 1,021,096.36    |
| 15       | Provision for income taxes         | 2,033,324.42    | 0.00         | 0.00                             | 2,033,324.42    |
| 16       | Total operating expenses           | 9,709,320.77    | 0.00         | 1,164.35                         | 9,710,485.12    |
| 17       | Operating income (loss)            | 4,403,694.81    | 0.00         | (1,164.35)                       | 4,402,530.46    |
| 18       | Other income                       |                 |              |                                  |                 |
| 19       | Merchandise                        | 80,197.79       | 0.00         | 0.00                             | 80,197.79       |
| 20       | Interest income                    | 5,758.96        | 0.00         | 0.00                             | 5,758.96        |
| 21       | Shared services - billed           | 0.00            | (1,164.35)   | 1,164.35                         | 0.00            |
| 22       | Other nonoperating income          | (17,086.44)     | (150.15)     | 0.00                             | (17,236.59)     |
| 23       | Total other income (loss)          | 68,870.31       | (1,314.50)   | 1,164.35                         | 68,720.16       |
| 24       | Income (loss) before interest chgs | 4,472,565.12    | (1,314.50)   | 0.00                             | 4,471,250.62    |
| 25       | Interest charges                   | 1,447,650.44    | 0.00         | 0.00                             | 1,447,650.44    |
| 26       | Net income (loss)                  | \$3,024,914.68  | (\$1,314.50) | \$0.00                           | \$3,023,600.18  |

WESTERN KENTUCKY GAS COMPANY  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 12/31/97

| Line No. | Description (a)                      | Current Month   |              |                         | Year to Date    |                 |                         | Actual Over (Under) Prior Year (k) |
|----------|--------------------------------------|-----------------|--------------|-------------------------|-----------------|-----------------|-------------------------|------------------------------------|
|          |                                      | Actual (b)      | Budget (c)   | Over (Under) Budget (d) | Actual (g)      | Budget (h)      | Over (Under) Budget (i) |                                    |
| 1        | Operating revenues                   |                 |              |                         |                 |                 |                         |                                    |
| 2        | Gas                                  | \$26,514,748.27 | \$17,838,000 | \$8,676,748.27          | \$51,191,581.95 | \$35,291,000.00 | \$15,900,581.95         | \$44,707,185.55                    |
| 3        | Transportation                       | 797,034.12      | 700,000      | 97,034.12               | 2,219,188.38    | 2,100,000.00    | 119,188.38              | 1,666,491.76                       |
| 3        | Other                                | 0.00            | 0            | 0.00                    | 0.00            | 0.00            | 0.00                    | 0.00                               |
| 4        | Total operating revenues             | 27,311,782.39   | 18,538,000   | 8,773,782.39            | 53,410,770.33   | 37,391,000.00   | 16,019,770.33           | 46,373,677.31                      |
| 5        | Purchased gas cost                   | 20,331,219.20   | 12,155,000   | 8,176,219.20            | 39,297,754.95   | 25,315,000.00   | 13,982,754.95           | 34,909,446.30                      |
| 6        | Gross profit                         | 6,980,563.19    | 6,383,000    | 597,563.19              | 14,113,015.38   | 12,076,000.00   | 2,037,015.38            | 11,464,231.01                      |
| 7        | Operating expenses                   |                 |              |                         |                 |                 |                         |                                    |
| 8        | Operation                            | 1,318,445.01    | 1,247,000    | 71,445.01               | 3,622,952.49    | 3,833,000.00    | (210,047.51)            | 4,204,021.84                       |
| 8        | Maintenance                          | 65,603.65       | 132,000      | (66,396.35)             | 218,045.81      | 396,000.00      | (177,954.19)            | 205,657.55                         |
| 9        | Depreciation                         | 545,364.13      | 544,000      | 1,364.13                | 1,635,977.55    | 1,632,000.00    | 3,977.55                | 1,532,767.89                       |
| 10       | Taxes - other than income taxes      | 189,956.88      | 87,000       | 102,956.88              | 38,116.48       | 297,000.00      | 214,236.57              | 430,800.62                         |
| 11       | Shared Services - direct             | 193,263.52      | 0            | 193,263.52              | 511,236.57      | 0.00            | 667,851.92              | 507,885.19                         |
| 12       | Shared Services - billed             | 393,127.26      | 563,000      | (169,872.74)            | 37,701.69       | 0.00            | (713,067.99)            | 1,193,980.12                       |
| 13       | Provision for income taxes           | 1,500,474.45    | 1,348,000    | 152,474.45              | 2,033,324.42    | 1,187,000.00    | 846,324.42              | 1,043,611.80                       |
| 14       | Total operating expenses             | 4,206,236.90    | 3,921,000    | 285,236.90              | 9,709,320.77    | 9,078,000.00    | 631,320.77              | 9,118,725.01                       |
| 15       | Operating income (loss)              | 2,774,326.29    | 2,462,000    | 312,326.29              | 4,403,694.81    | 2,998,000.00    | 1,405,694.81            | 2,345,506.00                       |
| 16       | Other income                         |                 |              |                         |                 |                 |                         |                                    |
| 16       | Merchandise                          | 9,705.60        | (2,000)      | 11,705.60               | 80,197.79       | (6,000.00)      | 86,197.79               | 143,993.59                         |
| 17       | Interest income                      | 1,800.00        | 4,000        | (2,200.00)              | 5,758.96        | 12,000.00       | (6,241.04)              | 4,819.04                           |
| 18       | Other nonoperating income            | (5,585.27)      | 35,000       | (40,585.27)             | (17,086.44)     | 105,000.00      | (122,086.44)            | 1,438.27                           |
| 19       | Total other income (loss)            | 5,920.33        | 37,000       | (31,079.67)             | 68,870.31       | 111,000.00      | (42,129.69)             | 150,270.90                         |
| 20       | Income (loss) before interest charge | 2,780,246.62    | 2,499,000    | 281,246.62              | 4,472,565.12    | 3,109,000.00    | 1,363,565.12            | 2,495,776.90                       |
| 21       | Interest charges                     | 502,979.73      | 435,000      | 67,979.73               | 1,447,650.44    | 1,295,000.00    | 154,650.44              | 1,104,346.33                       |
| 22       | Net income (loss)                    | \$2,277,266.89  | \$2,064,000  | \$213,266.89            | \$3,024,914.68  | \$1,814,000.00  | \$1,208,914.68          | \$1,391,430.57                     |

WESTERN KENTUCKY GAS RESOURCES, INC.  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 12/31/97

| Line No. | Description (a)                      | Current Month |            |                                |                       | Year to Date                       |              |               |                                | Actual Over (Under) Prior Year (k) |                       |            |
|----------|--------------------------------------|---------------|------------|--------------------------------|-----------------------|------------------------------------|--------------|---------------|--------------------------------|------------------------------------|-----------------------|------------|
|          |                                      | Actual (b)    | Budget (c) | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Prior Year (f) | Actual (g)   | Budget (h)    | Actual Over (Under) Budget (i) |                                    | Prior Year Actual (j) |            |
| 1        | Operating revenues                   |               |            |                                |                       |                                    |              |               |                                |                                    |                       |            |
| 2        | Gas                                  | \$0.00        | \$0        | \$0.00                         | \$0.00                | \$0.00                             | \$0.00       | \$0.00        | \$0.00                         | \$0.00                             | \$0.00                | \$0.00     |
| 3        | Transportation                       | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00          | 0.00                           | 0.00                               | 0.00                  | 0.00       |
| 4        | Other                                | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00          | 0.00                           | 0.00                               | 0.00                  | 0.00       |
| 4        | Total operating revenues             | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00          | 0.00                           | 0.00                               | 0.00                  | 0.00       |
| 5        | Purchased gas cost                   | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00          | 0.00                           | 0.00                               | 0.00                  | 0.00       |
| 6        | Gross profit                         | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00          | 0.00                           | 0.00                               | 0.00                  | 0.00       |
| 7        | Operating expenses                   |               |            |                                |                       |                                    |              |               |                                |                                    |                       |            |
| 8        | Operation                            | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00          | 0.00                           | 0.00                               | 0.00                  | 0.00       |
| 9        | Maintenance                          | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00          | 0.00                           | 0.00                               | 0.00                  | 0.00       |
| 10       | Depreciation                         | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00          | 0.00                           | 0.00                               | 0.00                  | 0.00       |
| 11       | Taxes - other than income taxes      | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00          | 0.00                           | 0.00                               | 0.00                  | 0.00       |
| 11       | Provision for income taxes           | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00          | 0.00                           | 0.00                               | 0.00                  | 0.00       |
| 12       | Total operating expenses             | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00          | 0.00                           | 0.00                               | 0.00                  | 0.00       |
| 13       | Operating income (loss)              | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00          | 0.00                           | 0.00                               | 0.00                  | 0.00       |
| 14       | Other income                         |               |            |                                |                       |                                    |              |               |                                |                                    |                       |            |
| 15       | Merchandise                          | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00          | 0.00                           | 0.00                               | 0.00                  | 0.00       |
| 16       | Interest income                      | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00          | 0.00                           | 0.00                               | 0.00                  | 0.00       |
| 16       | Shared Services - Billed             | (443.61)      | 3,000      | (3,443.61)                     | 6,480.03              | (1,164.35)                         | 9,000        | (10,164.35)   | (3,367.03)                     | (3,367.03)                         | 2,202.68              | 2,202.68   |
| 17       | Other nonoperating income            | (900.37)      | 0          | (900.37)                       | (4,657.67)            | 3,757.30                           | (150.15)     | (150.15)      | (7,249.89)                     | (7,249.89)                         | 7,099.74              | 7,099.74   |
| 18       | Total other income (loss)            | (1,343.98)    | 3,000      | (4,343.98)                     | 1,822.36              | (3,166.34)                         | (1,314.50)   | (10,314.50)   | (10,616.92)                    | (10,616.92)                        | 9,302.42              | 9,302.42   |
| 19       | Income (loss) before interest charge | (1,343.98)    | 3,000      | (4,343.98)                     | 1,812.36              | (3,156.34)                         | (1,314.50)   | (10,314.50)   | (9,626.92)                     | (9,626.92)                         | 8,312.42              | 8,312.42   |
| 20       | Interest charges                     | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00          | 0.00                           | 0.00                               | 0.00                  | 0.00       |
| 21       | Net income (loss)                    | (\$1,343.98)  | \$3,000    | (\$4,343.98)                   | \$1,812.36            | (\$3,156.34)                       | (\$1,314.50) | (\$10,314.50) | (\$9,626.92)                   | (\$9,626.92)                       | \$8,312.42            | \$8,312.42 |

ATMOS ENERGY SERVICES, INC.  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 12/31/97

| Line No. | Description (a)                      | Current Month |             |                                | Year to Date          |                                    |             | Actual Over (Under) Prior Year (k) | Line No.     |
|----------|--------------------------------------|---------------|-------------|--------------------------------|-----------------------|------------------------------------|-------------|------------------------------------|--------------|
|          |                                      | Actual (b)    | Budget* (c) | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Prior Year (f) | Budget* (h) |                                    |              |
| 1        | Operating revenues                   |               |             |                                |                       |                                    |             |                                    |              |
| 2        | Gas                                  | \$0.00        | \$0         | \$0.00                         | \$0.00                | \$0.00                             | \$0         | \$0.00                             | \$0.00       |
| 3        | Transportation                       | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0           | 0.00                               | 0.00         |
| 4        | Other                                | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0           | 0.00                               | 0.00         |
| 4        | Total operating revenues             | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0           | 0.00                               | 0.00         |
| 5        | Purchased gas cost                   | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0           | 0.00                               | 0.00         |
| 6        | Gross profit                         | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0           | 0.00                               | 0.00         |
| 7        | Operating expenses                   |               |             |                                |                       |                                    |             |                                    |              |
| 8        | Operation                            | 45.00         | 0           | 45.00                          | 326.25                | (281.25)                           | 0           | 70.00                              | 1,879.66     |
| 9        | Maintenance                          | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0           | 0.00                               | 0.00         |
| 10       | Depreciation                         | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0           | 0.00                               | 0.00         |
| 11       | Taxes - other than income taxes      | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0           | 0.00                               | 0.00         |
| 12       | Shared Services - Billed             | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0           | 0.00                               | 0.00         |
| 12       | Provision for income taxes           | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0           | 0.00                               | 0.00         |
| 13       | Total operating expenses             | 45.00         | 0           | 45.00                          | 326.25                | (281.25)                           | 0           | 70.00                              | 1,879.66     |
| 14       | Operating income (loss)              | (45.00)       | 0           | (45.00)                        | (326.25)              | 281.25                             | 0           | (70.00)                            | (1,879.66)   |
| 15       | Other income                         |               |             |                                |                       |                                    |             |                                    |              |
| 16       | Merchandise                          | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0           | 0.00                               | 0.00         |
| 17       | Interest income                      | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0           | 0.00                               | 0.00         |
| 17       | Other nonoperating income            | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0           | 0.00                               | 0.00         |
| 18       | Total other income (loss)            | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0           | 0.00                               | 0.00         |
| 19       | Income (loss) before interest charge | (45.00)       | 0           | (45.00)                        | (326.25)              | 281.25                             | 0           | (70.00)                            | (1,879.66)   |
| 20       | Interest charges                     | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                               | 0           | 0.00                               | 0.00         |
| 21       | Net income (loss)                    | (\$45.00)     | \$0         | (\$45.00)                      | (\$326.25)            | \$281.25                           | \$0         | (\$70.00)                          | (\$1,879.66) |

\* Atmos Energy Services budget not available.

( THIS PAGE LEFT BLANK INTENTIONALLY )

ATMOS ENERGY CORPORATION  
COMBINING BALANCE SHEETS\*  
AS OF 12/31/97

| Line No.      | Description (a)   | ATMOS (b)        | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)    | Line No. |
|---------------|---|------------------|-------------------|--------------------------------|--------------------|----------|
| <b>ASSETS</b> |   |                  |                   |                                |                    |          |
| 1             | Property, plant and equipment                             |                  |                   |                                |                    | 1        |
| 2             | Utility plant   | \$739,417,168.87 | \$501,972,968.00  | \$0.00                         | \$1,241,340,136.87 | 2        |
| 3             | Nonutility plant  | 3,021,400.01     | 0.00              | 0.00                           | 3,021,400.01       | 3        |
| 4             | Construction work in progress                             | 47,354,533.37    | 4,633,919.00      | 0.00                           | 51,988,452.37      | 4        |
| 5             | Less accumulated depreciation and amortization            | 789,793,102.25   | 506,556,887.00    | 0.00                           | 1,296,349,989.25   | 5        |
| 6             | Net property, plant and equipment                         | 302,328,612.33   | 192,349,191.00    | 0.00                           | 494,677,803.33     | 6        |
| 7             | Investments in & advances to subsidiaries                 | 487,464,489.92   | 314,207,696.00    | 0.00                           | 801,672,185.92     | 7        |
| 8             | Current assets  | 3,900,881.01     | 4,452,327.00      | 0.00                           | 8,353,208.01       | 8        |
| 9             | Cash and temporary cash investments                       | 4,168,237.17     | 2,228,632.00      | 0.00                           | 6,396,869.17       | 9        |
| 10            | Accounts receivable, less allowance for doubtful accounts | 104,070,150.20   | 62,434,681.00     | 0.00                           | 166,504,831.20     | 10       |
| 11            | Inventories   | 7,685,221.24     | 4,885,687.00      | 0.00                           | 12,570,908.24      | 11       |
| 12            | Gas stored underground                                    | 16,721,801.07    | 22,467,247.00     | 0.00                           | 39,189,048.07      | 12       |
| 13            | Other current assets                                      | 2,926,671.89     | 1,476,518.00      | 0.00                           | 4,403,189.89       | 13       |
| 14            | Intercompany accounts                                     | 86,470,666.26    | (78,535,440.80)   | 0.00                           | 7,935,225.46       | 14       |
| 15            | Total current assets                                      | 222,042,747.83   | 14,957,224.20     | 0.00                           | 237,000,072.03     | 15       |
| 16            | Deferred charges and other assets                         | 56,313,966.78    | 28,950,327.35     | 0.00                           | 85,264,294.13      | 16       |
|               | Total assets  | \$769,722,085.54 | \$362,567,674.55  | \$0.00                         | \$1,132,289,760.09 |          |

\*This balance sheet combines Energas, Trans La, Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

ATMOS ENERGY CORPORATION  
COMBINING BALANCE SHEETS\*  
AS OF 12/31/97

| Line No.  | Description (a)                            | ATMOS (b)        | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)    | Line No. |
|---|--|------------------|-------------------|--------------------------------|--------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |  |                  |                   |                                |                    |          |
| Shareholders' equity                              |  |                  |                   |                                |                    |          |
| 1   | Common stock                               | \$82,653.56      | \$66,601.11       | \$0.00                         | \$149,254.67       | 1        |
| 2   | Common stock subscribed                    | 0.00             | 0.00              | 0.00                           | 0.00               | 2        |
| 3   | Additional paid-in capital                 | 123,898,098.66   | 132,664,593.89    | 0.00                           | 256,562,692.55     | 3        |
| 4   | Retained earnings                          | 51,012,052.35    | 10,900,336.55     | 0.00                           | 61,912,388.90      | 4        |
| 5   | Total shareholders' equity                 | 174,992,804.57   | 143,631,531.55    | 0.00                           | 318,624,336.12     | 5        |
| Long-term debt (including current maturities) (1) |  |                  |                   |                                |                    |          |
| 6   |  | 157,303,308.00   | 135,000,000.00    | 0.00                           | 292,303,308.00     | 6        |
| 7   | Total capitalization                       | 332,296,112.57   | 278,631,531.55    | 0.00                           | 610,927,644.12     | 7        |
| Current liabilities                               |  |                  |                   |                                |                    |          |
| 8   | Notes payable                              | 213,600,000.00   | 0.00              | 0.00                           | 213,600,000.00     | 8        |
| 9   | Accounts payable                           | 86,211,671.80    | 20,002,279.00     | 0.00                           | 106,213,950.80     | 9        |
| 10  | Accrued taxes                              | 5,609,053.88     | 4,630,396.00      | 0.00                           | 10,239,449.88      | 10       |
| 11  | Income taxes payable                       | (2,499,349.36)   | (4,109,443.00)    | 0.00                           | (6,608,792.36)     | 11       |
| 12  | Dividends declared                         | 0.00             | 0.00              | 0.00                           | 0.00               | 12       |
| 13  | Customers' deposits                        | 8,864,726.43     | 5,777,636.00      | 0.00                           | 14,642,362.43      | 13       |
| 14  | Other current liabilities                  | 29,007,175.59    | 17,732,941.00     | 0.00                           | 46,740,116.59      | 14       |
| 15  | Intercompany accounts                      | 0.00             | 996,533.00        | 0.00                           | 996,533.00         | 15       |
| 16  | Total current liabilities                  | 340,793,278.34   | 45,030,342.00     | 0.00                           | 385,823,620.34     | 16       |
| 17  | Deferred federal income taxes              | 55,694,379.30    | 25,466,171.00     | 0.00                           | 81,160,550.30      | 17       |
| 18  | Deferred credits                           | 40,938,315.33    | 13,439,630.00     | 0.00                           | 54,377,945.33      | 18       |
| 19  | Total liabilities and shareholders' equity | \$769,722,085.54 | \$362,567,674.55  | \$0.00                         | \$1,132,289,760.09 | 19       |

\*This balance sheet combines Energas, Trans La, Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

ATMOS ENERGY CORPORATION  
COMBINING STATEMENTS OF INCOME\*  
FOR THE MONTH ENDED DECEMBER 31, 1997

| Line No. | Description (a)                       | ATMOS (b)       | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)  | Line No. |
|----------|---------------------------------------|-----------------|-------------------|--------------------------------|------------------|----------|
| 1        | Operating revenues                    |                 |                   |                                |                  |          |
| 2        | Gas                                   | \$72,158,189.79 | \$53,608,911.00   | \$0.00                         | \$125,767,100.79 | 1        |
| 3        | Transportation                        | 1,332,327.92    | 1,357,364.00      | 0.00                           | 2,689,691.92     | 2        |
| 3        | Other                                 | 0.00            | 0.00              | 0.00                           | 0.00             | 3        |
| 4        | Total operating revenues              | 73,490,517.71   | 54,966,275.00     | 0.00                           | 128,456,792.71   | 4        |
| 5        | Purchased gas cost                    | 49,617,007.17   | 36,194,127.00     | 0.00                           | 85,811,134.17    | 5        |
| 6        | Gross profit                          | 23,873,510.54   | 18,772,148.00     | 0.00                           | 42,645,658.54    | 6        |
| 7        | Operating expenses                    |                 |                   |                                |                  |          |
| 8        | Operation                             | 6,529,575.41    | 5,486,431.45      | 0.00                           | 12,016,006.86    | 7        |
| 8        | Maintenance                           | 244,948.07      | 452,643.00        | 0.00                           | 697,591.07       | 8        |
| 9        | Depreciation                          | 1,735,018.54    | 1,526,004.00      | 0.00                           | 3,261,022.54     | 9        |
| 10       | Taxes - other than income taxes       | 1,871,014.95    | 1,174,660.00      | 0.00                           | 3,045,674.95     | 10       |
| 11       | Provision for income taxes            | 4,429,000.00    | 3,431,310.00      | 0.00                           | 7,860,310.00     | 11       |
| 12       | Total operating expenses              | 14,809,556.97   | 12,071,048.45     | 0.00                           | 26,880,605.42    | 12       |
| 13       | Operating income (loss)               | 9,063,953.57    | 6,701,099.55      | 0.00                           | 15,765,053.12    | 13       |
| 14       | Other income                          |                 |                   |                                |                  |          |
| 14       | Merchandise                           | (10,144.58)     | (8,828.00)        | 0.00                           | (18,972.58)      | 14       |
| 15       | Interest income                       | 17,574.50       | 126,869.00        | 0.00                           | 144,443.50       | 15       |
| 16       | Other nonoperating income             | (53,098.45)     | (18,082.00)       | 0.00                           | (71,180.45)      | 16       |
| 17       | Total other income (loss)             | (45,668.53)     | 99,959.00         | 0.00                           | 54,290.47        | 17       |
| 18       | Income (loss) before interest charges | 9,018,285.04    | 6,801,058.55      | 0.00                           | 15,819,343.59    | 18       |
| 19       | Interest charges                      | 1,863,378.24    | 1,078,411.00      | 0.00                           | 2,941,789.24     | 19       |
| 20       | Net income (loss)                     | \$7,154,906.80  | \$5,722,647.55    | \$0.00                         | \$12,877,554.35  | 20       |

\*This statement of income combines Energas, Trans La, Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.



ATMOS ENERGY CORPORATION  
 COMBINING STATEMENTS OF INCOME\*  
 FOR THREE MONTHS ENDED DECEMBER 31, 1997

| Line No. | Description (a)                       | ATMOS (b)        | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)  | Line No. |
|----------|---------------------------------------|------------------|-------------------|--------------------------------|------------------|----------|
| 1        | Operating revenues                    |                  |                   |                                |                  |          |
| 2        | Gas                                   | \$155,819,492.48 | 111,482,009.00    | \$0.00                         | \$267,301,501.48 | 1        |
| 3        | Transportation                        | 3,493,572.46     | 3,939,761.00      | 0.00                           | 7,433,333.46     | 2        |
|          | Other                                 | 0.00             | 0.00              | 0.00                           | 0.00             | 3        |
| 4        | Total operating revenues              | 159,313,064.94   | 115,421,770.00    | 0.00                           | 274,734,834.94   | 4        |
| 5        | Purchased gas cost                    | 106,555,611.58   | 76,072,732.00     | 0.00                           | 182,628,343.58   | 5        |
| 6        | Gross profit                          | 52,757,453.36    | 39,349,038.00     | 0.00                           | 92,106,491.36    | 6        |
|          | Operating expenses                    |                  |                   |                                |                  |          |
| 7        | Operation                             | 18,005,990.75    | 14,426,084.42     | 0.00                           | 32,432,075.17    | 7        |
| 8        | Maintenance                           | 789,448.50       | 1,471,690.00      | 0.00                           | 2,261,138.50     | 8        |
| 9        | Depreciation                          | 6,245,800.30     | 4,589,906.00      | 0.00                           | 10,835,706.30    | 9        |
| 10       | Taxes - other than income taxes       | 4,691,970.90     | 3,263,625.00      | 0.00                           | 7,955,595.90     | 10       |
| 11       | Provision for income taxes            | 6,721,000.00     | 4,741,991.15      | 0.00                           | 11,462,991.15    | 11       |
| 12       | Total operating expenses              | 36,454,210.45    | 28,493,296.57     | 0.00                           | 64,947,507.02    | 12       |
| 13       | Operating income (loss)               | 16,303,242.91    | 10,855,741.43     | 0.00                           | 27,158,984.34    | 13       |
|          | Other income                          |                  |                   |                                |                  |          |
| 14       | Merchandise                           | 72,005.75        | (40,698.00)       | 0.00                           | 31,307.75        | 14       |
| 15       | Interest income                       | 52,466.12        | 362,219.00        | 0.00                           | 414,685.12       | 15       |
| 16       | Other nonoperating income             | (89,541.63)      | (22,043.00)       | 0.00                           | (111,584.63)     | 16       |
| 17       | Total other income (loss)             | 34,930.24        | 299,478.00        | 0.00                           | 334,408.24       | 17       |
| 18       | Income (loss) before interest charges | 16,338,173.15    | 11,155,219.43     | 0.00                           | 27,493,392.58    | 18       |
| 19       | Interest charges                      | 5,382,209.06     | 3,279,395.00      | 0.00                           | 8,661,604.06     | 19       |
| 20       | Net income (loss)                     | \$10,955,964.09  | \$7,875,824.43    | \$0.00                         | \$18,831,788.52  | 20       |

\*This statement of income combines Energas, Trans La, Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

**ATMOS ENERGY CORPORATION**  
**PROPERTY, PLANT AND EQUIPMENT**  
**AS OF DECEMBER 31, 1997**

|  | Year to Date    |              |             |           | Balance 12/31/97 |
|--|-----------------|--------------|-------------|-----------|------------------|
|  | Balance 9/30/97 | Additions    | Retirements | Transfers |                  |
| <b>GAS PLANT</b>                         |                 |              |             |           |                  |
| Atmos                                    |                 |              |             |           |                  |
| Atmos General Office(2)                  | \$39,305,772.63 | \$0.00       | \$0.00      | \$0.00    | \$39,305,772.63  |
| Total Atmos                              | 39,305,772.63   | 0.00         | 0.00        | 0.00      | 39,305,772.63    |
| Energas                                  |                 |              |             |           |                  |
| Amarillo Transmission Div.(1)            | 3,209,615.20    | 0.00         | 0.00        | 0.00      | 3,209,615.20     |
| Amarillo City Plant Dist. Div.(3)        | 48,276,563.22   | 216,913.13   | 0.00        | 0.00      | 48,493,476.35    |
| Fritch & Sanford City Plt. Dist. Div.(4) | 953,581.61      | 0.00         | 0.00        | 0.00      | 953,581.61       |
| West Texas City Plant Dist. Div.(5)      | 158,615,997.05  | 939,226.19   | 0.00        | 0.00      | 159,554,323.24   |
| Dalhart City Plant Dist. Div.(6)         | 2,108,641.38    | 0.00         | 0.00        | 0.00      | 2,108,641.38     |
| West Texas Rural Irrigation Div.(8)      | 23,269,273.27   | 0.00         | 0.00        | 0.00      | 23,269,273.27    |
| Energas General Office(10)               | 2,437,569.38    | 0.00         | 0.00        | 0.00      | 2,437,569.38     |
| Fain-Amarillo Creek Transmission(11)     | 71,230.00       | 0.00         | 0.00        | 0.00      | 71,230.00        |
| Amarillo Rural Dist. Div.(13)            | 371,855.76      | 0.00         | 0.00        | 0.00      | 371,855.76       |
| Dalhart Rural Dist. Div.(17)             | 61,651.11       | 0.00         | 0.00        | 0.00      | 61,651.11        |
| Dalhart Rural Irrigation Div.(18)        | 333,690.52      | 0.00         | 0.00        | 0.00      | 333,690.52       |
| West Texas Rural Dist. Div.(21)          | 11,127,951.62   | 0.00         | 0.00        | 0.00      | 11,127,951.62    |
| Meter Shop Facilities & Meters(22)       | 0.00            | 0.00         | 0.00        | 0.00      | 0.00             |
| Total Energas                            | 250,836,720.12  | 1,156,139.32 | 0.00        | 0.00      | 251,992,859.44   |
| Trans La                                 |                 |              |             |           |                  |
| Trans La Dist. Div.(7)                   | 111,390,280.93  | 514,768.62   | 105,309.40  | 0.00      | 111,799,740.15   |
| Total Trans La                           | 111,390,280.93  | 514,768.62   | 105,309.40  | 0.00      | 111,799,740.15   |
| Western Kentucky Gas                     |                 |              |             |           |                  |
| Western Kentucky Gas Div.(9)             | 189,388,594.45  | 1,614,041.61 | 0.00        | 0.00      | 191,002,636.06   |
| Total Western Kentucky Gas               | 189,388,594.45  | 1,614,041.61 | 0.00        | 0.00      | 191,002,636.06   |

ATMOS ENERGY CORPO ATION  
PROPERTY, PLANT AND EQUIPMENT  
AS OF DECEMBER 31, 1997

| GAS PLANT                          | Year to Date              |                       |                     |                      |                           |
|------------------------------------|---------------------------|-----------------------|---------------------|----------------------|---------------------------|
|                                    | Balance 9/30/97           | Additions             | Retirements         | Transfers            | Balance 12/31/97          |
| <b>Greeley</b>                     |                           |                       |                     |                      |                           |
| Meter Shop Facilities & Meters(24) | \$11,380,596.90           | \$0.00                | \$0.00              | \$0.00               | \$11,380,596.90           |
| Missouri Dist. Div.(29)            | 690,434.01                | 7,448.44              | 348.95              | 0.00                 | 697,533.50                |
| Denver Company Office(30)          | 1,797,536.72              | 0.00                  | 0.00                | 0.00                 | 1,797,536.72              |
| Greeley Dist. Div.(33)             | 23,770,593.23             | 586,591.50            | 26,558.27           | 0.00                 | 24,330,626.46             |
| Northwest Colorado Dist. Div.(34)  | 17,345,814.60             | (37,201.17)           | 0.00                | 0.00                 | 17,308,613.43             |
| Fremont County Dist. Div.(35)      | 23,294,862.37             | 415.76                | 0.00                | 0.00                 | 23,295,278.13             |
| Durango Dist. Div.(36)             | 15,387,957.07             | 0.00                  | 0.00                | 0.00                 | 15,387,957.07             |
| Central Colorado Dist. Div.(37)    | 0.00                      | 0.00                  | 0.00                | 0.00                 | 0.00                      |
| Cortez Dist. Div.(38)              | 0.00                      | 0.00                  | 0.00                | 0.00                 | 0.00                      |
| Southeast Colorado Dist. Div.(39)  | 0.00                      | 0.00                  | 0.00                | 0.00                 | 0.00                      |
| Kaw Valley Dist. Div.(82)          | 14,012,329.00             | 200,809.89            | 31,693.69           | 0.00                 | 14,181,445.20             |
| Central Kansas Dist. Div.(83)      | 8,127,974.64              | 0.00                  | 0.00                | 0.00                 | 8,127,974.64              |
| Cane Dist. Div.(84)                | 5,305,815.42              | 0.00                  | 0.00                | 0.00                 | 5,305,815.42              |
| Eastern Kansas Dist. Div.(85)      | 3,667,121.03              | 0.00                  | 0.00                | 0.00                 | 3,667,121.03              |
| Southwest Kansas Dist. Div.(86)    | 13,003,584.57             | 0.00                  | 0.00                | 0.00                 | 13,003,584.57             |
| <b>Total Greeley Gas</b>           | <b>137,784,619.56</b>     | <b>758,064.42</b>     | <b>58,600.91</b>    | <b>0.00</b>          | <b>138,484,083.07</b>     |
| <b>United Cities</b>               |                           |                       |                     |                      |                           |
| United Cities Dist. Divisions      | 495,033,830.05            | 0.00                  | 373,152.98          | (22,817.41)          | 494,637,859.66            |
| <b>Total United Cities Gas</b>     | <b>495,033,830.05</b>     | <b>0.00</b>           | <b>373,152.98</b>   | <b>(22,817.41)</b>   | <b>494,637,859.66</b>     |
| <b>Total Gas Plant</b>             | <b>\$1,223,739,817.74</b> | <b>\$4,043,013.97</b> | <b>\$537,063.29</b> | <b>(\$22,817.41)</b> | <b>\$1,227,222,951.01</b> |

ATMOS ENERGY CORPORATION  
PROPERTY, PLANT AND EQUIPMENT  
AS OF DECEMBER 31, 1997

|   | Year to Date       |                 |              |               | Balance 12/31/97   |
|---|--------------------|-----------------|--------------|---------------|--------------------|
|   | Balance 9/30/97    | Additions       | Retirements  | Transfers     |                    |
| <b>OTHER GAS PLANT &amp; NON-UTILITY PROPERTY</b> |                    |                 |              |               |                    |
| Atmos   |                    |                 |              |               |                    |
| Atmos General Office                              |                    |                 |              |               |                    |
| Construction Work In Progress                     | \$31,465,556.99    | \$10,301,470.13 | \$0.00       | \$0.00        | \$41,767,027.12    |
| Non-utility Plant                                 | 1,132,200.02       | 902,736.62      | 460,023.56   | 0.00          | 1,574,913.08       |
| Total Atmos                                       | 32,597,757.01      | 11,204,206.75   | 460,023.56   | 0.00          | 43,341,940.20      |
| Energas   |                    |                 |              |               |                    |
| Construction Work In Progress                     | 1,379,247.81       | 1,497,167.75    | 0.00         | 0.00          | 2,876,415.56       |
| Non-utility Plant                                 | 517,520.24         | 0.00            | 0.00         | 0.00          | 517,520.24         |
| Total Energas                                     | 1,896,768.05       | 1,497,167.75    | 0.00         | 0.00          | 3,393,935.80       |
| Trans La  |                    |                 |              |               |                    |
| Construction Work In Progress                     | 340,764.90         | 886,565.21      | 0.00         | 0.00          | 1,227,330.11       |
| Acquisition Adj. - Trans La                       | 2,048,887.47       | 0.00            | 0.00         | 0.00          | 2,048,887.47       |
| Non-utility Plant                                 | 215,890.91         | 0.00            | 0.00         | 0.00          | 215,890.91         |
| Total Trans La                                    | 2,605,543.28       | 886,565.21      | 0.00         | 0.00          | 3,492,108.49       |
| Western Kentucky Gas                              |                    |                 |              |               |                    |
| Construction Work In Progress                     | 779,599.09         | 1,192,128.36    | 0.00         | 0.00          | 1,971,727.45       |
| Acquisition Adj. - W.K.G.                         | 3,336,783.64       | 0.00            | 0.00         | 0.00          | 3,336,783.64       |
| Total Western Kentucky Gas                        | 4,116,382.73       | 1,192,128.36    | 0.00         | 0.00          | 5,308,511.09       |
| Greeley   |                    |                 |              |               |                    |
| Construction Work In Progress                     | (1,956,742.97)     | 1,468,776.10    | 0.00         | 0.00          | (487,966.87)       |
| Acquisition Adj. - G.G.C. Prior                   | 1,446,406.41       | 0.00            | 0.00         | 0.00          | 1,446,406.41       |
| Non-utility Plant                                 | 713,075.78         | 0.00            | 0.00         | 0.00          | 713,075.78         |
| Total Greeley Gas                                 | 202,739.22         | 1,468,776.10    | 0.00         | 0.00          | 1,671,515.32       |
| United Cities                                     |                    |                 |              |               |                    |
| Construction Work In Progress                     | 631,379.28         | 4,004,444.22    | 0.00         | (83.64)       | 4,635,739.86       |
| Acquisition Adj. - U.C.G.C. - Prior               | 7,283,287.48       | 0.00            | 0.00         | 0.00          | 7,283,287.48       |
| Total United Cities Gas                           | 7,914,666.76       | 4,004,444.22    | 0.00         | (83.64)       | 11,919,027.34      |
| Total Other Gas Plt & Non-utility Prop            | 49,333,857.05      | 20,253,288.39   | 460,023.56   | (83.64)       | 69,127,038.24      |
| Total Property, Plt. and Equipment                | \$1,273,073,674.79 | \$24,296,302.36 | \$997,086.85 | (\$22,901.05) | \$1,296,349,989.25 |

ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF DECEMBER 31 1997

|  | Year to Date    |              |             |                  |
|--|-----------------|--------------|-------------|------------------|
|  | Balance 9/30/97 | Provision    | Adjustment  | Balance 12/31/97 |
| <b>GAS PLANT</b>                         |                 |              |             |                  |
| <b>Atmos</b>                             |                 |              |             |                  |
| Retirement work in progress              | \$4,900.00      | \$0.00       | \$0.00      | \$4,900.00       |
| Atmos General Office(2)                  | 15,625,575.32   | 703,497.57   | 0.00        | 16,329,072.89    |
| Total accum. prov. for depr. - Atmos     | 15,630,475.32   | 703,497.57   | 0.00        | 16,333,972.89    |
| <b>Energas</b>                           |                 |              |             |                  |
| Retirement work in progress              | 28,638.26       | 0.00         | (43,655.51) | (15,017.25)      |
| Amarillo Transmission Div.(1)            | 2,302,858.65    | 17,292.36    | 0.00        | 2,320,151.01     |
| Amarillo City Plant Dist. Div.(3)        | 18,510,022.40   | 338,839.35   | 0.00        | 18,848,861.75    |
| Fritch & Sanford City Plt. Dist. Div.(4) | 384,725.27      | 5,426.85     | 0.00        | 390,152.12       |
| West Texas City Plant Dist. Div.(5)      | 61,038,208.57   | 1,374,000.51 | 1,890.99    | 62,414,100.07    |
| Dalhart City Plant Dist. Div.(6)         | 999,800.33      | 18,057.45    | 0.00        | 1,017,857.78     |
| West Texas Rural Irrigation Div.(8)      | 9,943,565.84    | 123,673.56   | (883.48)    | 10,066,355.92    |
| Energas General Office(10)               | 1,135,624.24    | 93,884.97    | 0.00        | 1,229,509.21     |
| Fain-Amarillo Creek Transmission(11)     | 71,230.00       | 0.00         | 0.00        | 71,230.00        |
| Amarillo Rural Dist. Div.(13)            | 154,218.32      | 2,196.90     | (100.68)    | 156,314.54       |
| Dalhart Rural Dist. Div.(17)             | 53,743.97       | 422.46       | 0.00        | 54,166.43        |
| Dalhart Rural Irrigation Div.(18)        | 262,696.11      | 2,556.03     | 0.00        | 265,252.14       |
| West Texas Rural Dist. Div.(21)          | 3,139,533.57    | 72,863.13    | 0.00        | 3,212,396.70     |
| Total accum. prov. for depr. - Energas   | 98,024,865.53   | 2,049,213.57 | (42,748.68) | 100,031,330.42   |
| <b>Trans La(7)</b>                       |                 |              |             |                  |
| Retirement work in progress              | 0.00            | 0.00         | (8,431.29)  | (8,431.29)       |
| Trans La Dist. Div.                      | 31,633,759.74   | 955,043.09   | 0.00        | 32,588,802.83    |
| Total accum. prov. for depr. - Trans La  | 31,633,759.74   | 955,043.09   | (8,431.29)  | 32,580,371.54    |
| <b>Western Kentucky Gas(9)</b>           |                 |              |             |                  |
| Retirement work in progress              | (938.81)        | 0.00         | 6,923.99    | 5,985.18         |
| Western Kentucky Gas Div.                | 85,835,926.91   | 1,702,325.39 | 0.00        | 87,538,252.30    |
| Total accum. prov. for depr. - WKG       | 85,834,988.10   | 1,702,325.39 | 6,923.99    | 87,544,237.48    |

**ATMOS ENERGY CORPORATION**  
**ACCUMULATED PROVISION**  
**FOR DEPRECIATION AND AMORTIZATION**  
**AS OF DECEMBER 31, 1997**

|   | Year to Date            |                        |                       |                         |
|---|-------------------------|------------------------|-----------------------|-------------------------|
|   | Balance 9/30/97         | Provision              | Adjustment            | Balance 12/31/97        |
| <b>GAS PLANT</b>  |                         |                        |                       |                         |
| <b>Greeley</b>  |                         |                        |                       |                         |
| Retirement work in progress                                 | \$10,580.22             | \$0.00                 | \$5,708.08            | \$16,288.30             |
| Meter Shop Facilities & Meters(24)                          | 1,863,396.75            | 100,308.82             | 0.00                  | 1,963,705.57            |
| Missouri Dist. Div.(29)                                     | 171,052.82              | 4,820.78               | 0.00                  | 175,873.60              |
| Denver Company Office(30)                                   | 445,376.43              | 69,401.76              | 0.00                  | 514,778.19              |
| Greeley Dist. Div.(33)                                      | 8,401,512.44            | 203,081.82             | 0.00                  | 8,604,594.26            |
| Northwest Colorado Dist. Div.(34)                           | 5,398,662.61            | 173,411.05             | 0.00                  | 5,572,073.66            |
| Fremont County Dist. Div.(35)                               | 13,159,784.27           | 255,891.88             | 0.00                  | 13,415,676.15           |
| Durango Dist. Div.(36)                                      | 5,489,406.90            | 154,631.84             | 0.00                  | 5,644,038.74            |
| Central Colorado Dist. Div.(37)                             | 0.00                    | 0.00                   | 0.00                  | 0.00                    |
| Cortez Dist. Div.(38)                                       | 0.00                    | 0.00                   | 0.00                  | 0.00                    |
| Southeast Colorado Dist. Div.(39)                           | 0.00                    | 0.00                   | 0.00                  | 0.00                    |
| Kaw Valley Dist. Div.(82)                                   | 3,793,572.47            | 90,152.08              | 0.00                  | 3,883,724.55            |
| Central Kansas Dist. Div.(83)                               | 3,116,646.02            | 80,343.30              | 0.00                  | 3,196,989.32            |
| Cane Dist. Div.(84)   | 2,616,430.15            | 51,014.27              | 0.00                  | 2,667,444.42            |
| Eastern Kansas Dist. Div.(85)                               | 879,665.10              | 36,246.02              | 0.00                  | 915,911.12              |
| Southwest Kansas Dist. Div.(86)                             | 7,430,702.63            | 132,298.44             | 0.00                  | 7,563,001.07            |
| Total accum. prov. for depr. - GGC                          | 52,776,788.81           | 1,351,602.06           | 5,708.08              | 54,134,098.95           |
| <b>United Cities</b>  |                         |                        |                       |                         |
| Retirement work in progress                                 | (\$6,748.17)            | \$0.00                 | \$191,456.23          | \$184,708.06            |
| United Cities Dist. Divisions                               | 185,859,244.44          | 4,733,185.21           | 1,617.02              | 190,594,046.67          |
| Total United Cities Gas                                     | 185,852,496.27          | 4,733,185.21           | 193,073.25            | 190,778,754.73          |
| <b>Total accumulated prov. for depreciation.- Gas Plant</b> | <b>\$469,753,373.77</b> | <b>\$11,494,866.89</b> | <b>\$154,525.35 *</b> | <b>\$481,402,766.01</b> |

ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF DECEMBER 31, 1997

|   | Year to Date    |              |               |                  |
|---|-----------------|--------------|---------------|------------------|
|   | Balance 9/30/97 | Provision    | Adjustment    | Balance 12/31/97 |
| <b>OTHER GAS PLANT IN SERVICE</b>                                       |                 |              |               |                  |
| Atmos   |                 |              |               |                  |
| Atmos General Office Division(2)  | \$829,702.44    | \$151,543.53 | (\$39,483.21) | \$941,762.76     |
| Total Atmos   | 829,702.44      | 151,543.53   | (39,483.21)   | 941,762.76       |
| Energas   |                 |              |               |                  |
| Amarillo City Plant Dist. Div.(3)                                       | 158,220.56      | 10,407.69    | 0.00          | 168,628.25       |
| Fritch & Sanford City Plant Dist. Div.(4)                               | 5,916.44        | (57.60)      | 48.75         | 5,907.59         |
| West Texas City Plant Dist. Div.(5)                                     | 1,091,563.86    | 23,214.29    | 19,642.84     | 1,134,420.99     |
| Dalhart Div.(6)   | 7,189.97        | 3,618.66     | (3,061.95)    | 7,746.68         |
| West Texas Irrigation Div.(8)   | 7,091.04        | (255.11)     | 482.93        | 7,318.86         |
| Energas General Office(10)  | 1,875.32        | 526.05       | 0.00          | 2,401.37         |
| Amarillo Rural Div.(13)   | 516.26          | 28.55        | (1.16)        | 543.65           |
| Dalhart Irrigation Div.(18)   | 311.30          | 88.79        | (75.14)       | 324.95           |
| West Texas Rural Div.(21)   | 31,889.52       | 10,264.22    | (8,685.11)    | 33,468.63        |
| Total Energas   | 1,304,574.27    | 47,835.54    | 8,351.16      | 1,360,760.97     |
| Trans La  |                 |              |               |                  |
| Trans La Distribution Division(7)                                       | 220,015.31      | 15,452.07    | 0.00          | 235,467.38       |
| Total Trans La  | 220,015.31      | 15,452.07    | 0.00          | 235,467.38       |
| Western Kentucky Gas  |                 |              |               |                  |
| Western Kentucky Gas Division(9)  | 564,100.18      | 0.00         | 0.00          | 564,100.18       |
| Total WKG   | 564,100.18      | 0.00         | 0.00          | 564,100.18       |
| Greeley   |                 |              |               |                  |
| Greeley Dist. Div.(33)  | 60,232.62       | 0.00         | 0.00          | 60,232.62        |
| Northwest Colorado Dist. Div.(34)                                       | 66,924.56       | 0.00         | 0.00          | 66,924.56        |
| Fremont County Dist. Div.(35)   | 94,718.87       | 0.00         | 0.00          | 94,718.87        |
| Durango Dist. Div.(36)  | 23,493.78       | 0.00         | 0.00          | 23,493.78        |
| Central Colorado Dist. Div.(37)   | 0.00            | 0.00         | 0.00          | 0.00             |
| Cortez Dist. Div.(38)   | 0.00            | 0.00         | 0.00          | 0.00             |
| Southeast Colorado Dist. Div.(39)                                       | 0.00            | 0.00         | 0.00          | 0.00             |
| Kaw Valley Dist. Div.(82)   | 84,791.05       | 138.89       | 69.48         | 84,999.42        |
| Central Kansas Dist. Div.(83)   | 10,901.94       | 0.00         | 0.00          | 10,901.94        |
| Cane Dist. Div.(84)   | 3,106.06        | 94.94        | 47.47         | 3,248.47         |
| Southwest Kansas(86)  | 88.02           | 29.31        | 14.67         | 132.00           |
| Total Greeley Gas   | 344,256.90      | 263.14       | (131.62)      | 344,651.66       |
| Total accumulated provision for amort.<br>of other gas plant in service | \$3,262,649.10  | \$215,094.28 | (\$31,263.67) | \$3,446,742.95   |

**ATMOS ENERGY CORPORATION**  
**ACCUMULATED PROVISION**  
**FOR DEPRECIATION AND AMORTIZATION**  
**AS OF DECEMBER 31, 1997**

|   | Year to Date    |             |            |                  |
|---|-----------------|-------------|------------|------------------|
|   | Balance 9/30/97 | Provision   | Adjustment | Balance 12/31/97 |
| <b>NON-UTILITY PLANT IN SERVICE (CNG)</b>                                 |                 |             |            |                  |
| Texas   |                 |             |            |                  |
| Energas   | \$284,635.61    | \$12,937.98 | \$0.00     | \$297,573.59     |
| Total Texas   | 284,635.61      | 12,937.98   | 0.00       | 297,573.59       |
| Louisiana   |                 |             |            |                  |
| Trans La  | 118,740.55      | 5,397.30    | 0.00       | 124,137.85       |
| Total Louisiana   | 118,740.55      | 5,397.30    | 0.00       | 124,137.85       |
| Greeley   |                 |             |            |                  |
| Greeley Gas   | 434,287.68      | 11,894.10   | 0.00       | 446,181.78       |
| Total Greeley Gas   | 434,287.68      | 11,894.10   | 0.00       | 446,181.78       |
| Total accumulated provision for amort.<br>of non-utility plant in service | 837,663.84      | 30,229.38   | 0.00       | 867,893.22       |

**UTILITY PLANT ACQUISITION ADJUSTMENT**

|   |                  |                 |              |                  |
|---|------------------|-----------------|--------------|------------------|
| Louisiana   |                  |                 |              |                  |
| Trans La  | 3,762,016.75     | (45,575.49)     | 0.00         | 3,716,441.26     |
| Total Louisiana   | 3,762,016.75     | (45,575.49)     | 0.00         | 3,716,441.26     |
| Kentucky  |                  |                 |              |                  |
| W.K.G.  | 2,277,713.90     | 51,245.31       | 0.00         | 2,328,959.21     |
| Total Kentucky  | 2,277,713.90     | 51,245.31       | 0.00         | 2,328,959.21     |
| Greeley   |                  |                 |              |                  |
| G.G.C.  | 1,341,129.41     | 3,435.00        | 0.00         | 1,344,564.41     |
| Total Greeley Gas   | 1,341,129.41     | 3,435.00        | 0.00         | 1,344,564.41     |
| United Cities   |                  |                 |              |                  |
| Acquisition Adj. - U.C.G.C. Prior   | 1,528,772.50     | 41,663.77       | 0.00         | 1,570,436.27     |
| Total United Cities Gas   | 1,528,772.50     | 41,663.77       | 0.00         | 1,570,436.27     |
| Total Accumulated Prov. for Amort. of Utility Plant<br>Acquisition Adjustment | 8,909,632.56     | 50,768.59       | 0.00         | 8,960,401.15     |
| Total accumulated provision for depreciation<br>& amortization                | \$296,910,823.00 | \$11,790,959.14 | \$123,261.68 | \$494,677,803.33 |

Total Depreciation Provision as per Balance Sheet  
Less: Depreciation Provision charged to other accounts  
Less: Depreciation Provision charged to other accounts (CNG)  
Total Depreciation Expense as per Income Statement

\$11,790,959.14  
5,514,929.46  
30,229.38  
\$6,245.80



ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF DECEMBER 31

01/20/98  
08:47 AM

| Reference | No. | No. | Description   | 1998           | 1997           | As of<br>September 30,<br>1997 |
|-----------|-----|-----|---|----------------|----------------|--------------------------------|
|           |     |     | <b>NET PROPERTY, PLANT, AND EQUIPMENT</b>                           |                |                |                                |
|           |     |     | Atmos - Net Property, Plant and Equipment                           | 487,464,489.92 | 418,838,384.10 | 474,743,400.28                 |
|           |     |     | United Cities Gas - Net Property, Plant and Equipment               | 314,207,696.00 | 301,699,613.00 | 314,590,548.00                 |
| 22        | 6   |     | Total Net Property, Plant and Equipment                             | 801,672,185.92 | 720,537,997.10 | 789,333,948.28                 |
|           |     |     | <b>INVESTMENTS IN &amp; ADVANCES TO SUBSIDIARIES</b>                |                |                |                                |
|           |     |     | 1230 Investments in Associated Companies                            |                |                |                                |
|           |     |     | Atmos Energy Services, Inc.   | 1,000.00       | 1,000.00       | 1,000.00                       |
|           |     |     | Egasco, Inc.  | 1,000.00       | 1,000.00       | 1,000.00                       |
|           |     |     | Emermart, Inc.  | 1,000.00       | 1,000.00       | 1,000.00                       |
|           |     |     | Trans La Industrial Gas Company, Inc.                               | 2,293,047.89   | 2,293,047.89   | 2,293,047.89                   |
|           |     |     | Western Kentucky Gas Resources                                      | 1,604,833.12   | 1,604,833.12   | 1,604,833.12                   |
|           |     |     | Atmos - Total Investments in & Advances to Subsidiaries             | 3,900,881.01   | 3,900,881.01   | 3,900,881.01                   |
|           |     |     | United Cities Gas - Total Investments in & Advances to Subsidiaries | 4,452,327.00   | 4,452,327.00   | 4,452,327.00                   |
| 22        | 7   |     | Total Investments in & Advances to Subsidiaries                     | 8,353,208.01   | 8,353,208.01   | 8,353,208.01                   |
|           |     |     | <b>CASH AND TEMPORARY CASH INVESTMENTS</b>                          |                |                |                                |
|           |     |     | 1310 Cash in Banks  |                |                |                                |
|           |     |     | Cash - ACIS Refund  | (40,413.49)    | (53,956.30)    | (116,646.66)                   |
|           |     |     | Cash - Auxiliary Accounts   | 510,919.98     | 1,318,341.92   | 540,950.76                     |
|           |     |     | Cash - Concentration Account - ANB - 523                            | (2,032,165.03) | (1,383,689.49) | (2,639,517.39)                 |
|           |     |     | Cash - Concentration Account - Nations Bank                         | 3,502,520.99   | 2,566,337.10   | 1,267,873.91                   |
|           |     |     | Cash - Customer Refund  | (26,687.94)    | (43,550.42)    | (78,087.66)                    |
|           |     |     | Cash - Other  | 28,900.66      | 29,463.52      | 29,112.43                      |
|           |     |     | Cash - Fleet Bank   | 178,372.00     | 178,372.00     | 178,372.00                     |
|           |     |     | Total Cash in Banks   | 2,121,447.17   | 2,611,318.33   | (817,942.61)                   |
|           |     |     | 1350 Working Funds  | 46,790.00      | 62,065.00      | 52,355.00                      |
|           |     |     | 1360 Temporary Cash Investments                                     |                |                |                                |
|           |     |     | Atmos - Total Cash and Temporary Cash Investments                   | 2,000,000.00   | 3,000,000.00   | 3,000,000.00                   |
|           |     |     | United Cities Gas - Total Cash and Temporary Cash Investments       | 4,168,237.17   | 5,673,383.33   | 2,234,412.39                   |
| 22        | 8   |     | Total Cash and Temporary Cash Investments                           | 2,228,632.00   | 3,805,715.00   | 487,507.00                     |
|           |     |     | Atmos - Total Cash and Temporary Cash Investments                   | 6,396,869.17   | 9,479,098.33   | 2,721,919.39                   |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF DECEMBER 31

01/20/98  
08:47 AM

Reference

| Page No. | Line No. | Acci. No. | Description                                    | 1998           | 1997           | As of September 30, 1997 |
|----------|----------|-----------|--|----------------|----------------|--------------------------|
|          |          |           | 1420 Customer Accounts Receivable              |                |                |                          |
|          |          |           | 1420 1.2 - Gas Ledger                          |                |                |                          |
|          |          |           | General Office                                 |                |                |                          |
|          |          |           | Unbilled revenue - Energas                     | 12,313,268.00  | 11,479,000.00  | 2,261,000.00             |
|          |          |           | Unbilled revenue - GGC                         | 7,362,092.00   | 6,992,000.00   | 1,409,000.00             |
|          |          |           | Unbilled revenue - Trans La                    | 2,257,539.00   | 2,960,000.00   | 889,000.00               |
|          |          |           | Unbilled revenue - WKG                         | 10,248,399.00  | 9,477,000.00   | 2,373,000.00             |
|          |          |           | PGA - Correcting Account - Energas             | 1,592,568.00   | (3,237,000.00) | 623,000.00               |
|          |          |           | PGA - Correcting Account - GGC                 | 6,939,881.00   | 2,826,661.00   | 8,709,594.00             |
|          |          |           | PGA - Correcting Account - Trans La            | 127,000.00     | (1,301,000.00) | 225,000.00               |
|          |          |           | PGA - Correcting Account - WKG                 | 6,939,000.00   | 2,645,000.00   | 5,010,000.00             |
|          |          |           | Handbilled Industrial Accounts - Energas       | 276,033.83     | 498,769.36     | 137,781.35               |
|          |          |           | Handbilled Industrial Accounts - Trans La      | 105,098.28     | 261,878.00     | 90,031.55                |
|          |          |           | Handbilled Industrial Accounts - WKG           | 1,701,311.24   | 5,381,427.53   | 2,286,869.50             |
|          |          |           | Energas Div - Amarillo System (City and Rural) | 3,683,831.16   | 3,539,027.69   | 746,816.67               |
|          |          |           | Dalhart City Plant System (City and Rural)     | 210,446.06     | 160,328.45     | 51,269.30                |
|          |          |           | Fritch & Sanford System                        | 131,623.70     | 113,896.30     | 11,311.17                |
|          |          |           | West Texas City Plant System (City and Rural)  | 20,741,653.27  | 22,004,317.76  | 12,102,455.58            |
|          |          |           | Greeley Gas Company Division                   | 9,924,067.95   | 8,173,267.53   | 2,257,484.51             |
|          |          |           | Trans La Division                              | 3,347,327.79   | 4,525,318.19   | 1,302,481.08             |
|          |          |           | Western Kentucky Gas Division                  | 14,033,266.38  | 6,106,478.93   | 516,088.24               |
|          |          |           | Total Gas Ledger Receivables                   | 102,138,406.66 | 82,736,570.74  | 41,002,182.95            |
|          |          |           | 1420 3 - Merchandise Ledger                    | 2,309,107.42   | 2,242,208.01   | 2,172,379.34             |
|          |          |           | 1420 4 - Service Ledger                        | 131,891.34     | 306,403.28     | 270,935.33               |
|          |          |           | 1420 6 - Customer Surcharge - GGC              | 10,288.59      | 38,756.71      | 11,088.80                |
|          |          |           | Total Customer Accounts Receivable             | 104,589,694.01 | 85,323,940.74  | 43,456,586.42            |
|          |          |           | 1430 Other Accounts Receivable                 |                |                |                          |
|          |          |           | 1430 1 - Miscellaneous                         |                |                |                          |
|          |          |           | Additional Billing                             |                |                |                          |
|          |          |           | Additional Billing - WKG                       | 0.00           | 1,009,970.36   | (99,443.42)              |
|          |          |           | Eddins - Walcher Rent                          | (1,325.00)     | 0.00           | 0.00                     |
|          |          |           | Clyde Plant Extraction - Koch                  | 7,184.45       | 23,686.37      | (1,488.09)               |
|          |          |           | KN - Tahoka Outage                             | 208.82         | 9,975.32       | 0.00                     |
|          |          |           | GGC Auto Salvage A/R                           | (30.00)        | 37,721.63      | 0.00                     |
|          |          |           | Greeley Outage                                 | (7,857.00)     | 0.00           | 0.00                     |
|          |          |           | Breaux Bridge Outage                           | 3,656.97       | 0.00           | 0.00                     |
|          |          |           | KN - Plainview Linecut                         | 40.13          | 0.00           | 528.22                   |
|          |          |           | KN - Big Spring OVR/ODOR                       | 10,726.62      | 0.00           | 0.00                     |
|          |          |           | Monroe Outage                                  | 330.74         | 0.00           | 0.00                     |
|          |          |           | Platteville Outage                             | 41,903.25      | 53,547.74      | 5,033.34                 |
|          |          |           | Westar - Post Outage                           | 0.00           | 1,178.31       | 0.00                     |
|          |          |           | Wimfield Outage                                | (169.19)       | 0.00           | 5,865.36                 |
|          |          |           | CNG - Amarillo                                 | (165.43)       | (175.32)       | (173.32)                 |
|          |          |           | CNG - Canyon                                   | 103.52         | 2,182.20       | 510.08                   |
|          |          |           | CNG - Lafayette                                | 0.00           | 0.00           | 0.00                     |
|          |          |           | Meter Salvage Receivable                       | 2,775.00       | 15,763.20      | 8,056.10                 |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF DECEMBER 31

01/30/98  
08:47 AM

| Reference              | Page No. | Line No. | Acct. No. | Description   | 1998           | 1997           | As of September 30, 1997 |
|------------------------|----------|----------|-----------|---|----------------|----------------|--------------------------|
|                        |          |          |           | Midwestern/Equitable Cash                                       | 13,033.98      | 0.00           | 12,926.26                |
|                        |          |          |           | Miscellaneous   | 30,741.68      | 21,785.46      | 83,624.16                |
|                        |          |          |           | Steamboat Springs Incident (Reimbursable Expense)               | 0.00           | 996,915.39     | 12,126.80                |
|                        |          |          |           | Total Miscellaneous Receivable                                  | 101,148.54     | 2,112,552.66   | 75,468.74                |
|                        |          |          |           | 1430 2 0541 - Employees' Expense Advances (incl. Bridge Loans)  | 131,821.88     | 28,607.73      | 81,131.23                |
|                        |          |          |           | 1430 2 06XX - Merchandise Employees' Payroll Deductions         | 130,048.48     | 184,133.23     | 139,500.82               |
|                        |          |          |           | 1431 2 0601 - Employee Rent                                     | 9.62           | 0.00           | 0.00                     |
|                        |          |          |           | 1430 7 - Trans La Miscellaneous                                 |                |                |                          |
|                        |          |          |           | State Dept. of Transportation                                   | 18,917.48      | 428,071.99     | 428,071.99               |
|                        |          |          |           | Acadia Parish Police Jury                                       | 90.00          | 60.00          | 90.00                    |
|                        |          |          |           | LIG   | 4,384.66       | 26,082.02      | 8,440.79                 |
|                        |          |          |           | Total Trans La Miscellaneous Receivables                        | 23,392.14      | 454,214.01     | 436,602.78               |
|                        |          |          |           | 1430 9 0500 - WKG PAC   | 1,060.05       | 3,702.04       | 575.98                   |
|                        |          |          |           | 1430 9 07XX - Westar - Chart Reading & Misc.                    | 4,189.52       | 5,157.35       | 3,838.09                 |
|                        |          |          |           | Total Other Accounts Receivable                                 | 391,070.23     | 2,788,367.02   | 737,117.64               |
|                        |          |          |           | 1440 Allowance for Doubtful Accounts                            | (1,314,933.24) | (1,253,937.91) | (966,451.32)             |
|                        |          |          |           | Atmos - Total Receivable, Less Allowance                        | 104,070,150.20 | 87,191,881.61  | 43,393,739.94            |
|                        |          |          |           | United Cities Gas - Total Receivable, Less Allowance            | 62,434,681.00  | 70,981,485.00  | 24,162,577.00            |
| 22                     | 9        |          |           | Total Accounts Receivable, Less Allowance for Doubtful Accounts | 166,504,831.20 | 158,173,366.61 | 67,556,316.94            |
| INVENTORIES            |          |          |           |   |                |                |                          |
|                        |          |          |           | 1540 Plant Materials and Supplies                               | 5,639,827.69   | 5,642,972.79   | 5,148,721.93             |
|                        |          |          |           | 1550 Merchandise  | 156,152.35     | 183,389.57     | 160,233.09               |
|                        |          |          |           | 1630 Stores Expense Undistributed                               | 1,889,241.20   | 1,470,034.64   | 1,785,741.60             |
|                        |          |          |           | Atmos - Total Inventories                                       | 7,685,221.24   | 7,296,347.00   | 7,094,696.62             |
|                        |          |          |           | United Cities Gas - Total Inventories                           | 4,885,687.00   | 5,443,005.00   | 4,115,542.00             |
| 22                     | 10       |          |           | Total Inventories   | 12,570,908.24  | 12,739,352.00  | 11,210,238.62            |
| GAS STORED UNDERGROUND |          |          |           |   |                |                |                          |
|                        |          |          |           | Atmos - Total Gas Stored Underground, current                   | 16,721,801.07  | 13,084,668.24  | 14,683,860.36            |
|                        |          |          |           | United Cities Gas - Total Gas Stored Underground, current       | 22,467,247.00  | 22,647,077.00  | 26,905,596.00            |
| 22                     | 11       |          |           | Total Gas Stored Underground, current                           | 39,189,048.07  | 35,731,745.24  | 41,589,456.36            |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF DECEMBER 31

02/03/98  
11:09 AM

| Reference | Page | Line | Acct. | Description  |                 | 1998            | 1997            | As of<br>September 30,<br>1997 |
|-----------|------|------|-------|--|-----------------|-----------------|-----------------|--------------------------------|
| No.       | No.  | No.  | No.   | No.  |                 |                 |                 |                                |
|           |      |      |       | <b>OTHER CURRENT ASSETS</b>  |                 |                 |                 |                                |
|           | 1340 |      |       | Other Special Deposits   |                 |                 |                 |                                |
|           |      |      |       | Guaranty Deposits  |                 |                 |                 |                                |
|           |      |      |       | Total Other Special Deposits   | 16,887.74       | 14,762.74       | 16,887.74       | 16,887.74                      |
|           |      |      |       |  | 16,887.74       | 14,762.74       |                 | 16,887.74                      |
|           |      |      |       | 1660 Prepayments   |                 |                 |                 |                                |
|           |      |      |       | Prepaid Gas:   |                 |                 |                 |                                |
|           |      |      |       | Alliance Prepaid Gas   | 82,643.27       | 0.00            | 0.00            | 1,172,398.13                   |
|           |      |      |       | Tenn Alliance Prepaid Gas  | 192,804.34      | 0.00            | 0.00            | 16,816.84                      |
|           |      |      |       | Cambridge Energy Research (Amort \$2,300/mo thru 01/98)                  | 0.00            | 0.00            | 0.00            | 5,000.00                       |
|           |      |      |       | Softwares Maintenance:   |                 |                 |                 |                                |
|           |      |      |       | SCT Billing Software (Escalating amort to capital 02/97 thru 12/99)      | 669,413.59      | 0.00            | 0.00            | 750,601.09                     |
|           |      |      |       | Oracle Database Maint (Escalating amort to IS clearing 02/97 thru 01/00) | 176,541.76      | 0.00            | 0.00            | 192,591.16                     |
|           |      |      |       | Dues - AGA   | 0.00            | 0.00            | 0.00            | 0.00                           |
|           |      |      |       | Dues - SGA   | 0.00            | 0.00            | 0.00            | 3,999.94                       |
|           |      |      |       | Franchise Tax - City   | 853.85          | 2,903.09        | 0.00            | 1,366.16                       |
|           |      |      |       | Franchise Tax - Louisiana  | 0.00            | 0.00            | 0.00            | 0.00                           |
|           |      |      |       | Franchise Tax - Texas  | (36,000.00)     | 0.00            | 0.00            | 0.00                           |
|           |      |      |       | Gas - Excess Nominations   | 181,794.60      | 183,320.90      | 0.00            | 181,898.76                     |
|           |      |      |       | Gross Receipts Tax - Texas   | (167,145.83)    | 0.00            | 0.00            | 0.00                           |
|           |      |      |       | Institute of Gas Technology (Amort \$2,108/mo thru 12/97)                | 0.00            | 0.00            | 0.00            | 6,324.00                       |
|           |      |      |       | Insurance - Prop., Gen. Liab., Auto, etc.                                | 943,936.18      | 961,150.29      | 358,470.88      | 559,450.12                     |
|           |      |      |       | Insurance - Retirement Cost  | 453,837.74      | 466,060.29      | 4,643.95        | 12,797.16                      |
|           |      |      |       | CPSC Assessment (Quarterly)  | 25,221.63       | 80,208.00       | 0.00            | 0.00                           |
|           |      |      |       | KPSC Assessment (Amort \$13,368/mo thru 6/97)                            | 0.00            | 8.00            | 17,508.00       | 96,346.64                      |
|           |      |      |       | Occupational License   | 108.00          | 62,519.41       | 23,333.32       | 54,999.97                      |
|           |      |      |       | Postage  | 61,163.04       | 284,592.01      | 284,592.01      | 284,592.01                     |
|           |      |      |       | Prepaid Debt, Exp.-Nations (Amort \$5,000/mo thru 8/98)                  | 39,999.97       | 2,068,739.26    |                 |                                |
|           |      |      |       | Rent - Gilliland Group (Oper Co)   | 284,592.01      |                 |                 |                                |
|           |      |      |       | Total Prepayments  | 2,509,784.15    | 2,083,502.00    | 3,732,048.60    | 3,732,048.60                   |
|           |      |      |       | Atmos - Total Other Current Assets                                       | 2,926,671.89    | 1,603,514.00    | 1,807,255.00    | 1,807,255.00                   |
|           |      |      |       | United Cities Gas - Total Other Current Assets                           | 1,476,518.00    | 3,687,016.00    | 5,539,303.60    | 5,539,303.60                   |
| 22        | 12   |      |       | Total Other Current Assets   | 4,403,189.89    |                 |                 |                                |
|           |      |      |       | <b>INTERCOMPANY ACCOUNTS - NET</b>                                       |                 |                 |                 |                                |
|           |      |      |       | 1460 Accounts Receivable from Assoc. Co.                                 |                 |                 |                 |                                |
|           |      |      |       | Atmos Energy Services, Inc.  | 5,609.98        | 2,390.66        | 5,609.98        | 5,609.98                       |
|           |      |      |       | Egasco, Inc.   | 1,046,788.33    | 816,721.75      | 808,349.49      | 808,349.49                     |
|           |      |      |       | Enernart, Inc.   | 22,246,954.67   | 7,303,746.46    | 21,120,195.01   | 21,120,195.01                  |
|           |      |      |       | Enernart Trust   | (22,942,673.91) | (17,731,922.20) | (23,708,148.28) | (23,708,148.28)                |
|           |      |      |       | Trans La Industrial Gas Company, Inc.                                    | (2,562,663.73)  | (2,003,129.51)  | (2,738,776.04)  | (2,738,776.04)                 |
|           |      |      |       | United Cities Gas Company  | 89,645,290.80   | 0.00            | 66,906,326.59   | 66,906,326.59                  |
|           |      |      |       | Western Kentucky Gas Resources   | (968,639.88)    | (940,905.29)    | (967,305.90)    | (967,305.90)                   |
|           |      |      |       | Atmos - Total Intercompany Accounts                                      | 86,470,666.26   | (12,533,098.13) | 61,426,250.85   | 61,426,250.85                  |
|           |      |      |       | United Cities Gas - Total Intercompany Accounts                          | (78,535,440.80) | 5,086,855.00    | (58,606,626.59) | (58,606,626.59)                |
| 22        | 13   |      |       | Total Intercompany Accounts - Net  | 7,935,225.46    | (7,466,243.13)  | 2,819,624.26    | 2,819,624.26                   |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF DECEMBER 31

07/03/98  
11:09 AM

| Reference                                | No.  | Line No. | Acct. No. | Description  | 1998           | 1997           | As of September 30, 1997 |
|--|------|----------|-----------|--|----------------|----------------|--------------------------|
|  | 22   | 14       |           | Total Current Assets                                       | 237,000,072.03 | 212,344,335.05 | 131,636,859.17           |
| <b>DEFERRED CHARGES AND OTHER ASSETS</b> |      |          |           |  |                |                |                          |
|  | 1280 |          |           | Gilliland Lease Deposits                                   | 733,624.05     | 737,624.05     | 737,624.05               |
|  |      |          |           | Total Other Special Funds                                  | 733,624.05     | 737,624.05     | 737,624.05               |
|  | 1240 |          |           | Other Investments  | 8,301.00       | 8,301.00       | 8,301.00                 |
|  |      |          |           | Club Memberships   | 250.00         | 250.00         | 250.00                   |
|  |      |          |           | Herrington Industrial Development                          | 750.00         | 750.00         | 750.00                   |
|  |      |          |           | Windom Industrial Development                              | 100.00         | 100.00         | 100.00                   |
|  |      |          |           | Worthington Industries Inc                                 |                |                |                          |
|  |      |          |           | Total Other Investments                                    | 9,401.00       | 9,401.00       | 9,401.00                 |
|  | 1810 |          |           | Unamortized Debt Expense                                   | 41,120.52      | 49,344.60      | 43,176.54                |
|  |      |          |           | John Hancock Notes (11.2% through 12/30/02)                | 89,171.82      | 104,033.82     | 92,887.32                |
|  |      |          |           | John Hancock Notes (9.76% through 12/30/04)                | 70,330.61      | 78,445.61      | 72,359.36                |
|  |      |          |           | Var. Annuity Life Ins. (9.57% through 9/30/06)             | 34,717.90      | 38,723.86      | 35,719.39                |
|  |      |          |           | Var. Annuity Life Ins. (7.95% through 9/01/06)             | 88,825.28      | 98,880.92      | 91,339.19                |
|  |      |          |           | Var. Annuity Life Ins. (8.07% through 10/01/06)            | 100,993.38     | 106,993.02     | 102,493.29               |
|  |      |          |           | New York Life Ins. (8.26% through 10/01/14)                | 530,478.22     | 553,051.78     | 536,121.61               |
|  |      |          |           | First Mortgage Bonds (9.4% through 2021)                   |                |                |                          |
|  |      |          |           | Total Unamortized Debt Expense                             | 955,637.73     | 1,029,473.61   | 974,096.70               |
|  | 1840 |          |           | Clearing Accounts  | 206.96         | (27,264.64)    | 0.00                     |
|  |      |          |           | Ditchers & Backhoes  | 66,202.48      | 0.00           | 0.00                     |
|  |      |          |           | Information Services                                       | 8,509.32       | 328,745.56     | 0.00                     |
|  |      |          |           | Meter Shop   | 41.83          | (92,026.11)    | 1,738.76                 |
|  |      |          |           | Meter Loops  | 22,677.24      | 0.00           | (25,448.08)              |
|  |      |          |           | Payroll/Taxes  | 238,917.88     | 26,669.31      | 0.00                     |
|  |      |          |           | Vehicle System   | 45.08          | (15,242.26)    | 0.00                     |
|  |      |          |           | Welders  | 3,755.04       | 0.00           | 0.00                     |
|  |      |          |           | Fleet Administration                                       |                |                |                          |
|  |      |          |           | Total Clearing Accounts                                    | 340,355.83     | 220,881.86     | (23,709.32)              |
|  | 1860 |          |           | Miscellaneous Deferred Debits                              | 221,917.38     | 19,969.69      | 218,603.61               |
|  |      |          |           | Advanced Payments to Employees                             | 6,404.56       | 0.00           | 0.00                     |
|  |      |          |           | Kentucky PBR   | 177,000.00     | 176,700.00     | 47,907.00                |
|  |      |          |           | Car Allowance (Amort calendar year)                        |                |                |                          |
|  |      |          |           | Company Facilities:  |                |                |                          |
|  |      |          |           | Monroe Office  | 25,188.96      | 25,188.96      | 25,188.96                |
|  |      |          |           | Natchitoches Service Center (Reimbursable Upon Completion) | (7,435.32)     | 4,635.73       | (7,435.32)               |
|  |      |          |           | Paducah Remodeling (Reimbursable Upon Completion)          | 97,503.81      | 97,503.81      | 97,503.81                |
|  |      |          |           | Steamboat Springs Office                                   | 0.00           | 3,208.15       | 0.00                     |
|  |      |          |           | Thibodaux Office   | 38,357.48      | 0.00           | 38,357.48                |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF DECEMBER 31

09:10 AM

| Reference                   | Page | Line | Acct. | Description                                | 1998                  | 1997                  | As of<br>September 30,<br>1997 |
|-----------------------------|------|------|-------|--|-----------------------|-----------------------|--------------------------------|
| No.                         | No.  | No.  | No.   |  |                       |                       |                                |
| <b>SHAREHOLDERS' EQUITY</b> |      |      |       |  |                       |                       |                                |
|                             |      |      |       | Atmos - Total Shareholders' Equity         | 174,992,804.57        | 179,320,457.49        | 166,536,416.24                 |
|                             |      |      |       | United Cities - Total Shareholders' Equity | 143,631,331.55        | 133,816,139.00        | 135,755,714.49                 |
| 23                          | 5    |      |       | <b>Total Shareholders' Equity</b>          | <b>318,624,136.12</b> | <b>313,136,596.49</b> | <b>302,292,130.73</b>          |
| <b>LONG-TERM DEBT</b>       |      |      |       |  |                       |                       |                                |
|                             |      |      |       | Atmos - Total Long Term Debt               | 157,303,308.00        | 165,303,308.00        | 162,303,308.00                 |
|                             |      |      |       | United Cities Gas - Total Long Term Debt   | 135,000,000.00        | 137,000,000.00        | 135,000,000.00                 |
| 23                          | 6    |      |       | <b>Total Long-Term Debt</b>                | <b>292,303,308.00</b> | <b>302,303,308.00</b> | <b>297,303,308.00</b>          |
| <b>TOTAL CAPITALIZATION</b> |      |      |       |  |                       |                       |                                |
| 23                          | 7    |      |       |  | <b>610,977,644.12</b> | <b>615,439,904.49</b> | <b>599,595,438.73</b>          |
| <b>NOTES PAYABLE</b>        |      |      |       |  |                       |                       |                                |
|                             |      |      |       | Amatillo National Bank Master Note/Other   | 2,000,000.00          | 10,000,000.00         | 12,000,000.00                  |
|                             |      |      |       | Bank of Tokai                              | 0.00                  | 0.00                  | 0.00                           |
|                             |      |      |       | Societe Generale                           | 0.00                  | 0.00                  | 0.00                           |
|                             |      |      |       | Fuji Bank                                  | 0.00                  | 12,300,000.00         | 0.00                           |
|                             |      |      |       | NationsBank                                | 181,600,000.00        | 0.00                  | 140,600,000.00                 |
|                             |      |      |       | PNC Bank of Pittsburgh                     | 20,000,000.00         | 0.00                  | 7,800,000.00                   |
|                             |      |      |       | 1st National Bank of Commerce              | 0.00                  | 10,000,000.00         | 0.00                           |
|                             |      |      |       | Wachovia Bank - Georgia                    | 0.00                  | 10,000,000.00         | 0.00                           |
|                             |      |      |       | Mitsubishi Bank - Houston                  | 0.00                  | 0.00                  | 0.00                           |
|                             |      |      |       | Senwa Bank                                 | 10,000,000.00         | 0.00                  | 0.00                           |
|                             |      |      |       | Atmos - Total Notes Payable                | 213,600,000.00        | 42,300,000.00         | 160,400,000.00                 |
|                             |      |      |       | United Cities Gas - Total Notes Payable    | 0.00                  | 59,397,000.00         | 0.00                           |
| 23                          | 8    |      |       | <b>Total Notes Payable</b>                 | <b>213,600,000.00</b> | <b>101,697,000.00</b> | <b>160,400,000.00</b>          |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF DECEMBER 31

09:10 AM

| Reference               | Page Line | Acc. | Description                                     | 1998          | 1997         | As of<br>September 30,<br>1997 |
|-------------------------|-----------|------|---|---------------|--------------|--------------------------------|
| No.                     | No.       | No.  |   |               |              |                                |
| <b>ACCOUNTS PAYABLE</b> |           |      |   |               |              |                                |
| 2320                    |           |      | Accounts Payable                                | 181,806.53    | 170,268.85   | 179,431.90                     |
|                         |           |      | Accrued Annual Report Costs                     | 39,090.00     | 48,700.00    | 9,900.00                       |
|                         |           |      | Accrued Audit Fees                              | (20,001.99)   | (36,465.31)  | 111,487.85                     |
|                         |           |      | Accrued Employee Awards                         | 808,131.87    | 122,595.82   | 30,654.03                      |
|                         |           |      | Accrued Payroll Labor Distribution              | 577,955.87    | 577,955.87   | 577,955.87                     |
|                         |           |      | Accrued Vacation                                | 0.00          | 0.00         | 0.00                           |
|                         |           |      | Estimated Gas Cost                              | 48,996,090.09 | 0.00         | 0.00                           |
|                         |           |      | Customer Service Enhancement                    | (818,405.11)  | 0.00         | 0.00                           |
|                         |           |      | Def Cy Cleared Currently                        | 397,338.89    | 45,895.77    | 334,402.02                     |
|                         |           |      | DSM Program                                     |               |              |                                |
|                         |           |      | DSM Program - KY                                | 33,333.33     | 125,006.00   | 250,000.00                     |
|                         |           |      | DSM Program - KY Payments                       | (38,663.01)   | (19,910.88)  | (217,687.77)                   |
|                         |           |      | Employees' AD & D Insurance                     | 4,922.51      | 5,802.66     | (123.00)                       |
|                         |           |      | Employees' College Donation Deductions          | 102.10        | 70.00        | 28.00                          |
|                         |           |      | Employees' Dependent Life Ins.                  | 1,759.76      | 2,073.00     | (21.00)                        |
|                         |           |      | Employees' Egaspac                              | 835.07        | 37.50        | 55.00                          |
|                         |           |      | Employees' WKG Pnc                              | 334.44        | 459.75       | 377.25                         |
|                         |           |      | Employees' Trans La PAC                         | 356.63        | 0.00         | 0.00                           |
|                         |           |      | Employees' Credit Union                         | 52,064.34     | 71,493.51    | 64,398.70                      |
|                         |           |      | Employees' Long-Term Disability Insurance       | 4,077.75      | 939.84       | (27,513.07)                    |
|                         |           |      | Employees' Medical/Dental Insurance:            |               |              |                                |
|                         |           |      | Medical/Dental Liability                        | 1,468,130.04  | 1,283,135.34 | 1,428,983.46                   |
|                         |           |      | Medical/Dental Prems/Claims Clearing            | 403,536.54    | 337,259.50   | 289,638.31                     |
|                         |           |      | Employees' Supplemental Life Insurance          | 13,483.40     | 16,468.66    | (2,184.92)                     |
|                         |           |      | Employees' United Way                           | 3,561.40      | 1,494.00     | 1,725.18                       |
|                         |           |      | Employees' Universal Life Ins.                  | (833.26)      | 5,450.48     | (104.25)                       |
|                         |           |      | Employees' U.S. Savings Bonds Deductions        | 6,056.23      | 7,764.99     | 6,410.06                       |
|                         |           |      | Employee's Annuity Expense                      | 0.00          | (135.62)     | 0.00                           |
|                         |           |      | Employer's ESOP Contributions                   | 68,162.58     | 336,918.54   | 87,652.07                      |
|                         |           |      | Employer's ESOP Other Expense                   | 5,016.56      | 14,888.38    | 13,957.66                      |
|                         |           |      | Employees' ESOP Withholding                     | 113,586.01    | 135,714.87   | 138,345.58                     |
|                         |           |      | Employee's Group Life Ins.                      | 35,848.29     | 31,232.81    | 47.87                          |
|                         |           |      | KN Master Mtr Transfer                          | 200,000.00    | 300,000.00   | 300,000.00                     |
|                         |           |      | Mailed Refunds                                  | 5,298.20      | 6,785.72     | 3,600.00                       |
|                         |           |      | Miscellaneous Employee Insurance Accruals - GGC | 119.81        | 0.00         | (1,200.28)                     |
|                         |           |      | Miscellaneous Contingent Liabilities            | 422,358.94    | 0.00         | 509,331.40                     |
|                         |           |      | Net Payroll Payable                             | 1,615,389.05  | 1,854,150.33 | 2,129,272.93                   |
|                         |           |      | Purchase Order Clearing                         | 408,384.55    | 337,409.47   | 234,018.06                     |
|                         |           |      | Contract Retainage                              | 6,562.36      | 0.00         | 12,266.53                      |
|                         |           |      | Uncashed Checks                                 | 98,633.23     | 102,065.94   | 108,890.30                     |
|                         |           |      | Unclaimed Pipeline Refund                       | 0.00          | 1,164.87     | 0.00                           |
|                         |           |      | Vouchers Payable                                | 1,617,190.72  | 877,217.46   | 6,859,380.12                   |
|                         |           |      | Total Accrued Payables                          | 56,581,553.72 | 6,713,908.12 | 13,383,375.86                  |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF DECEMBER 31

09:19 AM

| Reference | Page | Line | Acct. | Description                          | 1998         | 1997          | As of<br>September 30,<br>1997 |
|-----------|------|------|-------|--------------------------------------|--------------|---------------|--------------------------------|
| No.       | No.  | No.  | No.   |                                      |              |               |                                |
|           |      |      |       | Gas Purchased - Accounts Payable     |              |               |                                |
|           |      |      |       | Acadiana Natural Gas, Co.            | 0.00         | 263,126.92    | 58,363.45                      |
|           |      |      |       | AMOCO                                | 0.00         | 0.00          | 135,000.00                     |
|           |      |      |       | ANK Pipeline Company                 | 35,763.61    | 0.00          | 0.00                           |
|           |      |      |       | KN Marketing                         | 7,587,117.75 | 17,155,442.14 | 1,207,958.30                   |
|           |      |      |       | Panenergy Trading/Market             | 8,016.52     | 1,839,367.06  | 174,795.17                     |
|           |      |      |       | Brenco Gas Transmission, Inc.        | 0.00         | 4,221.00      | 893.25                         |
|           |      |      |       | Natural Gas Clearinghouse            | 1,097,455.79 | 4,465,258.13  | 458,136.61                     |
|           |      |      |       | City of Odessa - Purchase            | 0.00         | (90,315.60)   | 5,000.00                       |
|           |      |      |       | Coastal Gas Marketing                | 595,938.00   | 2,213,779.92  | 154,000.00                     |
|           |      |      |       | Colorado Interstate Gas Company      | 209,605.63   | 336,707.58    | 132,731.89                     |
|           |      |      |       | Colorado Natural Gas                 | 0.69         | 368,688.80    | 78,344.67                      |
|           |      |      |       | Engage Energy                        | (595,938.00) | 0.00          | 0.00                           |
|           |      |      |       | Costilla Petroleum Corp.             | 0.00         | 30,310.30     | 22,638.40                      |
|           |      |      |       | Crescent Oil & Gas Company           | 0.00         | 21,762.06     | 17,241.95                      |
|           |      |      |       | DSM Project - KY Accrual             | 66,666.70    | 0.00          | 0.00                           |
|           |      |      |       | Delhi                                | 0.00         | 1,834,830.12  | 0.00                           |
|           |      |      |       | Enron                                | 0.00         | 165.91        | 0.00                           |
|           |      |      |       | Exchange Gas                         | (749,679.61) | (422,654.69)  | (404,739.03)                   |
|           |      |      |       | Gas Payable - LA Imbalance           | 45,626.10    | 46,415.79     | 45,714.17                      |
|           |      |      |       | LG & E Natural Plains Energy         | 102,393.80   | 4,172,073.87  | 554,227.95                     |
|           |      |      |       | Hugoton                              | 33,076.29    | 33,818.77     | 8,264.75                       |
|           |      |      |       | Innovative Gas Services              | 0.00         | 285,709.25    | 0.00                           |
|           |      |      |       | Interenergy Resource Corp.           | (530,155.14) | 515,547.65    | 122,552.36                     |
|           |      |      |       | Kansas Pipeline Partners             | 100.00       | 44,142.06     | 3,280.57                       |
|           |      |      |       | Pennunion Energy Services            | 200.00       | 227,266.51    | 101,585.66                     |
|           |      |      |       | Kimball Energy Corp.                 | (0.11)       | 809,904.69    | 49,695.82                      |
|           |      |      |       | United Gas Services                  | 9,932.49     | 164,710.23    | 61,386.95                      |
|           |      |      |       | KN Energy                            | 12,456.30    | 62,552.17     | 28,439.97                      |
|           |      |      |       | K N Gas Supply Services              | 37,879.68    | 87,741.24     | 85,337.69                      |
|           |      |      |       | KPL Gas Services                     | 22,775.61    | 341,162.89    | 22,275.61                      |
|           |      |      |       | Local Gas Production                 | 14,464.40    | 132,495.29    | 159,402.62                     |
|           |      |      |       | Local Gas Purchases - Fremont County | (6,740.23)   | 1,126,384.21  | 274,824.95                     |
|           |      |      |       | Louisiana Land/Exploration Company   | 0.00         | 783,886.89    | 0.00                           |
|           |      |      |       | Louisiana Intrastate Gas Corp.       | 0.00         | 2,480,951.78  | 343,409.77                     |
|           |      |      |       | Pioneer Natural Resources Co.        | 4,278,587.86 | 4,575,767.56  | 848,830.50                     |
|           |      |      |       | Mid-Louisiana Gathering              | 0.00         | 4,862.40      | 466.02                         |
|           |      |      |       | Moffat Pipeline Corp.                | 191.97       | 25,867.69     | 9,811.97                       |
|           |      |      |       | Noble Gas Marketing                  | 0.00         | (1,299.95)    | 0.00                           |
|           |      |      |       | Norram Energy Services               | 0.00         | 430,001.49    | 0.00                           |
|           |      |      |       | Norram Gas Transm Corp               | 131,849.22   | 4,030.50      | 7,000.23                       |
|           |      |      |       | Northwest Pipeline Corp.             | 0.00         | 828.77        | 0.00                           |
|           |      |      |       | Oxy U.S.A., Inc.                     | 0.00         | 1,294.85      | 101.50                         |
|           |      |      |       | Patina Oil and Gas Corp              | 530,777.50   | 0.00          | 0.00                           |
|           |      |      |       | CMS Marketing Services               | 379,850.00   | 0.00          | 0.00                           |
|           |      |      |       | Peoples Natural Gas                  | (21,707.85)  | 32,224.84     | (5,307.85)                     |
|           |      |      |       | Pipeline Refunds - GGC               | 811,402.19   | 233,777.29    | 470,641.21                     |
|           |      |      |       | Pipeline Refunds - Trans La (LIG)    | 9,789,532.64 | 0.00          | 9,789,532.64                   |



ATMIOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF DECEMBER 31

09:19 AM

Reference

| Page No. | Line No. | Acct. No. | Description                                      | 1998          | 1997          | As of September 30, 1997 |
|----------|----------|-----------|--|---------------|---------------|--------------------------|
|          |          |           | Other Payables                                   | 1,176,889.44  | 1,248,693.40  | 1,322,632.19             |
|          |          |           | Public Service                                   | 511,929.75    | 1,345,528.40  | 363,065.98               |
|          |          |           | Westar Gas Marketing                             | (4.14)        | 97,438.82     | 91,647.28                |
|          |          |           | Schreider & Company, Inc.                        | 0.00          | 44,118.00     | 0.00                     |
|          |          |           | Sonart Marketing                                 | 6,566.25      | 17,246.62     | 7,375.55                 |
|          |          |           | Tennessee Gas Pipeline                           | (1,840.28)    | 623,284.18    | 259,695.35               |
|          |          |           | Texaco, Inc.                                     | 100.00        | 1,240,775.90  | 785,502.00               |
|          |          |           | Texas Gas Transmission                           | 0.00          | 0.00          | 1,698,769.24             |
|          |          |           | Trunkline Gas Company                            | 12,820.84     | 1,925,663.36  | 1,242,989.87             |
|          |          |           | Turcalosa Pipeline Company                       | 0.00          | 55,909.35     | 2,321.16                 |
|          |          |           | Williams Energy Services                         | 3,823.84      | 12,148.27     | 7,836.04                 |
|          |          |           | Williams Natural Gas Company                     | 349,928.56    | 2,460,866.48  | 129,674.70               |
|          |          |           | WKG Supplier Imbalance                           | 28,544.37     | 171,991.08    | 330,074.51               |
|          |          |           | Transportation Bank Gas                          | 245,043.40    | 31,592.98     | 29,718.34                |
|          |          |           | Woodward Marketing                               | 256,773.29    | 395,323.68    | 782,886.61               |
|          |          |           | Union Pacific Fuels                              | (524,668.90)  | 0.00          | 2,125,826.36             |
|          |          |           | Vastar Gas                                       | 0.00          | 1,827,226.53  | 2,136,910.37             |
|          |          |           | Total Gas Purchased Payable                      | 26,695,639.66 | 57,233,956.89 | 26,338,735.27            |
|          |          |           | 2410 Tax Collections Payable                     |               |               |                          |
|          |          |           | Astor Sales Tax                                  | (4,449.77)    | 48,994.68     | (4,449.77)               |
|          |          |           | City Franchise Tax                               | 33,812.79     | 33,812.79     | 33,812.79                |
|          |          |           | City Franchise Fees - Louisiana                  | 91,315.34     | 0.00          | 0.00                     |
|          |          |           | City Sales Tax - Cannon City                     | (2,016.52)    | 7,993.47      | 330.84                   |
|          |          |           | City Sales Tax - Durango                         | 557.19        | 3,458.30      | 2,614.46                 |
|          |          |           | City Sales Tax - Mount Crested Butte             | 1,050.09      | 3,209.86      | 1,536.18                 |
|          |          |           | City Sales Tax - Steamboat Springs               | 4,835.35      | 18,792.53     | 9,684.81                 |
|          |          |           | City Sales/Use Tax                               | 183.35        | 52,657.58     | 15,295.05                |
|          |          |           | City Sales/Use Tax - Cortez                      | 552.56        | 6,223.36      | 2,708.80                 |
|          |          |           | City Sales/Use Tax - Greeley                     | (4,961.44)    | 44,192.40     | 13,958.94                |
|          |          |           | City Sales/Use Tax - Gunnison                    | (26.81)       | 90.42         | 107.24                   |
|          |          |           | City Sales/Use Tax - Lamar                       | (288.89)      | 9,375.38      | 2,273.62                 |
|          |          |           | City & Parish Sales Tax - Louisiana              | (9.88)        | 3.60          | (9.65)                   |
|          |          |           | County City/Use Tax - Prowers                    | 145.83        | 216.04        | 210.99                   |
|          |          |           | County Sales/Use Tax                             | (4,209.27)    | 44,599.93     | 10,277.10                |
|          |          |           | County Use Tax - Fremont                         | 436.46        | 530.80        | 499.93                   |
|          |          |           | Employees' Federal Income Tax Withheld           | 382,584.10    | 402,274.69    | 754,344.31               |
|          |          |           | Employees' FICA Tax                              | 180,612.48    | 205,058.62    | 235,029.75               |
|          |          |           | Employees' Local Tax Withheld - KY               | 24,628.30     | 25,568.16     | 29,424.88                |
|          |          |           | Employees' State Income Tax Withheld - Colorado  | 11,653.74     | 14,530.08     | 15,877.08                |
|          |          |           | Employees' State Income Tax Withheld - Kansas    | 3,693.82      | 3,597.57      | 3,007.67                 |
|          |          |           | Employees' State Income Tax Withheld - Kentucky  | 48,310.76     | 53,276.35     | 93,394.37                |
|          |          |           | Employees' State Income Tax Withheld - Louisiana | 11,895.00     | 10,840.46     | 12,678.35                |
|          |          |           | Employees' State Income Tax Withheld - Missouri  | 1.41          | 0.00          | 509.41                   |
|          |          |           | Franchise Tax Collected - Colorado               | 404,442.44    | 288,448.15    | 161,783.77               |
|          |          |           | Franchise Tax Collected - Kansas                 | 181,845.31    | 155,540.47    | 47,495.98                |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF DECEMBER 31

09:19 AM

| Reference | Page | Line | Acct. | Description                                | 1998                  | 1997                  | As of<br>September 30,<br>1997 |
|-----------|------|------|-------|--|-----------------------|-----------------------|--------------------------------|
| No.       | No.  | No.  | No.   |  |                       |                       |                                |
|           |      |      |       | Franchise Tax Collected - Kentucky         | 171,173.12            | 94,448.18             | 44,798.56                      |
|           |      |      |       | Franchise Tax Collected - Louisiana        | 49,690.22             | 178,154.17            | 74,426.73                      |
|           |      |      |       | Franchise Tax Collected - Missouri         | 8,625.19              | 4,765.37              | 6,301.08                       |
|           |      |      |       | Local Tax - Colorado                       | 149.50                | 155.25                | 149.50                         |
|           |      |      |       | Occupational Tax Collections               | 48,948.95             | (48,176.99)           | 21,763.20                      |
|           |      |      |       | State Sales Tax - Colorado                 | 383,721.44            | 140,899.19            | 85,057.13                      |
|           |      |      |       | State Sales Tax - Kentucky                 | 257,613.59            | 242,239.50            | 123,327.75                     |
|           |      |      |       | State Sales Tax - Louisiana                | (13.37)               | 43,917.75             | 17,311.93                      |
|           |      |      |       | State Sales Tax - Texas                    | (11,374.43)           | (11,641.90)           | (69,631.80)                    |
|           |      |      |       | State Use Tax - Kansas                     | 512.89                | 2,006.58              | 638.66                         |
|           |      |      |       | Utility School Tax (Remit monthly)         | 702,887.58            | 550,756.00            | 47,730.41                      |
|           |      |      |       | <b>Total Tax Collections Payable</b>       | <b>2,934,478.42</b>   | <b>2,630,809.23</b>   | <b>1,794,270.05</b>            |
|           |      |      |       | Atmos - Total Accounts Payable             | 86,211,671.80         | 66,578,674.26         | 41,516,381.18                  |
|           |      |      |       | United Cities Gas - Total Accounts Payable | 20,002,279.00         | 41,644,463.00         | 14,993,663.54                  |
| 23        | 9    |      |       | <b>Total Accounts Payable</b>              | <b>106,213,950.80</b> | <b>108,223,137.26</b> | <b>56,509,044.72</b>           |

ACCRUED TAXES

|      |  |              |  |                            |                      |                      |  |
|------|--|--------------|--|----------------------------|----------------------|----------------------|--|
| 2360 | Accrued Taxes - Other                    |              |  |                            |                      |                      |  |
|      | Ad Valorem                               | 3,587,876.41 |  | 3,212,265.02               | 4,992,989.56         |                      |  |
|      | CNG Use Tax - Kentucky                   | 0.00         |  | 20.39                      | 0.00                 |                      |  |
|      | Employer's Denver City Tax               | 149.50       |  | 108.00                     | 104.00               |                      |  |
|      | Employer's FICA Tax                      | 175,923.87   |  | 205,038.62                 | 235,029.75           |                      |  |
|      | Federal Motor Fuel Tax-CNG               | (8,540.71)   |  | (8,868.06)                 | (8,448.90)           |                      |  |
|      | Franchise - City                         | 1,182,151.34 |  | 1,191,002.72               | 408,345.05           |                      |  |
|      | Louisiana State Supervision & Inspection | 2,369.06     |  | (365.12)                   | (3,183.38)           |                      |  |
|      | Parish & City Use Tax - Louisiana        | 1,627.73     |  | (3,780.40)                 | 6,363.31             |                      |  |
|      | Severance Tax                            | (16,351.81)  |  | (534.41)                   | (7,737.26)           |                      |  |
|      | State Franchise Tax - Louisiana Corp     | 0.00         |  | 36,000.00                  | 0.00                 |                      |  |
|      | State Franchise Tax - Texas              | 537,957.68   |  | 567,116.52                 | 462,957.68           |                      |  |
|      | State Gross Receipts - Texas             | 61,670.96    |  | 530,596.29                 | 41,357.44            |                      |  |
|      | State Transportation Tax - Texas         | 4,128.01     |  | 4,026.24                   | 2,784.31             |                      |  |
|      | State Use Tax - Louisiana                | 758.71       |  | 1,783.43                   | 2,995.15             |                      |  |
|      | Unemployment Tax - Federal               | 17,724.61    |  | 21,022.46                  | 696.83               |                      |  |
|      | Unemployment Tax - State - Colorado      | 1,041.04     |  | 888.36                     | 149.25               |                      |  |
|      | Unemployment Tax - State - Tennessee     | 26.56        |  | 0.00                       | 0.00                 |                      |  |
|      | Unemployment Tax - State - Kentucky      | 1,318.19     |  | 1,640.05                   | (13.12)              |                      |  |
|      | Unemployment Tax - State - Louisiana     | 574.51       |  | 767.80                     | (4.67)               |                      |  |
|      | Unemployment Tax - State - Texas         | 8,421.04     |  | 9,850.87                   | 616.47               |                      |  |
|      | Use Tax (City & State) - Texas           | 50,227.18    |  | 38,758.44                  | 76,522.75            |                      |  |
|      | Atmos - Total Accrued Taxes              | 5,609,053.88 |  | 5,807,357.22               | 6,211,524.22         |                      |  |
|      | United Cities Gas - Total Accrued Taxes  | 4,630,396.00 |  | 4,339,777.00               | 5,488,677.46         |                      |  |
| 23   | 10                                       |              |  | <b>Total Accrued Taxes</b> | <b>10,147,134.22</b> | <b>11,700,201.68</b> |  |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF DECEMBER 31

09:10 AM

| Reference                        | Page | Line | Acct. | Description                                    | 1998           | 1997           | As of<br>September 30,<br>1997 |
|----------------------------------|------|------|-------|--|----------------|----------------|--------------------------------|
| No.                              | No.  | No.  | No.   |  |                |                |                                |
| <b>INCOME TAXES PAYABLE</b>      |      |      |       |  |                |                |                                |
|                                  | 2360 |      |       | Accrued Income Taxes                           |                |                |                                |
|                                  |      |      |       | Accrued Income Taxes - Federal                 | (804,836.23)   | 138,144.05     | (6,384,148.36)                 |
|                                  |      |      |       | Accrued Income Taxes - State                   | (1,694,513.11) | 224,584.43     | (2,236,201.00)                 |
|                                  |      |      |       | Atmos - Total Income Taxes Payable             | (2,499,349.36) | 362,728.48     | (8,620,349.36)                 |
|                                  |      |      |       | United Cities Gas - Total Income Taxes Payable | (4,109,443.00) | (1,368,193.00) | (9,714,291.17)                 |
| 23                               | 11   |      |       | Total Income Taxes Payable                     | (6,608,792.36) | (1,003,464.52) | (18,334,640.53)                |
| <b>CUSTOMERS' DEPOSITS</b>       |      |      |       |  |                |                |                                |
|                                  | 2350 |      |       | Customers' Deposits                            |                |                |                                |
|                                  |      |      |       | Customers' Deposits - Colorado                 | 3,087,464.31   | 3,356,933.81   | 3,256,848.10                   |
|                                  |      |      |       | Customers' Deposits - Kentucky                 | 1,732,517.83   | 2,162,362.75   | 1,792,539.06                   |
|                                  |      |      |       | Customers' Deposits - Louisiana                | 1,432,125.10   | 1,698,107.72   | 1,472,377.99                   |
|                                  |      |      |       | Customers' Deposits - Texas                    | 2,592,619.19   | 2,982,617.42   | 2,765,269.87                   |
|                                  |      |      |       | Atmos - Total Customers' Deposits              | 8,864,726.43   | 10,200,041.70  | 9,287,035.02                   |
|                                  |      |      |       | United Cities Gas - Total Customers' Deposits  | 5,777,636.00   | 6,933,863.00   | 5,731,938.00                   |
| 23                               | 13   |      |       | Total Customers' Deposits                      | 14,642,362.43  | 17,133,904.70  | 15,038,993.02                  |
| <b>OTHER CURRENT LIABILITIES</b> |      |      |       |  |                |                |                                |
|                                  | 2370 |      |       | Interest Accrued                               |                |                |                                |
|                                  |      |      |       | Customers' Deposits - Colorado                 | 466,786.68     | 449,989.88     | 481,751.04                     |
|                                  |      |      |       | Customers' Deposits - Kentucky                 | 76,321.85      | 86,308.17      | 63,697.94                      |
|                                  |      |      |       | Customers' Deposits - Louisiana                | 54,774.06      | 64,266.77      | 44,735.02                      |
|                                  |      |      |       | Customers' Deposits - Texas                    | 114,306.72     | 123,982.54     | 96,217.80                      |
|                                  |      |      |       | Long-Term Debt                                 | 1,550,957.88   | 1,551,994.54   | 3,007,982.43                   |
|                                  |      |      |       | Notes Payable                                  | 263,951.37     | 15,815.89      | 34,568.61                      |
|                                  |      |      |       | Total Interest Accrued                         | 2,527,927.35   | 2,294,638.80   | 3,730,203.84                   |
|                                  | 2420 |      |       | Misc. Current & Accrued Liabilities            |                |                |                                |
|                                  |      |      |       | Separation/Integration Costs                   | 12,500,000.00  | 0.00           | 17,000,000.00                  |
|                                  |      |      |       | Capacity Release Credits                       | (79,934.86)    | (31,119.30)    | (79,934.86)                    |
|                                  |      |      |       | FAS 106 - OPEB                                 | 5,940,078.56   | 3,069,915.07   | 5,246,416.08                   |
|                                  |      |      |       | UPFI Exchange                                  | 892,040.00     | 861,668.09     | 0.00                           |
|                                  |      |      |       | Texas Gas Storage                              | 1,070,847.99   | 3,299,077.48   | 2,737,498.56                   |
|                                  |      |      |       | Total Misc. Current & Accrued Liabilities      | 23,804,248.24  | 9,178,216.40   | 26,333,979.78                  |
|                                  | 2620 |      |       | Self Insurance Reserve                         |                |                |                                |
|                                  |      |      |       | General Liability                              | 1,700,000.00   | 1,500,000.00   | 1,000,000.00                   |
|                                  |      |      |       | Workers Compensation                           | 1,200,000.00   | 1,200,000.00   | 1,200,000.00                   |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF DECEMBER 31

09:10 AM

| Reference | Page | Line | Acct. | Description  | 1998           | 1997           | As of<br>September 30,<br>1997 |
|-----------|------|------|-------|--|----------------|----------------|--------------------------------|
| No.       | No.  | No.  | No.   |  |                |                |                                |
|           |      |      |       | Total Self Insurance Reserve                               | 2,675,000.00   | 2,696,720.42   | 2,200,000.00                   |
|           |      |      |       | Atmos - Total Other Current Liabilities                    |                |                |                                |
|           |      |      |       | United Cities Gas - Total Other Current Liabilities        | 29,007,175.59  | 14,169,575.62  | 32,284,183.62                  |
| 23        | 14   |      |       | Total Other Current Liabilities                            | 17,732,941.00  | 12,560,488.00  | 19,297,929.41                  |
|           |      |      |       |  | 46,740,116.59  | 26,730,063.62  | 51,582,113.03                  |
| 23        | 15   |      |       | Intercompany Accounts - United Cities Gas                  | 996,533.00     | 1,021,544.00   | 276,997.00                     |
| 23        | 16   |      |       | Total Current Liabilities                                  | 385,823,620.34 | 265,967,319.28 | 277,113,668.92                 |
|           |      |      |       | 282 Deferred Federal Income Taxes                          | 49,252,083.50  | 36,388,382.47  | 48,721,572.57                  |
|           |      |      |       | 283 Deferred State Income Taxes                            | 6,442,295.40   | 3,377,617.55   | 6,372,806.73                   |
|           |      |      |       | Atmos - Total Deferred Income Taxes                        | 55,694,379.30  | 39,766,000.02  | 55,094,379.30                  |
|           |      |      |       | United Cities Gas - Total Deferred Income Taxes            | 25,466,171.00  | 25,508,531.00  | 26,234,437.68                  |
| 23        | 17   |      |       | Total Deferred Income Taxes                                | 81,160,550.30  | 65,274,531.02  | 81,328,816.98                  |
|           |      |      |       | <b>DEFERRED CREDITS AND OTHER LIABILITIES</b>              |                |                |                                |
|           |      |      |       | 2520 Customer Advances for Construction                    | 9,062,776.25   | 8,639,975.48   | 8,776,173.29                   |
|           |      |      |       | 2530 Other Deferred Credits                                |                |                |                                |
|           |      |      |       | Advance from UP Alliance                                   | 0.00           | 225,000.00     | 0.00                           |
|           |      |      |       | Directors' Fees  | 113,830.00     | 78,160.38      | 107,850.00                     |
|           |      |      |       | Outside Directors' Retirement Plan                         | 176,912.38     | 39,555.82      | 134,289.92                     |
|           |      |      |       | FAS 106 - OPEB   | 6,376,440.61   | 6,064,150.61   | 6,171,915.61                   |
|           |      |      |       | FAS 109 - Regulatory Liability / Protected                 | 2,291,234.63   | 2,291,234.63   | 2,291,234.63                   |
|           |      |      |       | KN Master Mtr Transfer                                     | 0.00           | 200,000.00     | 200,000.00                     |
|           |      |      |       | LPSC Settlement (Amort. Heating Sea., Fiscal 96 & 97)      | 0.00           | 300,231.33     | 0.00                           |
|           |      |      |       | Protected Excess Deferred Tax - GGC                        | 221,780.62     | 221,780.62     | 221,780.62                     |
|           |      |      |       | Regulatory Liability - ITC                                 | 392,454.15     | 392,454.15     | 392,454.15                     |
|           |      |      |       | Rent Amortization - Lafayette Office                       | 152,096.60     | 175,498.32     | 160,546.89                     |
|           |      |      |       | Rent Amortization - Midway Bldg.                           | 0.00           | 172,476.85     | 0.00                           |
|           |      |      |       | Rent Amortization - Three Lincoln Centre                   | 0.00           | (113,247.30)   | 0.00                           |
|           |      |      |       | Retirement Cost  | 21,339,269.28  | 18,956,507.40  | 20,590,905.84                  |
|           |      |      |       | Workers' Compensation Reserve - GGC                        | 0.00           | 0.00           | 0.00                           |
|           |      |      |       | Total Other Deferred Credits                               | 31,064,038.27  | 28,903,802.81  | 30,270,977.66                  |
|           |      |      |       | 2530 Deferred Credits - Accrued I.T.C                      | 811,500.81     | 811,500.81     | 811,500.81                     |
|           |      |      |       | Atmos - Total Deferred Credits and Other Liab.             | 40,938,315.33  | 38,355,279.10  | 39,858,651.76                  |
| 23        | 18   |      |       | United Cities Gas - Total Deferred Credits and Other Liab. | 13,439,630.00  | 14,140,758.00  | 13,729,516.00                  |
|           |      |      |       | Total Deferred Credits and Other Liab.                     | 54,377,945.33  | 52,496,037.10  | 53,588,167.76                  |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF DECEMBER 31

09:19 AM

| Reference |       | As of                                      |                    |
|-----------|-------|--|--------------------|
| Page      | Line  | 1998                                       | September 30,      |
| No.       | Acct. |  | 1997               |
| No.       | No.   | Description                                |                    |
| 23        | 19    | TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY | \$1,011,626,092.39 |
|           |       |  | \$997,177,791.89   |
|           |       |  | \$1,132,289,760.09 |

( THIS PAGE LEFT BLANK INTENTIONALLY )

( THIS PAGE LEFT BLANK INTENTIONALLY )

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 12/31/97

| Line No. | Description (a)   | Current Month |            | Prior Year Actual |           | Year to Date Budget (f) | Prior Year Actual (g) |
|----------|---|---------------|------------|-------------------|-----------|-------------------------|-----------------------|
|          |   | Actual (b)    | Budget (c) | 808               | 717       |                         |                       |
| 1        | Degree Days   | 830           |            | 808               | 717       | 1,516                   | 1,481                 |
|          | Meters in service (1)                                     |               |            |                   |           |                         |                       |
| 2        | Residential   | 885,726       | N/A        | 871,044           | 93,965    | N/A                     | 866,361               |
| 3        | Commercial  | 95,576        |            |                   | 1,979     |                         | 92,953                |
| 4        | Industrial  | 1,974         |            |                   | 4,789     |                         | 1,902                 |
| 5        | Public Authority & Other                                  | 4,837         |            |                   | 17,284    |                         | 4,761                 |
| 6        | Agricultural  | 15,167        |            |                   |           |                         | 17,302                |
| 7        | Total meters in service                                   | 1,003,230     | N/A        | 989,061           |           | N/A                     | 983,279               |
|          | Utility Sales Customers - Regulated (1)                   |               |            |                   |           |                         |                       |
| 8        | Residential   | 869,515       | N/A        | 852,893           | 91,022    | N/A                     | 847,908               |
| 9        | Commercial  | 93,086        |            |                   | 1,360     |                         | 89,985                |
| 10       | Industrial  | 1,431         |            |                   | 3,523     |                         | 1,386                 |
| 11       | Public Authority & Other                                  | 3,553         |            |                   | 309       |                         | 3,497                 |
| 12       | Agricultural  | 299           |            |                   |           |                         | 310                   |
| 13       | Total Regulated Sales Customers                           | 967,884       | N/A        | 949,107           |           | N/A                     | 943,036               |
|          | Utility Sales Customers - Non Regulated (1)               |               |            |                   |           |                         |                       |
| 14       | Industrial  | 192           | N/A        | 187               | 6,642     | N/A                     | 184                   |
| 15       | Agricultural  | 6,486         |            |                   |           |                         | 6,691                 |
| 16       | Total Non Regulated Sales Customers                       | 6,678         | N/A        | 6,879             |           | N/A                     | 6,875                 |
| 17       | Total Sales Customers (1)                                 | 974,562       | N/A        | 955,936           |           | N/A                     | 949,961               |
| 18       | Transportation Customers (1)(2)                           | 619           | N/A        | 541               |           | N/A                     | 527                   |
| 19       | Total Utility Customers (1)(2)                            | 975,181       | N/A        | 956,477           |           | N/A                     | 950,488               |
|          | Utility Gas Volumes Sold - Regulated (mcf as metered)     |               |            |                   |           |                         |                       |
| 20       | Residential   | 11,357,505    | N/A        | 10,980,549        | 5,096,160 | N/A                     | 20,112,131            |
| 21       | Commercial  | 5,136,905     |            |                   | 2,812,688 |                         | 10,307,248            |
| 22       | Industrial  | 2,333,438     |            |                   | 733,891   |                         | 8,199,628             |
| 23       | Public Authority & Other                                  | 724,349       |            |                   | (8,119)   |                         | 1,472,885             |
| 24       | Agricultural  | 4,195         |            |                   | 2,264,930 |                         | 69,612                |
| 25       | Unbilled  | 3,547,248     |            |                   |           |                         | 7,760,752             |
| 26       | Total Regulated Gas Volumes                               | 23,103,640    | N/A        | 21,900,099        |           | N/A                     | 47,922,256            |
|          | Utility Gas Volumes Sold - Non Regulated (mcf as metered) |               |            |                   |           |                         |                       |
| 27       | Industrial  | 614,685       | N/A        | 547,979           | 204,896   | N/A                     | 1,599,613             |
| 28       | Agricultural  | 280,647       |            |                   | 732,825   |                         | 1,028,100             |
| 29       | Total Non Regulated Gas Volumes                           | 895,332       | N/A        | 732,825           |           | N/A                     | 2,627,713             |
| 30       | Total Gas Volumes Sold                                    | 23,998,972    | N/A        | 22,632,924        |           | N/A                     | 50,549,969            |
| 31       | Transport volumes (mcf as metered) (2)                    | 5,225,128     | N/A        | 3,948,014         |           | N/A                     | 11,895,415            |
| 32       | Total Operating Volumes (2)                               | 29,224,100    | N/A        | 26,600,938        |           | N/A                     | 62,445,384            |

N/A = Not Available



ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 12/31/97

| Line No. | Description (a)                           | Current Month     |                   |                       | Year to Date      |                   |                       |
|----------|---|-------------------|-------------------|-----------------------|-------------------|-------------------|-----------------------|
|          |   | Actual (b)        | Budget (c)        | Prior Year Actual (d) | Actual (e)        | Budget (f)        | Prior Year Actual (g) |
| 1        | Utility Gas Sales Revenue - Regulated     |                   |                   |                       |                   |                   |                       |
| 2        | Residential                               | \$ 65,525,257.01  | N/A               | \$ 62,584,767.97      | \$ 125,667,552.02 | N/A               | \$ 112,350,614.35     |
| 3        | Commercial                                | 28,695,006.68     |                   | 27,017,594.63         | 57,303,479.86     |                   | 51,112,829.17         |
| 4        | Industrial                                | 10,894,351.19     |                   | 12,373,692.31         | 31,652,097.48     |                   | 31,918,919.08         |
| 5        | Public Authority & Other                  | 3,281,313.33      |                   | 3,768,521.15          | 7,096,116.64      |                   | 7,060,716.52          |
| 6        | Agricultural                              | 25,555.35         |                   | (8,885.90)            | 316,462.46        |                   | 226,309.62            |
| 7        | Unbilled                                  | 16,551,698.00     |                   | 19,474,863.00         | 43,413,242.00     |                   | 48,903,462.00         |
|          | Total Regulated Gas Sales Revenue         | 124,973,181.56    | N/A               | 125,210,553.16        | 265,448,950.46    | N/A               | 251,572,850.74        |
| 8        | Utility Gas Sales Revenue - Non Regulated |                   |                   |                       |                   |                   |                       |
| 9        | Industrial                                | 2,064,630.19      | N/A               | 1,741,721.31          | 5,487,025.12      | N/A               | 4,736,510.10          |
| 10       | Agricultural                              | 1,094,310.31      |                   | 589,086.18            | 2,452,460.83      |                   | 2,780,413.11          |
|          | Total Non Regulated Gas Sales Revenue     | 3,158,940.50      | N/A               | 2,330,807.49          | 7,939,485.95      | N/A               | 7,516,923.21          |
| 11       | Total Utility Gas Sales Revenue           | 128,132,122.06    | 112,099,000.00    | 127,541,360.65        | 273,388,436.41    | 237,725,000.00    | 259,089,773.95        |
| 12       | Other Gas Revenue                         | 794,071.35        | 718,000.00        | 478,598.90            | 1,842,103.45      | 1,549,000.00      | 1,485,814.94          |
| 13       | Total Utility Gas Revenue                 | 128,926,193.41    | 112,817,000.00    | 128,019,959.55        | 275,230,539.86    | 239,274,000.00    | 260,575,588.89        |
| 14       | Transportation Revenue (2)                | 2,400,905.22      | 1,484,000.00      | 1,658,946.52          | 6,835,197.86      | 4,714,000.00      | 5,099,385.52          |
| 15       | Other Operating Revenue                   | 0.00              | 0.00              | 0.00                  | 0.00              | 0.00              | 0.00                  |
| 16       | Total Utility Operating Revenue (2)       | \$ 131,327,098.63 | \$ 114,301,000.00 | \$ 129,678,906.07     | \$ 282,065,737.72 | \$ 243,988,000.00 | \$ 265,674,974.41     |
| 17       | Utility Purchased Gas Cost                |                   |                   |                       |                   |                   |                       |
| 18       | Regulated                                 | \$ 85,811,134.17  | N/A               | \$ 87,348,781.68      | \$ 182,628,343.58 | N/A               | \$ 169,811,184.99     |
| 19       | Non Regulated                             | 2,750,766.99      |                   | 1,142,563.40          | 6,759,574.14      |                   | 5,858,385.13          |
|          | Eliminations                              | (294,816.85)      |                   | (249,316.27)          | (617,030.39)      |                   | (652,321.06)          |
| 20       | Total Purchased Gas Cost                  | \$ 88,267,084.31  | \$ 73,054,000.00  | \$ 88,242,028.81      | \$ 188,770,887.33 | \$ 154,698,000.00 | \$ 175,017,249.06     |
| 21       | Gas Sales Margin - Regulated (3)          | \$ 39,162,047.39  | N/A               | \$ 37,861,771.48      | \$ 82,820,606.88  | N/A               | \$ 81,761,665.75      |
| 22       | Gas Sales Margin - Non Regulated (4)      | 408,173.51        |                   | 1,188,244.09          | 1,179,911.81      |                   | 1,658,538.08          |
| 23       | Gas Sales Margin - Total (5)              | 39,865,037.75     | 39,045,000.00     | 39,299,331.84         | 84,617,549.08     | 83,027,000.00     | 84,072,524.89         |
| 24       | Margin per MCF Sold - Regulated (6)       | \$ 1.70           | N/A               | \$ 1.73               | \$ 1.73           | N/A               | \$ 1.71               |
| 25       | Margin per MCF Sold - Non Regulated (6)   | 0.46              | N/A               | 1.58                  | 0.51              | N/A               | 0.63                  |
| 26       | Margin per MCF Sold - Total (6)           | 1.66              | N/A               | 1.73                  | 1.68              | N/A               | 1.66                  |

N/A = Not Available

- (1) The current month reflects the actual for the respective period as per the Meter Inventory Mgmt System, year to date reflects the average for the respective period.  
 (2) Reflects intercompany eliminations.  
 (3) Regulated gas sales revenue minus regulated gas costs.  
 (4) Non regulated gas sales revenue minus non regulated gas costs.  
 (5) Total gas sales revenue minus total gas costs.  
 (6) Gas sales margin divided by gas sales volumes as metered.

WESTERN KENTUCKY GAS UTILITY BUSINESS UNIT  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 12/31/97

| Line No. | Description (a)   | Current Month |            | Prior Year Actual |            | Year to Date |            |
|----------|---|---------------|------------|-------------------|------------|--------------|------------|
|          |   | Actual (b)    | Budget (c) | Actual (d)        | Budget (e) | Actual (f)   | Budget (g) |
| 1        | Degree Days   | 848           | 859        | 747               | 1,713      | 1,613        | 1,613      |
| 2        | Meters in service (1)                                     |               |            |                   |            |              |            |
| 3        | Residential   | 156,057       | N/A        | 153,605           | 155,276    | N/A          | 153,163    |
| 4        | Commercial  | 18,078        |            | 17,662            | 17,933     |              | 17,580     |
| 5        | Industrial  | 453           |            | 468               | 458        |              | 401        |
| 6        | Public Authority & Other                                  | 1,585         |            | 1,556             | 1,580      |              | 1,549      |
| 7        | Agricultural  | 0             |            | 0                 | 0          |              | 0          |
|          | Total meters in service                                   | 176,173       | N/A        | 173,291           | 175,247    | N/A          | 172,693    |
| 8        | Utility Sales Customers - Regulated (1)                   |               |            |                   |            |              |            |
| 9        | Residential   | 153,046       | N/A        | 150,951           | 150,766    | N/A          | 148,668    |
| 10       | Commercial  | 17,631        |            | 17,320            | 17,264     |              | 16,910     |
| 11       | Industrial  | 295           |            | 315               | 296        |              | 322        |
| 12       | Public Authority & Other                                  | 1,565         |            | 1,546             | 1,566      |              | 1,540      |
| 13       | Agricultural  | 0             |            | 0                 | 0          |              | 0          |
|          | Total Regulated Sales Customers                           | 172,537       | N/A        | 170,132           | 169,892    | N/A          | 167,440    |
| 14       | Utility Sales Customers - Non Regulated (1)               |               |            |                   |            |              |            |
| 15       | Industrial  | 0             |            | 0                 | 0          |              | 0          |
| 16       | Agricultural  | 0             |            | 0                 | 0          |              | 0          |
|          | Total Non Regulated Sales Customers                       | 0             |            | 0                 | 0          |              | 0          |
| 17       | Total Sales Customers (1)                                 | 172,537       | N/A        | 170,132           | 169,892    | N/A          | 167,440    |
| 18       | Transportation Customers (1) (2)                          | 87            | N/A        | 58                | 74         | N/A          | 48         |
| 19       | Total Utility Customers (1) (2)                           | 172,624       | N/A        | 170,190           | 169,966    | N/A          | 167,488    |
| 20       | Utility Gas Volumes Sold - Regulated (mcf as metered)     |               |            |                   |            |              |            |
| 21       | Residential   | 2,019,863     | N/A        | 2,016,872         | 3,524,874  | N/A          | 3,411,943  |
| 22       | Commercial  | 790,257       |            | 831,925           | 1,580,961  |              | 1,624,981  |
| 23       | Industrial  | 355,782       |            | 754,604           | 1,230,768  |              | 2,069,613  |
| 24       | Public Authority & Other                                  | 221,502       |            | 227,597           | 414,084    |              | 399,868    |
| 25       | Agricultural  | 0             |            | 0                 | 0          |              | 0          |
| 26       | Unbilled  | 633,153       |            | 276,878           | 1,468,512  |              | 1,684,843  |
|          | Total Regulated Gas Volumes                               | 4,020,557     | N/A        | 4,107,876         | 8,219,199  | N/A          | 9,191,248  |
| 27       | Utility Gas Volumes Sold - Non Regulated (mcf as metered) |               |            |                   |            |              |            |
| 28       | Industrial  | 0             |            | 0                 | 0          |              | 0          |
| 29       | Agricultural  | 0             |            | 0                 | 0          |              | 0          |
|          | Total Non Regulated Gas Volumes                           | 0             |            | 0                 | 0          |              | 0          |
| 30       | Total Gas Volumes Sold                                    | 4,020,557     | N/A        | 4,107,876         | 8,219,199  | N/A          | 9,191,248  |
| 31       | Transport volumes (mcf as metered) (2)                    | 2,344,218     | N/A        | 1,612,019         | 6,558,426  | N/A          | 5,144,468  |
| 32       | Total Operating Volumes (2)                               | 6,364,775     | N/A        | 5,719,895         | 14,777,625 | N/A          | 14,335,716 |

N/A = Not Available

WESTERN KENTUCKY GAS UTILITY BUSINESS UNIT  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 12/31/97

| Line No.   | Description (a)                         | Current Month    |                  |                       | Year to Date     |                  |                       |
|--|---|------------------|------------------|-----------------------|------------------|------------------|-----------------------|
|  |   | Actual (b)       | Budget (c)       | Prior Year Actual (d) | Actual (e)       | Budget (f)       | Prior Year Actual (g) |
| <b>Utility Gas Sales Revenue - Regulated</b>     |   |                  |                  |                       |                  |                  |                       |
| 1  | Residential                             | \$ 13,117,786.27 | N/A              | \$ 10,138,625.80      | \$ 23,128,934.26 | N/A              | \$ 17,627,176.31      |
| 2  | Commercial                              | 5,004,921.60     |                  | 4,021,588.69          | 9,692,936.54     |                  | 7,709,129.03          |
| 3  | Industrial                              | 1,867,855.50     |                  | 3,179,469.32          | 5,894,470.68     |                  | 7,718,279.56          |
| 4  | Public Authority & Other                | 1,337,226.05     |                  | 1,037,273.01          | 2,422,590.95     |                  | 1,790,886.53          |
| 5  | Agricultural                            | 0.00             |                  | 0.00                  | 0.00             |                  | 0.00                  |
| 6  | Unbilled                                | 5,115,399.00     |                  | 2,860,000.00          | 9,804,399.00     |                  | 9,605,000.00          |
| 7  | Total Regulated Gas Sales Revenue       | 26,443,188.42    | 17,745,000.00    | 21,236,956.82         | 50,943,331.43    | 35,104,000.00    | 44,450,471.43         |
| <b>Utility Gas Sales Revenue - Non Regulated</b> |   |                  |                  |                       |                  |                  |                       |
| 8  | Industrial                              | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00             | 0.00                  |
| 9  | Agricultural                            | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00             | 0.00                  |
| 10   | Total Non Regulated Gas Sales Revenue   | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00             | 0.00                  |
| 11   | Total Utility Gas Sales Revenue         | 26,443,188.42    | 17,745,000.00    | 21,236,956.82         | 50,943,331.43    | 35,104,000.00    | 44,450,471.43         |
| 12   | Other Gas Revenue                       | 71,559.85        | 93,000.00        | 84,843.24             | 248,250.52       | 187,000.00       | 256,714.12            |
| 13   | Total Utility Gas Revenue               | 26,514,748.27    | 17,838,000.00    | 21,321,800.06         | 51,191,581.95    | 35,291,000.00    | 44,707,185.55         |
| 14   | Transportation Revenue (2)              | 797,034.12       | 700,000.00       | 516,355.58            | 2,219,188.58     | 2,100,000.00     | 1,666,491.76          |
| 15   | Other Operating Revenue                 | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00             | 0.00                  |
| 16   | Total Utility Operating Revenue (2)     | 27,311,782.39    | 18,538,000.00    | 21,838,155.64         | 53,410,770.53    | 37,391,000.00    | 46,373,677.31         |
| <b>Utility Purchased Gas Cost</b>                |   |                  |                  |                       |                  |                  |                       |
| 17   | Regulated                               | \$ 20,331,219.20 | \$ 12,155,000.00 | \$ 16,730,729.12      | \$ 39,297,754.95 | \$ 25,315,000.00 | \$ 34,909,446.30      |
| 18   | Non Regulated                           | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00             | 0.00                  |
| 19   | Eliminations                            | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00             | 0.00                  |
| 20   | Total Purchased Gas Cost                | 20,331,219.20    | 12,155,000.00    | 16,730,729.12         | 39,297,754.95    | 25,315,000.00    | 34,909,446.30         |
| 21   | Gas Sales Margin - Regulated (3)        | \$ 6,111,969.22  | \$ 5,590,000.00  | \$ 4,506,227.70       | \$ 11,645,576.48 | \$ 9,789,000.00  | \$ 9,541,025.13       |
| 22   | Gas Sales Margin - Non Regulated (4)    |                  |                  |                       |                  |                  |                       |
| 23   | Gas Sales Margin - Total (5)            | 6,111,969.22     | 5,590,000.00     | 4,506,227.70          | 11,645,576.48    | 9,789,000.00     | 9,541,025.13          |
| 24   | Margin per MCF Sold - Regulated (6)     | \$ 1.52          | N/A              | \$ 1.10               | \$ 1.42          | N/A              | \$ 1.04               |
| 25   | Margin per MCF Sold - Non Regulated (6) |                  |                  |                       |                  |                  |                       |
| 26   | Margin per MCF Sold - Total (6)         | 1.52             | N/A              | 1.10                  | 1.42             | N/A              | 1.04                  |

N/A = Not Available

- (1) The current month reflects the actual for the respective period as per the Meter Inventory Mgmt System, year to date reflects the average for the respective period.
- (2) Reflects intercompany eliminations.
- (3) Regulated gas sales revenue minus regulated gas costs.
- (4) Non regulated gas sales revenue minus non regulated gas costs.
- (5) Total gas sales revenue minus total gas costs.
- (6) Gas sales margin divided by gas sales volumes as metered.

**ATMOS ENERGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED OPERATION EXPENSES**  
**FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 12/31/97**

| Line No.                                | Description (a)                           | Current Month |            | Year to Date          |            | Twelve Months Ended |              |
|---|---|---------------|------------|-----------------------|------------|---------------------|--------------|
|   |   | Actual (b)    | Budget (c) | Prior Year Actual (d) | Budget (e) | Actual (f)          | Budget (g)   |
| <b>Manufactured Gas Production Exp.</b> |   |               |            |                       |            |                     |              |
| 1                                       | 717 Liquefied Petroleum Gas Expenses      | \$0.00        | \$0        | \$0.00                | \$0        | \$0.00              | \$0.00       |
| 2                                       | 723 Fuel for L-P Gas Process              | 0.00          | 0          | 0.00                  | 0          | 0.00                | 0.00         |
| 3                                       | 728 L-P Gas - Raw Materials               | 0.00          | 0          | 0.00                  | 0          | 0.00                | 0.00         |
| 4                                       | 735 Misc. Production Expenses             | 0.00          | 0          | 0.00                  | 0          | 0.00                | 0.00         |
| 5                                       | 736 Rents                                 | 0.00          | 0          | 0.00                  | 0          | 0.00                | 0.00         |
| 6                                       | Total Manufactured Gas Prod. Expense      | 0.00          | 0          | 0.00                  | 0          | 0.00                | 0.00         |
| <b>Natural Gas Production Expenses</b>  |   |               |            |                       |            |                     |              |
| 7                                       | 750 Operation Supervision and Engineering | 154.32        | 0          | 468.13                | 0          | 1,224.64            | 2,634.92     |
| 8                                       | 751 Production Maps & Records             | 0.00          | 0          | 0.00                  | 0          | 0.00                | 0.00         |
| 9                                       | 752 Gas Wells Expenses                    | 0.00          | 0          | 0.00                  | 0          | 0.00                | 0.00         |
| 10                                      | 753 Field Lines Expenses                  | 213.51        | 0          | 1,628.26              | 0          | 4,281.79            | 9,161.92     |
| 11                                      | 754 Field Compressor Station Expenses     | 2,939.68      | 0          | 4,346.89              | 0          | 10,803.66           | 60,882.45    |
| 12                                      | 755 Field Compressor Station Fuel Exp.    | 0.00          | 0          | 0.00                  | 0          | 0.00                | 0.00         |
| 13                                      | 756 Field Meas. & Reg. Station Expenses   | 6,568.61      | 0          | 7,935.37              | 0          | 22,273.00           | 123,077.38   |
| 14                                      | 757 Purification Expenses                 | 787.27        | 0          | 2,177.42              | 0          | 4,753.03            | 73,373.87    |
| 15                                      | 758 Gas Well Royalties                    | 0.00          | 0          | 0.00                  | 0          | 0.00                | 0.00         |
| 16                                      | 759 Operating Expenses - Other            | 0.00          | 0          | 0.00                  | 0          | 0.00                | 0.00         |
| 17                                      | 760 Rents                                 | 0.00          | 0          | 0.00                  | 0          | 0.00                | 0.00         |
| 18                                      | 798 Other Exploration Exp.                | 94.34         | 0          | 94.34                 | 0          | 283.02              | 22,317.03    |
| 19                                      | Total Natural Gas Prod. Expenses          | 10,757.73     | 0          | 16,650.41             | 0          | 43,621.14           | 292,679.85   |
| <b>Production Extraction</b>            |   |               |            |                       |            |                     |              |
| 20                                      | 770 Operation Supervision and Engineering | 0.00          | 0          | 0.00                  | 0          | 0.00                | 782.69       |
| 21                                      | 771 Operation Labor                       | 1,742.23      | 0          | 1,764.67              | 0          | 6,541.13            | 16,151.42    |
| 22                                      | 772 Gas Shrinkage                         | 0.00          | 0          | 0.00                  | 0          | 28,701.64           | 74,795.17    |
| 23                                      | 773 Fuel                                  | 1,146.62      | 0          | 821.25                | 0          | 2,055.88            | 9,532.16     |
| 24                                      | 774 Power                                 | 1,378.23      | 0          | 1,664.92              | 0          | 4,924.87            | 17,617.05    |
| 25                                      | 777 Gas Production By Others              | 0.00          | 0          | 212.09                | 0          | 394.72              | 662.86       |
| 26                                      | 781 Variation in Product Inv.             | 0.00          | 0          | 0.00                  | 0          | 0.00                | 0.00         |
| 27                                      | Total Prod. Extraction Expenses           | \$4,267.08    | \$0        | \$4,462.91            | \$0        | \$42,618.04         | \$119,541.35 |
| <b>Other Gas Supply Expenses</b>        |   |               |            |                       |            |                     |              |
| 1                                       | 790 1 Transf. to Purch. Gas Acct. - Cr.   | \$0.00        | \$0        | \$0.00                | \$0        | \$0.00              | \$0.00       |
| 2                                       | 807 Purchased Gas Expenses                | 7,792.88      | 0          | 8,967.22              | 0          | 26,375.80           | 98,018.03    |
| 3                                       | 808 Gas Withdrawn from Storage - Dr.      | 0.00          | 0          | 0.00                  | 0          | 0.00                | 0.00         |

\* Budget information not available by account and includes UCCO.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED OPERATION EXPENSES  
FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 12/31/97.

| Line No.                                      | Description (a)                          | Current Month |             | Year to Date |             | Twelve Months Ended   |              |          |
|---|--|---------------|-------------|--------------|-------------|-----------------------|--------------|----------|
|   |  | Actual (b)    | Budget* (c) | Actual (e)   | Budget* (f) | Prior Year Actual (g) | Actual (h)   | Line No. |
| 4   | Gas Delivered to Storage - Cr.           | 0.00          | 0           | 0.00         | 0           | 0.00                  | 0.00         | 4        |
| 5   | Gas Used for Other Util. Oper. - Cr.     | 0.00          | 0           | 0.00         | 0           | 0.00                  | 0.00         | 5        |
| 6   | Total Other Gas Supply Expenses          | 7,792.88      | 0           | 16,646.59    | 0           | 26,375.80             | 98,018.03    | 6        |
| <b>Underground Storage Operation Expenses</b> |  |               |             |              |             |                       |              |          |
| 7   | Oper. Supervision-Engineering            | 268.87        | 0           | (1,177.14)   | 0           | 3,911.09              | (2,702.52)   | 7        |
| 8   | Wells Expense                            | 3,812.94      | 0           | 14,414.89    | 0           | 16,975.19             | 73,343.66    | 8        |
| 9   | Lines Expense                            | 4,326.93      | 0           | 10,837.99    | 0           | 8,794.09              | 38,478.73    | 9        |
| 10  | Comp. Station Expenses                   | 4,977.64      | 0           | 15,660.51    | 0           | 23,990.60             | 81,300.03    | 10       |
| 11  | Comp. Station Fuel & Power               | 74.96         | 0           | 927.45       | 0           | 8,811.56              | 16,763.31    | 11       |
| 12  | Mess. Reg. Station Expenses              | 2,056.62      | 0           | 3,693.63     | 0           | 5,038.20              | 19,403.66    | 12       |
| 13  | Purification Expenses                    | 2,223.68      | 0           | 6,448.80     | 0           | 6,742.05              | 24,778.88    | 13       |
| 14  | Other Expenses                           | 531.77        | 0           | 1,220.63     | 0           | 822.82                | 5,800.93     | 14       |
| 15  | Storage Well Royalties                   | 1,856.39      | 0           | 6,638.20     | 0           | 8,514.20              | 35,601.19    | 15       |
| 16  | Rents                                    | 0.00          | 0           | 0.00         | 0           | 3,890.01              | 11,670.03    | 16       |
| 17  | Total Underground Storage Operation Exp. | 20,149.80     | 0           | 58,684.96    | 0           | 87,509.81             | 304,487.90   | 17       |
| <b>Transmission Operation Expenses</b>        |  |               |             |              |             |                       |              |          |
| 18  | Oper. Supervision-Engineering            | 417.83        | 0           | 1,772.35     | 0           | 9,638.60              | 16,189.19    | 18       |
| 19  | System Control-Load Dispatch             | 0.00          | 0           | 459.00       | 0           | 5,607.04              | 12,296.00    | 19       |
| 20  | Communications System Expenses           | 0.00          | 0           | 0.00         | 0           | 0.00                  | 0.00         | 20       |
| 21  | Comp. Station Labor and Exp.             | 5,123.40      | 0           | 12,964.80    | 0           | 15,942.45             | 61,490.16    | 21       |
| 22  | Gas for Comp. Station Fuel               | 27,384.89     | 0           | 62,662.71    | 0           | 35,824.02             | 183,817.84   | 22       |
| 23  | Other Fuel and Pow. for Comp. Station    | 0.00          | 0           | 0.00         | 0           | 0.00                  | 0.00         | 23       |
| 24  | Mains Expense                            | 20,634.23     | 0           | 62,608.27    | 0           | 69,012.52             | 243,226.63   | 24       |
| 25  | Measuring and Reg. Sta. Exp.             | 13,113.51     | 0           | 29,961.46    | 0           | 45,821.48             | 152,269.17   | 25       |
| 26  | Trans. and Comp. of Gas by Oth.          | 0.00          | 0           | 0.00         | 0           | 0.00                  | 0.00         | 26       |
| 27  | Other Expenses                           | 0.00          | 0           | 29.76        | 0           | 1,357.83              | 3,317.81     | 27       |
| 28  | 8600 0 Rents                             | 0.00          | 0           | 0.00         | 0           | 0.00                  | 0.00         | 28       |
| 29  | 8600 8 Building Service                  | 0.00          | 0           | 0.00         | 0           | 0.00                  | 0.00         | 29       |
| 30  | Total Transmission Operation Expenses    | \$66,673.90   | \$0         | \$170,438.35 | \$0         | \$183,203.94          | \$672,606.80 | 30       |

\* Budget information not available by account and includes UCC.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED OPERATION EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 12/31/97

| Line No.   | Description (a)                                | Current Month  |             |                       | Year to Date   |             |                       | Twelve Months Ended |          |
|--|--|----------------|-------------|-----------------------|----------------|-------------|-----------------------|---------------------|----------|
|  |  | Actual (b)     | Budget* (c) | Prior Year Actual (d) | Actual (e)     | Budget* (f) | Prior Year Actual (g) | Actual (h)          | Line No. |
| <b>Distribution Operation Expenses</b>           |  |                |             |                       |                |             |                       |                     |          |
| 1  | 870 Supervision & Engineering                  | \$1,110,097.05 | \$0         | \$505,956.01          | \$2,563,954.15 | \$0         | \$1,520,686.46        | \$7,238,081.70      | 1        |
| 2  | 8710 Distribution Load Dispatching             | 40,304.33      | 0           | 50,828.07             | 115,688.32     | 0           | 153,317.95            | 514,720.24          | 2        |
| 3  | 8710.3 Odorization Expense                     | 17,296.18      | 0           | 42,570.47             | 83,443.89      | 0           | 97,642.87             | 353,414.59          | 3        |
| 4  | 872 Comp. Station Labor & Expenses             | 0.00           | 0           | 0.00                  | 0.00           | 0           | 0.00                  | 0.00                | 4        |
| 5  | 873 Comp. Station Fuel and Power               | 0.00           | 0           | 0.00                  | 0.00           | 0           | 0.00                  | 0.00                | 5        |
| 6  | 874 Mains & Service Expenses                   | 469,160.74     | 0           | 484,409.14            | 1,268,884.02   | 0           | 1,472,734.56          | 5,963,962.84        | 6        |
| 7  | 875 Mess. & Reg. Sta. Exp. Gen.                | 53,038.14      | 0           | 61,713.42             | 134,284.12     | 0           | 187,078.72            | 621,311.01          | 7        |
| 8  | 876 Mess. & Reg. Sta. Exp. Ind.                | 21,599.11      | 0           | 34,714.89             | 65,984.29      | 0           | 105,895.61            | 355,161.67          | 8        |
| 9  | 877 Mess. & Reg. Sta. Exp. City Ont            | 24,141.52      | 0           | 31,726.71             | 63,456.07      | 0           | 88,260.32             | 324,547.70          | 9        |
| 10   | 878 Meter & House Regulator Exp.               | 494,568.37     | 0           | 514,797.71            | 1,447,289.98   | 0           | 1,590,531.06          | 6,163,123.46        | 10       |
| 11   | 8790 Customer Installation Expenses            | 285,061.58     | 0           | 324,661.41            | 786,726.10     | 0           | 931,177.10            | 3,425,407.07        | 11       |
| 12   | 8790.1 Customer Installation Exp. - Flex Conn. | 0.00           | 0           | 661.57                | 974.55         | 0           | 661.57                | 1,068.32            | 12       |
| 13   | 8790.8 Irrigation Operating Fee Lines          | 54.64          | 0           | 390.96                | 383.21         | 0           | 542.86                | (2,518.56)          | 13       |
| 14   | 8790.9 Customer Service - Gas Lights & Grills  | 5,153.35       | 0           | (1,903.30)            | (10,500.60)    | 0           | (18,553.60)           | (183.92)            | 14       |
| 15   | 8800 Other Expenses                            | 21,854.73      | 0           | 17,185.72             | 52,864.68      | 0           | 72,091.96             | 296,826.11          | 15       |
| 16   | 8800.1 Distribution Maps & Records             | 8,494.52       | 0           | 9,482.05              | 27,135.95      | 0           | 29,633.20             | 116,139.73          | 16       |
| 17   | 8810 Rents                                     | 380,102.01     | 0           | 390,192.15            | 1,136,333.38   | 0           | 1,143,961.87          | 4,568,879.02        | 17       |
| 18   | 8810.8 Building Service                        | 38,578.78      | 0           | 40,462.35             | 110,868.74     | 0           | 125,233.71            | 504,047.34          | 18       |
| 19   | Total Distribution Operation Expenses          | 2,969,323.05   | 0           | 2,510,299.33          | 7,847,770.85   | 0           | 7,500,916.22          | 30,445,988.32       | 19       |
| <b>Customer Accounts Expenses</b>                |  |                |             |                       |                |             |                       |                     |          |
| 20   | 901 Supervision                                | 63,729.18      | 0           | 114,673.10            | 195,919.86     | 0           | 353,880.13            | 1,177,044.87        | 20       |
| 21   | 902 Meter Reading Expenses                     | 315,077.26     | 0           | 372,642.24            | 913,284.35     | 0           | 1,076,929.26          | 4,097,799.14        | 21       |
| 22   | 903 Cust. Records & Coll. Expenses             | 677,204.20     | 0           | 1,006,832.38          | 2,401,362.91   | 0           | 2,972,104.96          | 11,693,278.58       | 22       |
| 23   | 904 Uncollectible Accounts                     | 171,638.92     | 0           | 375,023.30            | 383,037.10     | 0           | 540,866.31            | 1,846,975.65        | 23       |
| 24   | 905 Miscellaneous Expenses                     | 23,344.61      | 0           | 27,210.41             | 75,098.58      | 0           | 83,208.65             | 359,279.13          | 24       |
| 25   | Total Customer Accounts Expenses               | 1,231,014.17   | 0           | 1,896,381.43          | 3,970,702.80   | 0           | 5,028,969.31          | 19,174,377.37       | 25       |
| <b>Customer Service and Information Expenses</b> |  |                |             |                       |                |             |                       |                     |          |
| 26   | 909 Supervision                                | 45,397.98      | 0           | 54,251.92             | 145,220.37     | 0           | 163,516.22            | 644,723.70          | 26       |
| 27   | 910 Customer Assistance Expenses               | 164,795.33     | 0           | 173,098.65            | 514,232.65     | 0           | 620,137.30            | 2,240,517.02        | 27       |
| 28   | 911 Inform. Instruct. & Ad Expenses            | 38,927.08      | 0           | 29,210.23             | 135,590.44     | 0           | 83,627.73             | 466,538.36          | 28       |
| 29   | 912 Misc. Customer Serv. & Info. Exp.          | 865.01         | 0           | 869.57                | 3,174.22       | 0           | 2,525.78              | 9,364.90            | 29       |
| 30   | Total Customer Service & Info. Exp.            | \$249,985.40   | \$0         | \$257,430.37          | \$798,217.68   | \$0         | \$869,807.03          | \$3,561,143.38      | 30       |

\* Budget information not available by account and includes UCC.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED OPERATION EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 12/31/97

| Line No.   | Description (a)                        | Current Month   |                 | Year to Date          |                 | Twelve Months Ended |                       |
|--|--|-----------------|-----------------|-----------------------|-----------------|---------------------|-----------------------|
|  |  | Actual (b)      | Budget * (c)    | Prior Year Actual (d) | Budget * (f)    | Actual (h)          | Prior Year Actual (g) |
| <b>Sales Promotion Expenses</b>                        |  |                 |                 |                       |                 |                     |                       |
| 1  | 915 Supervision                        | \$14,836.32     | \$0             | \$12,693.48           | \$0             | \$44,927.40         | \$38,104.52           |
| 2  | 916 Demonstrating & Selling Expenses   | 72,110.02       | 0               | 49,503.86             | 0               | 84,428.12           | 101,378.59            |
| 3  | 917 Advertising Expenses               | 718.80          | 0               | 0.00                  | 0               | 877.53              | 144.95                |
| 4  | 918 Miscellaneous Sales Expenses       | 0.00            | 0               | 752.35                | 0               | 875.56              | 3,280.36              |
| 5  | Total Sales Promotion Expenses         | 37,665.34       | 0               | 62,949.69             | 0               | 131,108.61          | 142,908.42            |
| <b>Administrative &amp; General Operation Expenses</b> |  |                 |                 |                       |                 |                     |                       |
| 6  | 920 Salaries                           | 794,847.53      | 0               | 731,765.20            | 0               | 2,371,518.39        | 2,254,502.03          |
| 7  | 921 Office Supplies and Expenses       | 344,235.72      | 0               | 379,347.32            | 0               | 1,075,538.75        | 1,229,036.57          |
| 8  | 922 Admin. Exp. Transf.-Cr.            | (1,510,231.52)  | 0               | (830,000.00)          | 0               | (4,340,690.49)      | (2,450,000.00)        |
| 9  | 923 Outside Services Employed          | 353,091.33      | 0               | 271,848.79            | 0               | 1,048,771.32        | 715,608.15            |
| 10   | 924 Property Insurance                 | 8,457.90        | 0               | 12,506.50             | 0               | 26,727.70           | 33,351.84             |
| 11   | 9250 Injuries and Damages              | 503,248.83      | 0               | 323,743.20            | 0               | 1,284,272.21        | 743,016.93            |
| 12   | 9250 Workmen's Comp. Ins.-Cr.          | (15,082.38)     | 0               | (8,859.14)            | 0               | (50,073.84)         | (84,112.62)           |
| 13   | 9260 Employee Welfare Expenses - Db    | 1,427,945.79    | 0               | 1,738,418.38          | 0               | 4,879,096.65        | 4,988,924.83          |
| 14   | 9260 Pensions                          | 44,620.00       | 0               | 53,168.00             | 0               | 133,860.00          | 114,568.00            |
| 15   | 9260 Emp. Welfare Exp. - Cr.           | (418,771.38)    | 0               | (371,595.30)          | 0               | (1,273,208.38)      | (1,116,234.13)        |
| 16   | 9260 Pensions - Cr.                    | (14,167.74)     | 0               | (15,974.63)           | 0               | (44,161.91)         | (31,293.63)           |
| 17   | 927 Franchise Requirements             | 0.00            | 0               | 3,302.72              | 0               | 844.45              | 5,600.35              |
| 18   | 928 Regulatory Commission Exp.         | 9,588.03        | 0               | 15,786.34             | 0               | 28,764.09           | 58,014.13             |
| 19   | 929 Duplicate Charges-Cr.              | (11,509.85)     | 0               | (4,378.86)            | 0               | (24,565.31)         | (25,742.89)           |
| 20   | 9301 General Advertising Expenses      | 0.00            | 0               | 0.00                  | 0               | 0.00                | 0.00                  |
| 21   | 9302 Miscellaneous General Expenses    | 238,310.14      | 0               | 133,327.37            | 0               | 604,724.21          | 513,672.00            |
| 22   | 9310 Rent                              | 198,368.90      | 0               | 193,773.30            | 0               | 585,357.19          | 582,279.62            |
| 23   | 9310 Building Service                  | 0.00            | 0               | 0.00                  | 0               | 0.00                | 0.00                  |
| 24   | Total Admin. & Gen. Operation Expenses | 2,350,951.30    | 0               | 2,566,179.19          | 0               | 6,306,275.03        | 7,490,991.16          |
| 25   | Total Operation Expense                | \$6,968,582.65  | \$13,437,000.00 | \$7,410,494.21        | \$37,641,000.00 | \$19,371,559.32     | \$21,416,940.87       |
| 26   | UCO Operation Expense                  | 6,324,114.45    | 0.00            | 6,379,591.00          | 0.00            | 16,669,033.24       | 16,756,290.00         |
| 27   | Consolidated Operation Expense         | \$13,292,697.10 | \$13,437,000.00 | \$13,799,085.21       | \$37,641,000.00 | \$36,040,612.56     | \$38,173,230.87       |

\* Budget information not available by account and includes UCO.

ATRIOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED MAINTENANCE EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 12/31/97

| Line No.                                  | Description (a)                                 | Current Month   |             | Year to Date          |                   | Twelve Months Ended |                       |
|---|---|-----------------|-------------|-----------------------|-------------------|---------------------|-----------------------|
|   |   | Actual (b)      | Budget* (c) | Prior Year Actual (d) | Actual (e)        | Budget* (f)         | Prior Year Actual (g) |
| <b>Manufactured Gas Prod. Maint. Exp.</b> |   |                 |             |                       |                   |                     |                       |
| 1   | 740 Maint. Supervision and Engineering          | \$0.00          | \$0         | \$0.00                | \$0.00            | \$0                 | \$0.00                |
| 2   | 741 Structures and Improvements                 | 0.00            | 0           | 0.00                  | 0.00              | 0                   | 0.00                  |
| 3   | 742 Production Equipment                        | 0.00            | 0           | 0.00                  | 0.00              | 0                   | 0.00                  |
| 4   | <b>Total Manufactured Gas Prod. Maint. Exp.</b> | <b>0.00</b>     | <b>0</b>    | <b>0.00</b>           | <b>0.00</b>       | <b>0</b>            | <b>0.00</b>           |
| <b>Natural Gas Production Maint. Exp.</b> |   |                 |             |                       |                   |                     |                       |
| 5   | 761 Maint. Supervision and Engineering          | 0.00            | 0           | 0.00                  | 0.00              | 0                   | 0.00                  |
| 6   | 762 Structures and Improvements                 | 0.00            | 0           | 0.00                  | 0.00              | 0                   | 0.00                  |
| 7   | 763 Maint. of Producing Gas Wells               | 0.00            | 0           | 0.00                  | 0.00              | 0                   | 0.00                  |
| 8   | 764 Field Lines                                 | 595.72          | 0           | 721.39                | 1,467.28          | 0                   | 1,436.27              |
| 9   | 765 Field Compressor Station Equipment          | 43.13           | 0           | 275.07                | 89.27             | 0                   | 635.88                |
| 10  | 766 Field Meas. and Reg. Station Equip.         | 0.00            | 0           | 0.00                  | 142.67            | 0                   | 1,985.43              |
| 11  | 767 Purification Equip.                         | 335.47          | 0           | 623.92                | 1,963.66          | 0                   | 3,997.66              |
| 12  | 769 Other Equip.                                | 0.00            | 0           | 0.00                  | 0.00              | 0                   | 0.00                  |
| 13  | 7990 2 Transf. to Purch. Gas Accts. - Cr.       | 0.00            | 0           | 0.00                  | 0.00              | 0                   | 0.00                  |
| 14  | <b>Total Natural Gas Prod. Maint. Exp.</b>      | <b>974.32</b>   | <b>0</b>    | <b>1,620.38</b>       | <b>3,664.88</b>   | <b>0</b>            | <b>8,055.24</b>       |
| <b>Production Extraction</b>              |   |                 |             |                       |                   |                     |                       |
| 15  | 784 Maint. Supervision-Engineering              | 0.00            | 0           | 160.61                | 325.44            | 0                   | 538.07                |
| 16  | 786 Extraction & Refining Equip.                | 571.15          | 0           | 801.30                | 1,521.68          | 0                   | 1,542.78              |
| 17  | 787 Maint. Of Pipe Lines                        | 0.00            | 0           | 0.00                  | 0.00              | 0                   | 0.00                  |
| 18  | <b>Total Production Extraction</b>              | <b>\$571.15</b> | <b>\$0</b>  | <b>\$961.91</b>       | <b>\$1,847.12</b> | <b>\$0</b>          | <b>\$2,080.85</b>     |
|   |   |                 |             |                       |                   |                     | <b>\$9,929.32</b>     |

\* Budget information not available by account and includes UCC.



**AT&T ENERGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED MAINTENANCE EXPENSES**  
**FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 12/31/97**

| Line No.  | Description (a)                                | Current Month |             | Year to Date          |              | Twelve Months Ended |                       |
|---|--|---------------|-------------|-----------------------|--------------|---------------------|-----------------------|
|   |  | Actual (b)    | Budget* (c) | Prior Year Actual (d) | Actual (e)   | Budget* (f)         | Prior Year Actual (g) |
| <b>Underground Storage Maintenance Expenses</b> |  |               |             |                       |              |                     |                       |
| 1   | 830 Supervision-Engineering                    | \$0.00        | \$0         | \$0.00                | \$0.00       | \$0                 | \$0.00                |
| 2   | 831 Structures & Improvements                  | 412.60        | 0           | 0.00                  | 1,984.98     | 0                   | 6,880.99              |
| 3   | 832 Reservoirs & Wells                         | 86.01         | 0           | 0.00                  | 406.78       | 0                   | 1,126.69              |
| 4   | 833 Line Maintenance                           | 0.00          | 0           | 0.00                  | 0.00         | 0                   | 0.00                  |
| 5   | 834 Compressor Station Equipment               | 104.96        | 0           | 1,920.46              | 203.42       | 0                   | 3,824.38              |
| 6   | 835 Meas. & Reg. Station Equipment             | 103.09        | 0           | 373.08                | 103.09       | 0                   | 3,773.91              |
| 7   | 836 Purification Equipment                     | 248.73        | 0           | 47.03                 | 294.56       | 0                   | 4,872.52              |
| 8   | 837 Other Equipment                            | 0.00          | 0           | 0.00                  | 0.00         | 0                   | 0.00                  |
| 9   | Total Underground Storage Maintenance Expenses | 955.39        | 0           | 2,340.57              | 2,992.83     | 0                   | 20,481.49             |
| <b>Transmission Maintenance Expenses</b>        |  |               |             |                       |              |                     |                       |
| 10  | 861 Supervision-Engineering                    | 77.74         | 0           | 108.81                | 688.69       | 0                   | 3,169.99              |
| 11  | 862 Structures & Improvements                  | 177.00        | 0           | 116.79                | 800.03       | 0                   | 4,217.11              |
| 12  | 863 Maintenance of Mains                       | 8,040.16      | 0           | 2,920.29              | 10,137.55    | 0                   | 38,021.80             |
| 13  | 864 Compressor Station Equipment               | 224.17        | 0           | 210.02                | 530.74       | 0                   | 2,423.22              |
| 14  | 865 Meas. & Reg. Station Equipment             | 4,137.60      | 0           | 4,223.30              | 8,806.57     | 0                   | 40,038.99             |
| 15  | 866 Communicative Equipment                    | 0.00          | 0           | 0.00                  | 0.00         | 0                   | 0.00                  |
| 16  | 867 Other Equipment                            | 0.00          | 0           | 996.93                | 425.65       | 0                   | 3,619.83              |
| 17  | Total Transmission Maintenance Expenses        | 12,656.67     | 0           | 8,376.14              | 21,384.23    | 0                   | 91,492.94             |
| <b>Distribution Maintenance Expenses</b>        |  |               |             |                       |              |                     |                       |
| 18  | 885 Supervision-Engineering                    | 69,037.49     | 0           | 90,395.40             | 195,235.56   | 0                   | 1,007,313.32          |
| 19  | 886 Structures & Improvements                  | 4,999.55      | 0           | 6,633.65              | 22,991.71    | 0                   | 106,888.40            |
| 20  | 887 Maintenance of Mains                       | 84,080.95     | 0           | 102,443.77            | 257,726.01   | 0                   | 1,249,726.47          |
| 21  | 888 Compressor Station Equipment               | 0.00          | 0           | 0.00                  | 0.00         | 0                   | 0.00                  |
| 22  | 889 Meas. & Reg. Station Equipment-Gen.        | 11,062.21     | 0           | 13,122.01             | 28,010.39    | 0                   | 164,984.92            |
| 23  | 890 Meas. & Reg. Station Equipment-Ind.        | 6,646.36      | 0           | 7,300.75              | 18,947.53    | 0                   | 121,990.27            |
| 24  | 891 Meas. & Reg. Station Equipment-C. Gate     | 4,969.79      | 0           | 6,024.17              | 11,357.80    | 0                   | 79,180.40             |
| 25  | 892 Maintenance of Services                    | 18,314.26     | 0           | 27,163.71             | 60,572.30    | 0                   | 305,048.16            |
| 26  | 893 Maintenance of Meter & House Regulator     | 26,080.31     | 0           | 24,453.62             | 146,539.77   | 0                   | 969,053.20            |
| 27  | 894 Other Equipment                            | 3,563.42      | 0           | 5,898.90              | 11,284.41    | 0                   | 54,177.09             |
| 28  | Total Distribution Maintenance Expenses        | \$228,734.54  | \$0         | \$283,453.98          | \$752,263.48 | \$0                 | \$4,058,362.23        |

\* Budget information not available by account and includes UCC.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED MAINTENANCE EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 12/31/97

| Line No.   | Description (a)                         | Current Month |              | Year to Date   |                | Twelve Months Ended   |                 |
|--|---|---------------|--------------|----------------|----------------|-----------------------|-----------------|
|  |   | Actual (b)    | Budget* (c)  | Actual (e)     | Budget* (f)    | Prior Year Actual (g) | Actual (h)      |
| <b>Administrative &amp; General Maintenance Expenses</b> |   |               |              |                |                |                       |                 |
| 1  | 932 Maintenance of General Plant        | \$1,036.00    | \$0          | \$7,293.96     | \$0            | \$85.52               | \$34,080.33     |
| 2  | Total Adm. & Gen. Maintenance Expenses  | 1,036.00      | 0            | 7,293.96       | 0              | 85.52                 | 34,080.33       |
| 3  | Total Maintenance Expenses              | \$244,948.07  | \$897,000    | \$789,448.50   | \$2,691,000    | \$908,863.29          | \$4,248,411.25  |
| 4  | UCG Maintenance Expenses                | 509,711.00    | 0            | 1,691,615.00   | 0.00           | 1,679,323.00          | 7,617,878.33    |
| 5  | Total Consolidated Maintenance Expenses | \$754,659.07  | \$897,000.00 | \$2,481,063.50 | \$2,691,000.00 | \$2,588,186.29        | \$11,866,289.58 |

\* Budget information not available by account and includes UCG.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
STATEMENTS OF LONG-TERM DEBT  
AS OF 12/31/97

| Line No. | Description (a)   | Date (b) | Original Issue   |                        | 1997                 |                        | 1996                 |    | Line No. |
|----------|---|----------|------------------|------------------------|----------------------|------------------------|----------------------|----|----------|
|          |   |          | Amount (c)       | Current Maturities (d) | Outstanding Debt (e) | Current Maturities (f) | Outstanding Debt (g) |    |          |
| 1        | 11.2% John Hancock Note, due 12-30-02   | 12-23-87 | \$ 20,000,000.00 | \$ 2,000,000.00        | \$ 10,000,000.00     | \$ 2,000,000.00        | \$ 12,000,000.00     | 1  |          |
| 2        | 9.76% John Hancock Note, due 12-30-04   | 10-11-89 | 30,000,000.00    | 3,000,000.00           | 21,000,000.00        | 3,000,000.00           | 24,000,000.00        | 2  |          |
| 3        | 9.57% Variable Annuity Life, due 09-30-06   | 09-30-91 | 20,000,000.00    | 2,000,000.00           | 18,000,000.00        | 2,000,000.00           | 20,000,000.00        | 3  |          |
| 4        | 7.95% Variable Annuity Life, due 08-31-06   | 08-31-92 | 10,000,000.00    | 1,000,000.00           | 9,000,000.00         | 1,000,000.00           | 10,000,000.00        | 4  |          |
| 5        | 10% Michael D. Fredericks due 12-31-11  | 12-31-91 | 1,151,654.00     | 0.00                   | 1,151,654.00         | 0.00                   | 1,151,654.00         | 5  |          |
| 6        | 10% Kingdom Foundation due 12-31-11   | 12-31-91 | 1,151,654.00     | 0.00                   | 1,151,654.00         | 0.00                   | 1,151,654.00         | 6  |          |
| 7        | 8.07% Variable Annuity Life due 10-31-06  | 11-14-94 | 20,000,000.00    | 1,000,000.00           | 20,000,000.00        | 0.00                   | 20,000,000.00        | 7  |          |
| 8        | 8.26% New York Life due 10-31-14  | 11-14-94 | 20,000,000.00    | 0.00                   | 20,000,000.00        | 0.00                   | 20,000,000.00        | 8  |          |
| 9        | 6.09% NationsBank of Texas due 11-25-98   | 11-26-96 | 40,000,000.00    | 0.00                   | 40,000,000.00        | 0.00                   | 40,000,000.00        | 9  |          |
| 10       | United Cities Gas Company   |          | 154,752,506.00   | 7,228,651.00           | 154,752,506.00       | 7,678,799.00           | 161,537,748.00       | 10 |          |
|          | First Mortgage Bonds  |          | 317,055,814.00   | 16,228,651.00          | 295,055,814.00       | 15,678,799.00          | 309,841,056.00       |    |          |
| 11       | 9.4% Series J due 05-01-21  | 04-01-91 | 17,000,000.00    | 0.00                   | 17,000,000.00        | 0.00                   | 17,000,000.00        | 11 |          |
| 12       | Total Long-Term Debt  |          | \$334,055,814.00 | \$16,228,651.00        | \$312,055,814.00     | \$15,678,799.00        | \$326,841,056.00     | 12 |          |
| 13       | Annualized Weighted Average Cost of Long-Term Debt (Including Amort. of Debt Expense) |          |                  |                        | 8.72%                |                        | 8.93%                | 13 |          |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
LABOR STATISTICS BY COMPANY  
FOR THE MONTH AND YEAR TO DATE ENDED 12/31/97

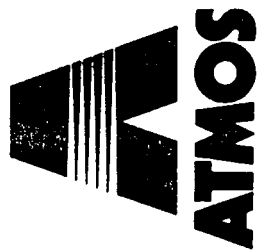
|   | Month          |                | Year to Date    |                 |
|---|----------------|----------------|-----------------|-----------------|
|   | Actual         | Prior Year     | Actual          | Prior Year      |
| <b>Labor Costs Distribution (000's):</b>  |                |                |                 |                 |
| Shared Services                           | \$1,053        | \$1,021        | \$3,289         | \$3,151         |
| Energas                                   | 1,383          | 1,603          | 4,339           | 4,837           |
| Greeley Gas                               | 842            | 938            | 2,649           | 2,768           |
| Trans La                                  | 423            | 464            | 1,336           | 1,420           |
| UCG                                       | 2,405          | 2,646          | 6,741           | 7,840           |
| UCG - Non Regulated                       | 322            | 274            | 843             | 804             |
| WKG                                       | 902            | 1,096          | 2,896           | 3,278           |
| <b>Total Labor Costs Distribution</b>     | <b>\$7,330</b> | <b>\$8,042</b> | <b>\$22,093</b> | <b>\$24,098</b> |
| <b>Percentage Labor Capitalized</b>       |                |                |                 |                 |
| Shared Services                           |                |                | 17%             | 5%              |
| Energas                                   |                |                | 26%             | 23%             |
| Greeley Gas                               |                |                | 37%             | 33%             |
| Trans La                                  |                |                | 33%             | 28%             |
| UCG                                       |                |                | 28%             | 27%             |
| UCG - Non Regulated                       |                |                | .6%             | .4%             |
| WKG                                       |                |                | 32%             | 23%             |
| <b>Total Percentage Labor Capitalized</b> |                |                | <b>28%</b>      | <b>23%</b>      |
| <b>Average Labor Costs Per Employee:</b>  |                |                |                 |                 |
| Shared Services                           | \$4,195        | \$4,439        | \$4,712         | \$4,540         |
| Energas                                   | 2,717          | 2,663          | 2,780           | 2,672           |
| Greeley Gas                               | 3,465          | 3,540          | 3,565           | 3,491           |
| Trans La                                  | 2,783          | 2,762          | 2,936           | 2,829           |
| UCG                                       | 3,198          | 2,457          | 2,607           | 2,426           |
| UCG - Non Regulated                       | 2,064          | 1,890          | 1,760           | 1,879           |
| WKG                                       | 2,709          | 2,930          | 2,922           | 2,922           |
| <b>Average Labor Costs Per Employee</b>   | <b>\$3,059</b> | <b>\$2,811</b> | <b>\$2,941</b>  | <b>\$2,808</b>  |

# Atmos Energy Corporation

## FINANCIAL STATEMENTS

JANUARY, 1998

*Note: These Financial Statements and the Supplemental information contained herein are confidential. Any unauthorized distribution of all or part of these statements is in violation of company policy.*



**ATMOS ENERGY CORPORATION AND SUBSIDIARIES**  
**FINANCIAL STATEMENTS - TABLE OF CONTENTS**  
**AS OF JANUARY 31, 1998**

Description

**MANAGEMENT SUMMARY**

Highlights  
 Financial Ratios and Key Statistics  
 Balance Sheets  
 Consolidated Income Statements  
 Operating Revenues and Volumes

**FLASH REPORTS**

Net Income  
 Operation and Maintenance Expenses  
 Interest Expense  
 Billed Shared Services

**I. CONSOLIDATED FINANCIAL STATEMENTS**

Consolidated Balance Sheets -  
 Assets ..... 1  
 Liabilities and Shareholders' Equity ..... 2  
 Consolidated Statements of Income ..... 3  
 Consolidating Balance Sheet -  
 Assets ..... 4  
 Liabilities and Shareholders' Equity ..... 5  
 Eliminations to Consolidating Balance Sheet ..... 6  
 Consolidating Balance Sheet -  
 -Non Regulated Assets ..... 7  
 -Non Regulated Liabilities ..... 8

**II. CONSOLIDATING - UTILITY/NON-UTILITY**

Consolidated Income Statement -  
 Utility/Non-Utility ..... 9-10  
 Eliminations - Income Statement ..... 11  
 Consolidating Income Statement - Regulated ..... 12-13  
 Consolidating Income Statement - Non-Regulated ..... 14-15  
 Consolidating Income Statement - Non-Utility ..... 16-17  
 Shared Services Billing (Summary) ..... 18-19  
 Shared Services Billing (Detail) ..... 20-25  
 Analysis of Shared Services - Actual vs. Budget (Summary) ..... 26-27  
 Analysis of Shared Services - Actual vs. Budget (Detail) ..... 28-35

**III. INCOME STATEMENTS**

Utility -  
 Utility Business Units ..... 36-37  
 Energas Business Units ..... 38-39  
 Energas ..... 40  
 Egasco ..... 41  
 Enermart ..... 42  
 Greeley Business Unit ..... 43  
 Trans La Business Units ..... 44-45  
 Trans La ..... 46  
 TLIG ..... 47  
 United Cities Business Unit ..... 48  
 WKG Business Units ..... 49-50  
 WKG ..... 51  
 WKGR ..... 52

Non-Utility -

Atmos Energy Services ..... 53  
 Propane ..... 54  
 Leasing ..... 55  
 Rental ..... 56  
 Utility Services ..... 57  
 Storage ..... 58

**IV. COMBINING FINANCIAL STATEMENTS - ATMOS/UCCG REGULATED**

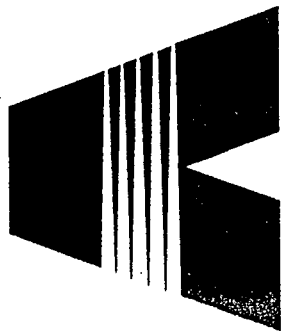
Combining Balance Sheets -  
 Assets ..... 59  
 Liabilities and Shareholders' Equity ..... 60  
 Combining Statements of Income ..... 61-62  
 Property, Plant and Equipment ..... 63-69  
 Combining Balance Sheet Detail ..... 70-86

**V. STATISTICS**

Operating Revenue and Statistics ..... 87-98  
 Consolidated Operation and Maintenance Expense ..... 99-105  
 Statement of Long-term Debt ..... 106  
 Labor Statistics by Company ..... 107

**Atmos Energy Corporation**  
**Management Summary**

**January 31, 1998**



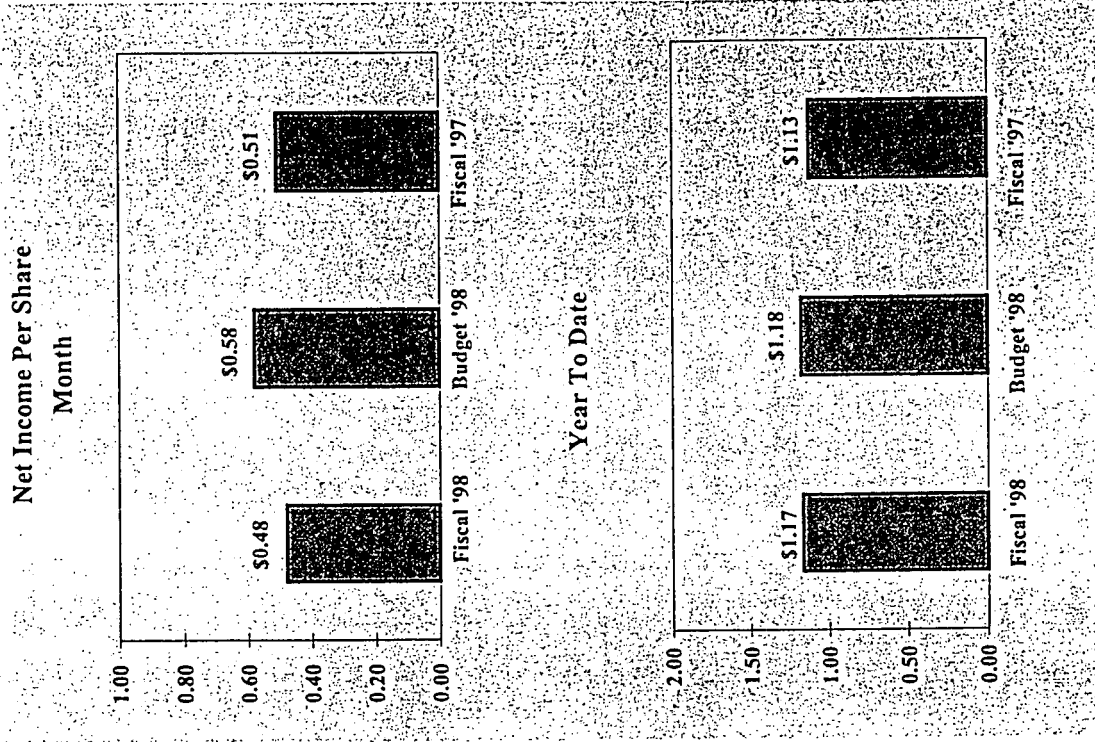
**ATMOS**

---

This report is confidential. Any unauthorized distribution of all or part of this report is in violation of company policy. This report contains information that is unaudited by the company's outside audit firm.

# Atmos Energy Corporation Highlights

|                                    | Actual   | Budget   | Prior Year |
|------------------------------------|----------|----------|------------|
| <b>Net Income (Loss) Per Share</b> |          |          |            |
| Month                              | \$0.48   | \$0.58   | \$0.51     |
| Year To Date                       | 1.17     | 1.18     | 1.13       |
| 12 Months Ended                    | 0.85     | 1.40     | 1.39       |
| <b>Net Income (Loss) (000's)</b>   |          |          |            |
| Month                              | \$14,364 | \$17,493 | \$15,030   |
| Year To Date                       | 34,486   | 35,268   | 33,185     |
| 12 Months Ended                    | 25,139   | 41,453   | 40,658     |
| <b>Dividend Per Share</b>          | \$1.06   |          | \$1.00     |
| <b>Stock Price (Fiscal Y-T-D)</b>  |          |          |            |
| High                               | 30 1/2   |          | 24 3/4     |
| Low                                | 24 1/2   |          | 22         |
| Close                              | 28 1/2   |          | 22 3/4     |
| Volume (000's)                     | 2,975    |          | 1,494      |
| <b>Return on Average Equity</b>    | 7.05%    |          | 11.97%     |
| <b>Book Value Per Share</b>        |          |          |            |
| End of Month                       | \$12.07  | \$11.99  | \$12.00    |
| <b>Degree Days</b>                 |          |          |            |
| Month                              | 698      | 904      | 77.2%      |
| Year To Date                       | 2,353    | 2,385    | 98.7%      |
| 12 Months Ended                    | 4,217    | 4,083    |            |





# Consolidated Balance Sheets

## January 31, 1998

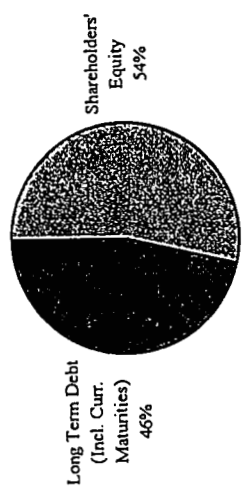
January 31,

| (000's)                                 | 1998               | 1997               |
|---|--------------------|--------------------|
| <b>ASSETS:</b>                          |                    |                    |
| Property Plant & Equipment:             |                    |                    |
| Gross Property, Plant and Equipment     | \$1,367,888        | \$1,245,539        |
| Accumulated Depreciation & Amortization | <u>501,783</u>     | <u>460,926</u>     |
| Net P, P and E                          | 866,105            | 784,613            |
| Current Assets:                         |                    |                    |
| Cash and Cash Equivalents               | 7,317              | 10,437             |
| Accounts Receivable                     | 158,871            | 204,240            |
| Inventories                             | 13,795             | 13,750             |
| Gas Stored Underground                  | 35,252             | 31,936             |
| Other Current Assets                    | <u>4,210</u>       | <u>3,760</u>       |
| Total Current Assets                    | 219,445            | 264,123            |
| Deferred Charges & Other Assets         | <u>99,930</u>      | <u>67,771</u>      |
| <b>Total Assets</b>                     | <b>\$1,185,480</b> | <b>\$1,116,507</b> |

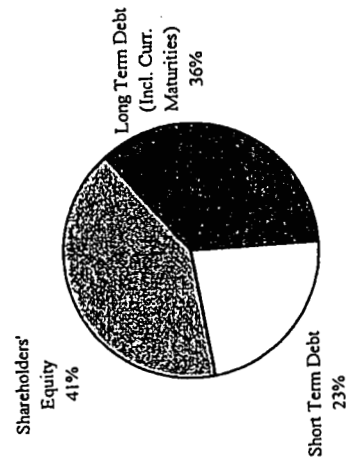
### LIABILITIES AND SHAREHOLDERS' EQUITY:

|   |                    |                    |
|---|--------------------|--------------------|
| Shareholders' Equity                                | <u>\$360,804</u>   | <u>\$352,314</u>   |
| Long Term Debt (Including Current Maturities)       | <u>311,923</u>     | <u>326,709</u>     |
| Total Capitalization                                | <u>672,727</u>     | <u>679,023</u>     |
| Current Liabilities:                                |                    |                    |
| Notes Payable                                       | 201,600            | 115,432            |
| Accounts Payable                                    | 89,154             | 120,545            |
| Accrued Taxes                                       | 9,279              | 8,828              |
| Income Taxes Payable                                | 8,814              | 13,635             |
| Dividends Declared                                  | -                  | -                  |
| Customers' Deposits                                 | 14,261             | 17,358             |
| Other Current Liabilities                           | <u>44,649</u>      | <u>32,497</u>      |
| Total Current Liabilities                           | 367,757            | 308,295            |
| Deferred Federal Income Taxes                       | 87,599             | 73,147             |
| Deferred Credits & Other Liabilities                | <u>57,397</u>      | <u>56,042</u>      |
| <b>Total Liabilities</b>                            | <b>\$824,676</b>   | <b>\$764,193</b>   |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <b>\$1,185,480</b> | <b>\$1,116,507</b> |

**Capitalization Excluding Short-Term Debt**



**Capitalization Including Short-Term Debt**



# Atmos Energy Corporation

## Financial Ratios - Industry Comparison

|  | Atmos  |      | 33 Natural Gas Utility Distribution Companies |                      |       |        |
|--|--------|------|---|----------------------|-------|--------|
|  | Amount | Rank | Maximum                                       | Minimum              | Mean  | Median |
| Price/Earnings Ratio                             | 33.5X  | 1    | 33.5X   | 12.8X <sup>(1)</sup> | 17.3X | 15.4X  |
| Yield (Dividend/Market Price)                    | 3.7%   | 29   | 7.0% <sup>(9)</sup>                           | 0.0% <sup>(1)</sup>  | 4.6%  | 4.6%   |
| Market Price/Book Value                          | 2.4X   | 1    | 2.58X   | 1.47X <sup>(8)</sup> | 1.89X | 1.89X  |
| Equity/Total Capitalization (Incl. S/T Debt)     | 41%    | 30   | 65% <sup>(10)</sup>                           | 35% <sup>(1)</sup>   | 50%   | 52%    |
| Return on Average Equity                         | 7.05%  | 32   | 15.5% <sup>(6)</sup>                          | 7.0% <sup>(10)</sup> | 11.5% | 11.4%  |
| Payout Ratio (Dividend/EPS)                      | 125%   | 3    | 163% <sup>(7)</sup>                           | 48% <sup>(4)</sup>   | 81%   | 74%    |
| Book Yield (Dividend/Book Value)                 | 8.8%   | 16   | 13.6% <sup>(9)</sup>                          | 0.0% <sup>(1)</sup>  | 8.6%  | 8.8%   |
| Before Tax Interest Coverage                     | 2.01X  | 31   | 5.94X <sup>(6)</sup>                          | 1.94X <sup>(7)</sup> | 3.25X | 3.22X  |
| Total Capitalization (Incl. S/T Debt) (millions) | \$874X | 6    | \$2,574 <sup>(3)</sup>                        | \$15 <sup>(11)</sup> |       |        |

Footnotes:

- <sup>(1)</sup> Southern Union Company
- <sup>(2)</sup> Pennsylvania Enterprises, Inc.
- <sup>(3)</sup> Pacific Enterprises
- <sup>(4)</sup> Mobile Gas Service Corporation
- <sup>(5)</sup> Berkshire Gas Company
- <sup>(6)</sup> North Carolina Natural Gas Company
- <sup>(7)</sup> Delta Natural Gas Company
- <sup>(8)</sup> Roanoke Gas Company
- <sup>(9)</sup> Fall River Gas Company
- <sup>(10)</sup> Indiana Energy.
- <sup>(11)</sup> Comring Natural Gas Company

Source: Edward Jones, Natural Gas Industry, Monthly Financial & Common Stock Information January 31, 1998. Includes selected companies with at least 90% of their operating revenues from the natural gas distribution business. The information for the 34 natural gas distribution utilities is based primarily on the period ended September 30, 1997 and stock prices as of January 31, 1998.

## Key Statistics

|                        | Energas   | GCC       | Trans La  | UCG       | WKG       | Non-Utility | Shared Services | Consolidated | Peer Group Average |
|------------------------|-----------|-----------|-----------|-----------|-----------|-------------|-----------------|--------------|--------------------|
| Meters Per Employee:   |           |           |           |           |           |             |                 |              |                    |
| 01/31/98               | 632       | 492       | 535       | 436       | 548       | -           | -               | 439          |                    |
| 01/31/97               | 500       | 422       | 475       | 292       | 465       | -           | -               | 359          | 331                |
| Net Plant Per Meter:   |           |           |           |           |           |             |                 |              |                    |
| 01/31/98               | \$ 514    | \$ 734    | \$ 974    | \$ 977    | \$ 605    | -           | -               | \$859        | \$1,175            |
| 01/31/97               | \$ 431    | \$ 684    | \$ 925    | \$ 973    | \$ 563    | -           | -               | \$779        |                    |
| O&M Expense Per Meter: |           |           |           |           |           |             |                 |              |                    |
| 01/31/98               | \$ 98.38  | \$ 221.55 | \$ 145.99 | \$ 196.96 | \$ 135.57 | -           | -               | \$180.58     | \$247.00           |
| 01/31/97               | \$ 108.40 | \$ 160.79 | \$ 142.15 | \$ 201.09 | \$ 134.80 | -           | -               | \$183.81     |                    |
| Employees:             |           |           |           |           |           |             |                 |              |                    |
| 01/31/98               | 497       | 234       | 151       | 737       | 322       | 154         | 267             | 2,362        |                    |
| 01/31/97               | 595       | 265       | 169       | 1,068     | 373       | 143         | 227             | 2,840        |                    |

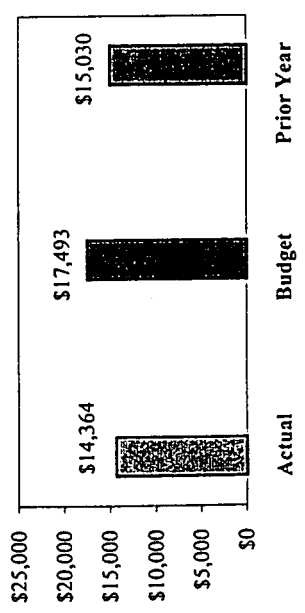
# Consolidated Statements of Income

## January 31, 1998

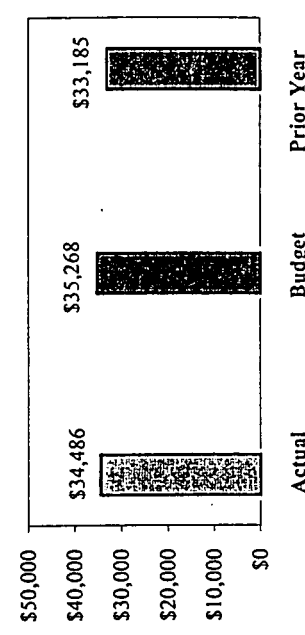
(000's)

|                                 | Month           |                 | Year-to-Date     |                  |
|---------------------------------|-----------------|-----------------|------------------|------------------|
|                                 | Actual          | Budget          | Actual           | Budget           |
| Operating Revenues              | \$112,818       | \$141,255       | \$408,149        | \$400,912        |
| Purchased Gas Cost              | 66,450          | 89,742          | 262,180          | 252,990          |
| <b>Gross Profit</b>             | <b>\$46,368</b> | <b>\$51,513</b> | <b>\$145,969</b> | <b>\$147,922</b> |
| Operating Expenses              |                 |                 |                  |                  |
| Operation                       | 11,820          | 12,279          | 47,861           | 49,920           |
| Maintenance                     | 826             | 897             | 3,307            | 3,588            |
| Depreciation & Amortization     | 3,957           | 3,983           | 15,865           | 15,946           |
| Taxes - Other than Inc. Tax     | 3,154           | 3,685           | 11,373           | 11,835           |
| Provision for Inc. Taxes        | 8,852           | 10,682          | 21,136           | 21,401           |
| <b>Total Operating Expenses</b> | <b>28,609</b>   | <b>31,526</b>   | <b>99,542</b>    | <b>102,690</b>   |
| Operating Income                | 17,759          | 19,987          | 46,427           | 45,232           |
| Other Income (Expense)          | 424             | 416             | 1,187            | 1,770            |
| Interest Charges                | 3,819           | 2,910           | 13,128           | 11,734           |
| <b>Net Income</b>               | <b>\$14,364</b> | <b>\$17,493</b> | <b>\$34,486</b>  | <b>\$35,268</b>  |
|                                 |                 |                 |                  | <b>\$33,185</b>  |

**Month**



**Year to Date**



### Net Income

## Utility Operating Revenues and Volumes January 31, 1998

|   | Month            |                  | Year-to-Date     |                  |
|---|------------------|------------------|------------------|------------------|
|   | Actual           | Budget *         | Actual           | Budget *         |
|   | Prior Year       |                  | Prior Year       |                  |
| <b>Volumes Handled (MMcf)(as metered)</b> |                  |                  |                  |                  |
| Gas Sales                                 |                  |                  |                  |                  |
| Residential                               | 12,880           |                  | 39,369           | 40,324           |
| Commercial                                | 5,704            |                  | 18,236           | 19,277           |
| Public Authority and Other                | 876              |                  | 2,754            | 2,880            |
| Total Weather Sensitive Sales             | 19,460           |                  | 60,359           | 62,481           |
| Industrial                                | 3,080            |                  | 11,710           | 13,518           |
| Agricultural                              | 34               |                  | 738              | 1,283            |
| Total Gas Sales Volumes                   | 22,574           |                  | 72,807           | 77,282           |
| Transportation                            | 5,715            |                  | 20,056           | 16,618           |
| <b>Total Gas Volumes Handled (MMcf)</b>   | <b>28,289</b>    |                  | <b>92,863</b>    | <b>93,900</b>    |
| <b>Operating Revenues (000's)</b>         |                  |                  |                  |                  |
| Gas Sales Revenues                        |                  |                  |                  |                  |
| Residential                               | 61,024           |                  | 216,135          | 238,672          |
| Commercial                                | 26,089           |                  | 95,306           | 105,163          |
| Public Authority and Other                | 2,711            |                  | 11,661           | 14,878           |
| Total Weather Sensitive Sales             | 89,824           |                  | 323,102          | 358,713          |
| Industrial                                | 12,605           |                  | 49,947           | 53,578           |
| Agricultural                              | 160              |                  | 2,929            | 3,557            |
| Total Gas Sales Revenues                  | 102,589          |                  | 375,978          | 415,848          |
| Other Gas Revenues                        | 1,435            |                  | 3,277            | 2,086            |
| Transportation                            | 2,576            |                  | 9,411            | 6,865            |
| <b>Total Operating Revenues</b>           | <b>\$106,600</b> | <b>\$132,308</b> | <b>\$388,666</b> | <b>\$424,799</b> |

\* Budget information other than total operating revenues not available

**NET INCOME BY BUSINESS UNIT**

Atmos Energy Corporation  
Net Income

For the Month and Year to Date Ended January 31, 1998

|                                | Current           |                   |                    | Month             |                  |                   | Year-to-Date        |                    |                   | Actual           |        |                   |                  |
|--------------------------------|-------------------|-------------------|--------------------|-------------------|------------------|-------------------|---------------------|--------------------|-------------------|------------------|--------|-------------------|------------------|
|                                | Year              | Actual            | Over (Under)       | Budget            | Prior Year       | Over (Under)      | Actual              | Year               | Actual            | Over (Under)     | Budget | Prior Year        | Over (Under)     |
|                                |                   |                   |                    |                   |                  |                   |                     |                    |                   |                  |        |                   |                  |
| Energas                        | 2,539,631         | 2,768,000         | (228,369)          | 2,705,746         | (166,115)        | 6,315,605         | 6,911,000           | (595,395)          | 6,059,201         | 256,404          |        | 6,059,201         | 256,404          |
| Enernart & Egasco              | (266,223)         | (287,000.00)      | 20,777             | (293,145)         | 26,922           | (504,937)         | (937,000.00)        | 432,063            | (380,103)         | (124,834)        |        | (380,103)         | (124,834)        |
| GGC                            | 1,452,140         | 1,553,000         | (100,860)          | 1,353,474         | 98,666           | 3,741,183         | 3,204,000           | 537,183            | 4,684,918         | (943,735)        |        | 4,684,918         | (943,735)        |
| TransLa                        | 303,557           | 1,572,000         | (1,268,443)        | 1,392,442         | (1,088,885)      | 1,988,805         | 3,139,000           | (1,150,195)        | 2,295,551         | (306,746)        |        | 2,295,551         | (306,746)        |
| TLIG                           | 35,602            | 31,000            | 4,602              | (81,845)          | 117,447          | 101,730           | 96,000              | 5,730              | (50,820)          | 152,550          |        | (50,820)          | 152,550          |
| UCGC                           | 8,256,173         | 7,425,000         | 831,173            | 7,379,001         | 877,172          | 16,131,998        | 14,683,000          | 1,448,998          | 14,881,079        | 1,250,919        |        | 14,881,079        | 1,250,919        |
| WKG                            | 1,585,748         | 3,209,000         | (1,623,252)        | 1,670,156         | (84,408)         | 4,610,663         | 5,025,000           | (414,337)          | 3,061,586         | 1,549,077        |        | 3,061,586         | 1,549,077        |
| WKGR                           | 1,142             | 3,000             | (1,858)            | (1,666)           | 2,808            | (172)             | 12,000              | (12,172)           | (11,293)          | 11,121           |        | (11,293)          | 11,121           |
| <b>Total Utility</b>           | <b>13,907,770</b> | <b>16,274,000</b> | <b>(2,366,230)</b> | <b>14,124,163</b> | <b>(216,393)</b> | <b>32,384,875</b> | <b>32,133,000</b>   | <b>251,875</b>     | <b>30,540,119</b> | <b>1,844,756</b> |        | <b>30,540,119</b> | <b>1,844,756</b> |
| Rental                         | 39,731            | 72,000            | (32,269)           | 74,229            | (34,498)         | 257,866           | 259,000             | (1,134)            | 297,817           | (39,951)         |        | 297,817           | (39,951)         |
| Utility Services-Woodward      | 79,371            | 136,000           | (56,629)           | 84,383            | (5,012)          | 204,638           | 562,000             | (357,362)          | 358,670           | (154,032)        |        | 358,670           | (154,032)        |
| Leasing                        | 27,342            | 23,000            | 4,342              | 22,015            | 5,327            | 110,386           | 88,000              | 22,386             | 88,272            | 22,114           |        | 88,272            | 22,114           |
| Propane                        | 411,887           | 958,000           | (546,113)          | 594,886           | (182,999)        | 1,255,652         | 2,111,000           | (855,348)          | 1,612,017         | (356,365)        |        | 1,612,017         | (356,365)        |
| <b>Total Energy</b>            | <b>558,331</b>    | <b>1,189,000</b>  | <b>(630,669)</b>   | <b>775,513</b>    | <b>(217,182)</b> | <b>1,828,542</b>  | <b>3,020,000.00</b> | <b>(1,191,458)</b> | <b>2,356,776</b>  | <b>(528,234)</b> |        | <b>2,356,776</b>  | <b>(528,234)</b> |
| UCG Storage                    | 84,190            | 30,000            | 54,190             | 54,263            | 29,927           | 278,256           | 115,000             | 163,256            | 234,340           | 43,916           |        | 234,340           | 43,916           |
| Atmos Energy Service           | (40)              | 0                 | (40)               | (480)             | 440              | (110)             | 0                   | (110)              | (2,360)           | 0                |        | (2,360)           | 0                |
| <b>Total Non-Utility</b>       | <b>642,481</b>    | <b>1,219,000</b>  | <b>(576,519)</b>   | <b>829,296</b>    | <b>(186,815)</b> | <b>2,106,688</b>  | <b>3,135,000.00</b> | <b>(1,028,312)</b> | <b>2,588,756</b>  | <b>(484,318)</b> |        | <b>2,588,756</b>  | <b>(484,318)</b> |
| Unallocated Shared Svc. (1)    | (186,000)         | 0                 | (186,000)          | 76,580            | (262,580)        | (5,215)           | 0                   | (5,215)            | 56,474            | (61,689)         |        | 56,474            | (61,689)         |
| <b>Consolidated Net Income</b> | <b>14,364,251</b> | <b>17,493,000</b> | <b>(3,128,749)</b> | <b>15,030,039</b> | <b>(665,788)</b> | <b>34,486,348</b> | <b>35,268,000</b>   | <b>(781,652)</b>   | <b>33,185,349</b> | <b>1,298,749</b> |        | <b>33,185,349</b> | <b>1,298,749</b> |

(1) Unallocated shared services amount due to late entries and other items which are cleared the following month.

O + M EXPENSE BY BUSINESS UNIT

Atmos Energy Corporation  
 Operation and Maintenance Expenses  
 For the Month and Year To Date Ended January 31, 1998

|   | Month           |               |            | Year-to-Date    |               |             | Actual<br>Over (Under)<br>Prior Year |             |
|---|-----------------|---------------|------------|-----------------|---------------|-------------|--------------------------------------|-------------|
|   | Actual          |               | Budget     | Actual          |               | Budget      |                                      |             |
|   | Current<br>Year | Prior<br>Year |            | Current<br>Year | Prior<br>Year |             |                                      |             |
| Energas   | 2,603,114       | 2,573,620     | 2,714,000  | 2,573,620       | 29,494        | 10,172,769  | 10,770,207                           | (597,438)   |
| Enernat & Egasco                                    | 470,860         | 530,025       | 443,000    | 530,025         | (59,165)      | 1,794,982   | 2,039,587                            | (244,605)   |
| GGC   | 1,835,507       | 1,965,376     | 1,563,000  | 1,965,376       | (129,869)     | 6,146,873   | 6,660,978                            | (514,105)   |
| Trans La  | 1,002,225       | 1,089,932     | 943,000    | 1,089,932       | (87,707)      | 3,697,169   | 4,218,104                            | (520,935)   |
| TLJG  | 39,279          | 22,883        | 19,000     | 22,883          | 16,396        | 79,492      | 84,268                               | (4,776)     |
| UCGC  | 3,952,614       | 5,294,976     | 4,964,000  | 5,294,976       | (1,342,362)   | 19,850,391  | 21,075,266                           | (1,224,875) |
| WKG   | 1,865,568       | 2,183,556     | 2,002,000  | 2,183,556       | (317,988)     | 7,394,350   | 8,295,101                            | (900,751)   |
| WKGR  | 266             | 1,253         | -          | 1,253           | (987)         | 1,430       | 4,619                                | (3,189)     |
| Total Utility                                       | 11,769,433      | 13,661,621    | 12,648,000 | 13,661,621      | (1,892,188)   | 49,137,456  | 53,148,130                           | (4,010,674) |
| Rental  | 111,186         | 22,484        | 59,000     | 22,484          | 88,702        | 211,932     | 182,332                              | 29,600      |
| Utility Sys-Woodward                                | 3,354           | 15,446        | 5,000      | 15,446          | (12,092)      | 14,450      | (21,530)                             | 35,980      |
| Leasing   | 3,930           | 7,125         | 3,000      | 7,125           | (3,195)       | 12,977      | 27,406                               | (14,429)    |
| Propane   | 795,224         | 882,642       | 887,000    | 882,642         | (87,418)      | 2,998,383   | 3,259,333                            | (260,950)   |
| Total Energy  | 913,694         | 927,697       | 954,000    | 927,697         | (14,003)      | 3,237,742   | 3,447,541                            | (209,799)   |
| Storage   | 26,489          | 51,098        | 72,000     | 51,098          | (24,609)      | 165,333     | 186,581                              | (21,248)    |
| Atmos Energy Services                               | 40              | 480           | -          | 480             | (440)         | 110         | 2,359                                | (2,249)     |
| Total Non-Utility                                   | 940,223         | 979,275       | 1,026,000  | 979,275         | (39,052)      | 3,403,185   | 3,636,481                            | (233,296)   |
| Atmos Allocated Div. 02 Deprec. and Taxes Other (1) | (363,917)       | (463,121)     | (255,000)  | (463,121)       | 99,204        | (1,378,441) | (1,844,716)                          | 466,275     |
| Unallocated Shared Services (2)                     | 300,000         | (82,234)      | -          | (82,234)        | 382,234       | 5,215       | (82,935)                             | 88,150      |
| Consolidated O & M Expense                          | 12,645,739      | 14,095,541    | 13,419,000 | 14,095,541      | (1,449,802)   | 51,167,415  | 54,856,960                           | (3,689,545) |

- (1) Consolidated O & M expense does not include Atmos allocated division 02 depreciation and taxes other.
- (2) Current year unallocated shared services due to charges to call center and adjustment for insurance reserve.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
AS OF 01/31/98

| Line No.                      | Description<br>(a)  | 1998<br>(b)        | 1997<br>(c)        | As of<br>September 30, 1997<br>(d) | Line No. |
|-------------------------------|---|--------------------|--------------------|------------------------------------|----------|
| ASSETS                        |   |                    |                    |                                    |          |
| Property, plant and equipment |   |                    |                    |                                    |          |
| 1                             | Utility plant   | \$1,223,265,891.34 | \$1,136,191,200.57 | \$1,218,370,929.56                 | 1        |
| 2                             | Nonutility plant  | 83,335,796.98      | 78,154,104.64      | 82,632,468.53                      | 2        |
| 3                             | Construction work in progress                             | 61,287,255.66      | 31,193,987.04      | 31,668,205.31                      | 3        |
| 4                             | Less accumulated depreciation and amortization            | 1,367,888,943.98   | 1,245,539,292.25   | 1,332,671,603.40                   | 4        |
| 5                             |   | 501,783,557.42     | 460,926,123.47     | 483,544,361.22                     | 5        |
| 6                             | Net property, plant and equipment                         | 866,105,386.56     | 784,613,168.78     | 849,127,242.18                     | 6        |
| 7                             | Investments in & advances to subsidiaries                 | 0.00               | 0.00               | 0.00                               | 7        |
| Current assets                |   |                    |                    |                                    |          |
| 8                             | Cash and temporary cash investments                       | 7,317,166.14       | 10,437,334.29      | 6,015,412.91                       | 8        |
| 9                             | Accounts receivable, less allowance for doubtful accounts | 158,871,400.95     | 204,239,679.36     | 71,217,214.52                      | 9        |
| 10                            | Inventories   | 13,795,287.94      | 13,750,180.82      | 12,332,807.62                      | 10       |
| 11                            | Gas stored underground                                    | 35,252,027.31      | 31,935,670.64      | 48,122,006.36                      | 11       |
| 12                            | Other current assets                                      | 4,210,077.29       | 3,760,117.15       | 6,017,201.01                       | 12       |
| 13                            | Intercompany accounts - net                               | 0.00               | 0.00               | 0.00                               | 13       |
| 14                            | Total current assets                                      | 219,445,959.83     | 264,122,982.26     | 143,704,642.42                     | 14       |
| 15                            | Deferred charges and other assets                         | 99,929,465.49      | 67,770,866.54      | 95,479,101.77                      | 15       |
| 16                            | Total assets  | \$1,185,480,811.88 | \$1,116,507,017.58 | \$1,088,310,986.37                 | 16       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS (Continued)  
AS OF 01/31/98

| Line No.                                    | Description (a)                               | 1998<br>(b)        | 1997<br>(c)        | As of<br>September 30, 1997<br>(d) | Line No. |
|---|---|--------------------|--------------------|------------------------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |   |                    |                    |                                    |          |
| 1   | Shareholders' equity                          |                    |                    |                                    | 1        |
| 2   | Common stock                                  | \$149,541.47       | \$146,798.20       | \$148,212.18                       | 2        |
| 3   | Common stock subscribed                       | 0.00               | 0.00               | 0.00                               | 3        |
| 4   | Additional paid-in capital                    | 258,120,514.50     | 244,479,667.31     | 251,174,227.94                     | 4        |
| 5   | Retained earnings                             | 102,534,554.11     | 107,687,870.42     | 75,937,292.59                      | 5        |
| 6   | Total shareholders' equity                    | 360,804,610.08     | 352,314,335.93     | 327,259,732.71                     | 6        |
| 7   | Long-term debt (including current maturities) | 311,922,767.00     | 326,708,743.00     | 318,181,824.00                     | 7        |
| 8   | Total capitalization                          | 672,727,377.08     | 679,023,078.93     | 645,441,556.71                     | 8        |
| Current liabilities                         |   |                    |                    |                                    |          |
| 9   | Notes payable                                 | 201,600,000.00     | 115,432,000.00     | 167,300,000.00                     | 9        |
| 10  | Accounts payable                              | 89,153,965.67      | 120,544,892.03     | 62,625,499.15                      | 10       |
| 11  | Accrued taxes                                 | 9,279,256.39       | 8,827,863.36       | 12,119,647.37                      | 11       |
| 12  | Income taxes payable                          | 8,814,293.38       | 13,635,465.62      | (11,703,609.67)                    | 12       |
| 13  | Dividends declared                            | 0.00               | 0.00               | 0.00                               | 13       |
| 14  | Customers' deposits                           | 14,260,459.65      | 17,357,999.74      | 15,097,975.19                      | 14       |
| 15  | Other current liabilities                     | 44,649,270.60      | 32,496,700.15      | 52,582,230.67                      | 15       |
| 16  | Total current liabilities                     | 367,757,245.69     | 308,294,920.90     | 298,021,742.71                     | 16       |
| 17  | Deferred income taxes                         | 87,598,660.20      | 73,146,739.02      | 87,828,170.44                      | 17       |
| 18  | Deferred credits and other liabilities        | 57,397,528.91      | 56,042,278.73      | 57,019,516.51                      | 18       |
| 19  | Total liabilities and shareholders' equity    | \$1,185,480,811.88 | \$1,116,507,017.58 | \$1,088,310,986.37                 | 19       |



ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
FOR THE MONTH, YEAR TO DATE AND TWELVE MONTHS ENDED 01/31/98

| Line No. | Description (a)                      | Current Month    |               |                       | Year to Date     |               |                       | Twelve Months Ended |          |  |
|----------|--------------------------------------|------------------|---------------|-----------------------|------------------|---------------|-----------------------|---------------------|----------|--|
|          |                                      | Actual (b)       | Budget (c)    | Prior Year Actual (d) | Actual (e)       | Budget (f)    | Prior Year Actual (g) | Actual (c)          | Line No. |  |
| 1        | Operating revenues                   |                  |               |                       |                  |               |                       |                     | 1        |  |
| 2        | Gas                                  | \$104,024,276.78 | \$130,612,000 | \$157,358,351.21      | \$379,254,818.64 | \$369,903,000 | \$417,933,942.10      | \$806,156,058.68    | 2        |  |
| 3        | Transportation                       | 2,575,580.00     | 1,696,000     | 1,765,515.60          | 9,410,778.86     | 6,410,000     | 6,864,901.12          | 22,430,922.91       | 3        |  |
| 4        | Other                                | 6,218,548.00     | 8,947,000     | 7,375,353.00          | 19,483,668.00    | 24,599,000    | 22,325,264.30         | 39,273,220.00       | 4        |  |
| 5        | Total operating revenues             | 112,818,404.78   | 141,255,000   | 166,499,219.81        | 408,149,265.50   | 400,912,000   | 447,124,107.52        | 867,860,201.59      | 5        |  |
| 6        | Purchased gas cost                   | 66,449,717.56    | 89,742,000    | 118,204,153.26        | 262,179,796.76   | 252,990,000   | 301,559,940.62        | \$537,801,270.10    | 6        |  |
| 7        | Gross profit                         | 46,368,687.22    | 51,513,000    | 48,295,066.55         | 145,969,468.74   | 147,922,000   | 145,564,166.90        | 330,058,931.49      | 7        |  |
| 8        | Operating expenses                   |                  |               |                       |                  |               |                       |                     | 8        |  |
| 9        | Operation                            | 11,819,626.69    | 12,522,000    | 13,200,215.10         | 47,860,239.25    | 50,965,000    | 51,373,445.97         | \$170,170,092.26    | 9        |  |
| 10       | Maintenance                          | 826,113.02       | 897,000       | 895,326.42            | 3,307,176.52     | 3,588,000     | 3,483,514.71          | 11,797,076.18       | 10       |  |
| 11       | Depreciation and amortization        | 3,957,167.44     | 3,983,000     | 3,831,777.22          | 15,865,514.74    | 15,946,000    | 15,344,135.43         | 45,778,318.76       | 11       |  |
| 12       | Taxes - other than income taxes      | 3,153,723.57     | 3,398,000     | 3,727,932.55          | 11,372,987.64    | 10,665,000    | 11,906,377.49         | 31,597,442.57       | 12       |  |
| 13       | Provision for income taxes           | 8,852,436.00     | 10,682,000    | 9,018,530.00          | 21,136,027.59    | 21,401,000    | 19,867,289.00         | 15,566,971.96       | 13       |  |
| 14       | Total operating expenses             | 28,609,066.72    | 31,482,000    | 30,673,781.29         | 99,541,945.74    | 102,565,000   | 101,974,762.60        | 274,909,901.73      | 14       |  |
| 15       | Operating income                     | 17,759,620.50    | 20,031,000    | 17,621,285.26         | 46,427,523.00    | 45,357,000    | 43,589,404.30         | 55,149,029.76       | 15       |  |
| 16       | Other income                         |                  |               |                       |                  |               |                       |                     | 16       |  |
| 17       | Merchandise                          | 40,173.74        | 12,000        | 82,667.80             | 71,481.49        | 48,000        | 66,515.97             | 44,598.61           | 17       |  |
| 18       | Interest income                      | 149,799.80       | 79,000        | 191,366.23            | 619,848.92       | 321,000       | 684,458.80            | 2,091,355.21        | 18       |  |
| 19       | Other nonoperating income            | (25,799.32)      | 90,643        | (60,576.74)           | (144,320.85)     | 373,252       | (81,571.95)           | (390,243.27)        | 19       |  |
| 20       | Equity in earnings - Woodward        | 259,854.00       | 234,357       | 157,829.00            | 640,196.00       | 1,027,748     | 590,472.00            | 3,303,535.00        | 20       |  |
| 21       | Total other income (loss)            | 424,028.22       | 416,000       | 371,286.29            | 1,187,205.56     | 1,770,000     | 1,259,874.82          | 5,049,245.55        | 21       |  |
| 22       | Income before interest charges       | 18,183,648.72    | 20,447,000    | 17,992,571.55         | 47,614,728.56    | 47,127,000    | 44,849,279.12         | 60,198,275.31       | 22       |  |
| 23       | Interest charges                     | 3,819,396.67     | 2,954,000     | 2,962,533.87          | 13,128,381.41    | 11,859,000    | 11,663,929.73         | 35,059,475.90       | 23       |  |
| 24       | Net income                           | \$14,364,252.05  | \$17,493,000  | \$15,030,037.68       | \$34,486,347.15  | \$35,268,000  | \$33,185,349.39       | \$25,138,799.41     | 24       |  |
| 25       | Basic earnings per share             | \$0.48           | \$0.58        | \$0.51                | \$1.17           | \$1.18        | \$1.13                | \$0.85              | 25       |  |
| 26       | Basic avg. common shares outstanding | 29,672,626       | 29,906,000    | 29,353,812            | 29,595,483       | 29,817,000    | 29,271,180            | 29,476,501          | 26       |  |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEETS  
AS OF 01/31/98

| Line No.      | Description (a)   | Atmos Operating Divisions (b) | Atmos Non Regulated (c) | Eliminations and Adjustments (d) | Consolidated (e)   | Line No. |
|---------------|---|-------------------------------|-------------------------|----------------------------------|--------------------|----------|
| <b>ASSETS</b> |   |                               |                         |                                  |                    |          |
|               | Property, plant and equipment                             |                               |                         |                                  |                    |          |
| 1             | Utility plant   | \$1,241,496,359.14            | \$859,549.26            | (\$19,090,017.06)                | \$1,223,265,891.34 | 1        |
| 2             | Nonutility plant  | 3,131,326.40                  | 80,204,470.58           | 0.00                             | 83,335,796.98      | 2        |
| 3             | Construction work in progress                             | 61,284,722.95                 | 2,532.71                | 0.00                             | 61,287,255.66      | 3        |
| 4             |   | 1,305,912,408.49              | 81,066,552.55           | (19,090,017.06)                  | 1,367,888,943.98   | 4        |
| 5             | Less accumulated depreciation and amortization            | 498,778,039.57                | 24,361,242.60           | (21,555,724.75)                  | 501,783,557.42     | 5        |
| 6             | Net property, plant and equipment                         | 807,134,368.92                | 56,705,309.95           | 2,265,707.69                     | 866,105,386.56     | 6        |
| 7             | Investments in & advances to subsidiaries                 | 8,353,208.01                  | 0.00                    | (8,353,208.01)                   | 0.00               | 7        |
| 8             | Current assets  | 3,320,340.41                  | 3,735,233.93            | 261,592.00                       | 7,317,166.34       | 8        |
| 9             | Cash and temporary cash investments                       | 152,284,470.91                | 6,348,600.04            | 238,330.00                       | 158,871,400.95     | 9        |
| 10            | Accounts receivable, less allowance for doubtful accounts | 12,783,538.94                 | 1,011,749.00            | 0.00                             | 13,795,287.94      | 10       |
| 11            | Inventories   | 29,236,897.31                 | 6,015,130.00            | 0.00                             | 35,252,027.31      | 11       |
| 12            | Gas stored underground                                    | 3,578,851.98                  | 1,032,181.31            | (400,956.00)                     | 4,210,077.29       | 12       |
| 13            | Other current assets                                      | 9,355,912.96                  | 4,484,555.06            | (13,840,468.02)                  | 0.00               | 13       |
| 14            | Intercompany accounts - net                               | 210,560,012.51                | 22,627,449.34           | (13,741,502.02)                  | 219,445,959.83     | 14       |
| 15            | Total current assets                                      | 86,275,528.69                 | 13,288,867.53           | 365,069.27                       | 99,929,465.49      | 15       |
| 16            | Deferred charges and other assets                         | \$1,112,323,118.13            | \$92,621,626.82         | (\$19,463,933.07)                | \$1,185,480,811.88 | 16       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEETS (Continued)  
AS OF 01/31/98

| Line No.   | Description (a)                            | Atmos Operating Divisions (b) | Atmos Non Regulated (c) | Eliminations and Adjustments (d) | Consolidated (e)   | Line No. |
|--|--|-------------------------------|-------------------------|----------------------------------|--------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>          |  |                               |                         |                                  |                    |          |
| <b>Shareholders' equity</b>                          |  |                               |                         |                                  |                    |          |
| 1  | Common stock                               | \$149,541.47                  | \$1,005,100.00          | (\$1,005,100.00)                 | \$149,541.47       | 1        |
| 2  | Common stock subscribed                    | 0.00                          | 0.00                    | 0.00                             | 0.00               | 2        |
| 3  | Additional paid-in capital                 | 258,120,514.50                | 7,348,108.01            | (7,348,108.01)                   | 258,120,514.50     | 3        |
| 4  | Retained earnings                          | 75,863,640.99                 | 26,670,913.12           | 0.00                             | 102,534,554.11     | 4        |
| 5  | Total shareholders' equity                 | 334,133,696.96                | 35,024,121.13           | (8,353,208.01)                   | 360,804,610.08     | 5        |
| <b>Long-term debt (including current maturities)</b> |  |                               |                         |                                  |                    |          |
| 6  |  | 292,303,308.00                | 19,619,459.00           | 0.00                             | 311,922,767.00     | 6        |
| 7  | Total capitalization                       | 626,437,004.96                | 54,643,580.13           | (8,353,208.01)                   | 672,727,377.08     | 7        |
| <b>Current liabilities</b>                           |  |                               |                         |                                  |                    |          |
| 8  | Notes payable                              | 195,600,000.00                | 6,000,000.00            | 0.00                             | 201,600,000.00     | 8        |
| 9  | Accounts payable                           | 85,700,880.39                 | 3,453,085.28            | 0.00                             | 89,153,965.67      | 9        |
| 10   | Accrued taxes                              | 9,033,070.81                  | 246,185.58              | 0.00                             | 9,279,256.39       | 10       |
| 11   | Income taxes payable                       | 1,386,106.64                  | 7,428,186.74            | 0.00                             | 8,814,293.38       | 11       |
| 12   | Dividends declared                         | 0.00                          | 0.00                    | 0.00                             | 0.00               | 12       |
| 13   | Customers' deposits                        | 14,201,477.48                 | 459,938.17              | (400,956.00)                     | 14,260,459.65      | 13       |
| 14   | Other current liabilities                  | 43,665,285.60                 | 954,321.00              | 29,664.00                        | 44,649,270.60      | 14       |
| 15   | Intercompany accounts - net                | 1,117,791.00                  | 12,210,338.02           | (13,328,129.02)                  | 0.00               | 15       |
| 16   | Total current liabilities                  | 350,704,611.92                | 30,752,054.79           | (13,699,421.02)                  | 367,757,245.69     | 16       |
| 17   | Deferred income taxes                      | 81,104,461.30                 | 6,494,198.90            | 0.00                             | 87,598,660.20      | 17       |
| 18   | Deferred credits and other liabilities     | 54,077,039.95                 | 731,793.00              | 2,588,695.96                     | 57,397,528.91      | 18       |
| 19   | Total liabilities and shareholders' equity | \$1,112,223,118.13            | \$92,621,626.82         | (\$19,463,933.07)                | \$1,185,480,811.88 | 19       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
ELIMINATIONS TO CONSOLIDATING BALANCE SHEET  
AS OF 01/31/98

| ELIMINATIONS  |                 | \$1,005,100.00  |
|---|-----------------|-----------------|
| 1. Common Stock   |                 |                 |
| Investment in and advances to subs  |                 |                 |
| To eliminate common stock of subs   |                 |                 |
| 2. Paid-in Capital  |                 |                 |
| Trans La Industrial   | 2,292,947.89    |                 |
| WKG Resources   | 1,603,833.12    |                 |
| United Cities Storage   | 3,451,327.00    | 7,348,108.01    |
| Investment in and advances to subs  |                 |                 |
| To eliminate paid-in capital of subs  |                 |                 |
| 3. Atmos Utility Plant  |                 |                 |
| Atmos Deferred Debit  | 2,265,707.69    |                 |
| Atmos Deferred Credit   | 322,988.27      | 2,588,695.96    |
| To adjust for capital leases associated with the sale/lease back transaction with the Gilliland Group |                 |                 |
| 4. Intercompany Accounts- UCGC  |                 |                 |
| Customer Deposits   | 400,956.00      | 400,956.00      |
| Prepays   |                 |                 |
| To eliminate UCGS deposit from UCGC   |                 |                 |
| 5. Intercompany Accounts UCGC   |                 |                 |
| Cash  | 261,592.00      |                 |
| Accounts Receivable - Service   | 238,330.00      |                 |
| Misc. Deferred Debits   | 42,081.00       |                 |
| Misc. Current Liabilities   |                 |                 |
| Intercompany Accounts Receivable  |                 | 29,664.00       |
| To eliminate intercompany accounts  |                 | 512,339.00      |
| 6. Intercompany Accounts Payable - Egasco   |                 |                 |
| - Services  | 1,186,572.64    |                 |
| - United Cities Gas   | 5,609.98        |                 |
| - United Cities Energy  | 1,115,346.40    |                 |
| - United Cities Storage   | 7,126,994.00    |                 |
| - United Cities Storage   | 3,893,606.00    |                 |
| Intercompany Accounts Receivable  |                 | 13,328,129.02   |
| To eliminate Intercompany - Net   |                 |                 |
| Total Eliminations  | \$25,212,991.99 | \$25,212,991.99 |
| <b>ADJUSTMENTS</b>  |                 |                 |
| 7. WKG Accumulated Provision  |                 |                 |
| WKG Division Utility Plant  |                 |                 |
| To adjust 11-30-1987 depreciation on  |                 |                 |
| WKG Division - amortization Month   | \$280,000       |                 |
| To date   | 3,416,000       |                 |
| 8. Trans La Accumulated Provision   |                 |                 |
| Trans La Division Utility Plant   |                 |                 |
| To adjust 12-31-85 depreciation on  |                 |                 |
| Trans La Division - amortization Month  | 48,202          |                 |
| To date   | 6,973,130       | 4,719,650.51    |
| 9. Trans La Industrial Accumulated Provision  |                 |                 |
| Trans La Industrial Utility Plant   |                 |                 |
| To adjust 12-31-85 depreciation on  |                 |                 |
| Trans La Industrial - amortization Month  | 550             |                 |
| To date   | 79,750          | 42,888.92       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEET - NON REGULATED  
AS OF 01/31/98

1998

| Line No.      | Description (a)   | Eliminations and Adjustments (i) |                 |                |                         |                      |                     |                   | Line No. |                  |
|---------------|---|----------------------------------|-----------------|----------------|-------------------------|----------------------|---------------------|-------------------|----------|------------------|
|               |   | ATMOS SERVICES (b)               | EGASCO INC. (c) | ENERMART (d)   | TRANS LA INDUSTRIAL (e) | UCG ENERGY CORP. (f) | UCG STORAGE CO. (g) | WKG RESOURCES (h) |          | Consolidated (j) |
| <b>ASSETS</b> |   |                                  |                 |                |                         |                      |                     |                   |          |                  |
| 1             | Property, plant and equipment                             |                                  |                 |                |                         |                      |                     |                   |          | 1                |
| 2             | Utility plant   | \$0.00                           | \$0.00          | \$0.00         | \$859,549.26            | \$0.00               | \$0.00              | \$0.00            | \$0.00   | \$859,549.26     |
| 3             | Nonutility plant  | 0.00                             | 0.00            | 0.00           | 0.00                    | 59,667,610.00        | 19,983,057.00       | 553,803.58        | 0.00     | 80,204,470.58    |
| 4             | Construction work in progress                             | 0.00                             | 0.00            | 0.00           | 2,532.71                | 0.00                 | 0.00                | 0.00              | 0.00     | 2,532.71         |
| 5             | Less accumulated depreciation and amortization            | 0.00                             | 0.00            | 0.00           | 862,081.97              | 59,667,610.00        | 19,983,057.00       | 553,803.58        | 0.00     | 81,066,552.55    |
| 6             | Net property, plant and equipment                         | 0.00                             | 0.00            | 0.00           | 463,675.06              | 21,141,836.00        | 2,647,885.00        | 107,846.54        | 0.00     | 24,361,242.60    |
| 7             | Investments in & advances to subsidiaries                 | 0.00                             | 0.00            | 0.00           | 398,406.91              | 38,525,774.00        | 17,335,172.00       | 445,957.04        | 0.00     | 56,705,309.95    |
| 8             | Current assets  | 1,281.00                         | 5,251.91        | 12,639.13      | 3,545.86                | 802,075.00           | 2,905,438.00        | 5,003.03          | 0.00     | 3,735,233.93     |
| 9             | Cash and temporary cash investments                       | 0.00                             | 18,153.86       | 3,263,153.55   | 829,452.16              | 2,224,115.00         | 5,151.00            | 8,574.47          | 0.00     | 6,348,600.04     |
| 10            | Accounts receivable, less allowance for doubtful accounts | 0.00                             | 0.00            | 0.00           | 0.00                    | 1,010,337.00         | 1,412.00            | 0.00              | 0.00     | 1,011,749.00     |
| 11            | Inventories   | 0.00                             | 0.00            | 0.00           | 0.00                    | 561,712.00           | 5,453,418.00        | 0.00              | 0.00     | 6,015,130.00     |
| 12            | Gas stored underground                                    | 0.00                             | 0.00            | 29,159.91      | 11,197.90               | 974,115.00           | 4,199.00            | 13,509.50         | 0.00     | 1,032,181.31     |
| 13            | Other current assets                                      | 0.00                             | 0.00            | (831,766.05)   | 2,655,938.88            | 361,902.00           | 1,240,001.00        | 1,058,479.23      | 0.00     | 4,484,555.06     |
| 14            | Intercorpany accounts - net                               | 1,281.00                         | 23,405.77       | 2,473,186.54   | 3,500,134.80            | 5,934,256.00         | 9,609,619.00        | 1,085,566.23      | 0.00     | 22,627,449.34    |
| 15            | Total current assets                                      | 0.00                             | 624,819.02      | 0.00           | 9,044.59                | 12,239,679.00        | 357,443.00          | 57,881.92         | 0.00     | 13,288,867.53    |
| 16            | Deferred charges and other assets                         | \$1,281.00                       | \$648,224.79    | \$2,473,186.54 | \$3,907,586.30          | \$56,699,709.00      | \$27,302,234.00     | \$1,589,405.19    | \$0.00   | \$92,621,626.82  |

A/TMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEET - NON REGULATED  
AS OF: 01/31/98

1998

| Line No.                                    | Description (a)                               | ATMOS SERVICES (b) | EGASCO, INC. (c) | ENERMART (d)   | TRANS LA INDUSTRIAL (e) | UCG ENERGY CORP. (f) | UCG STORAGE CO. (g) | W K G RESOURCES (h) | Eliminations and Adjustments (i) | Consolidated (j) | Line No. |
|---|---|--------------------|------------------|----------------|-------------------------|----------------------|---------------------|---------------------|----------------------------------|------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |   |                    |                  |                |                         |                      |                     |                     |                                  |                  |          |
| 1   | Shareholders' equity                          |                    |                  |                |                         |                      |                     |                     |                                  |                  |          |
| 2   | Common stock                                  | \$1,000.00         | \$1,000.00       | \$1,000.00     | \$100.00                | \$1,000,000.00       | \$1,000.00          | \$1,000.00          | \$0.00                           | \$1,005,100.00   | 1        |
| 3   | Common stock subscribed                       | 0.00               | 0.00             | 0.00           | 0.00                    | 0.00                 | 0.00                | 0.00                | 0.00                             | 0.00             | 2        |
| 4   | Additional paid-in capital                    | 0.00               | 0.00             | 0.00           | 2,292,947.89            | 0.00                 | 3,451,327.00        | 1,603,833.12        | 0.00                             | 7,348,108.01     | 3        |
| 5   | Retained earnings                             | (3,502.33)         | (535,210.81)     | 757,903.26     | 334,573.54              | 22,140,141.00        | 4,001,928.00        | (24,919,554)        | 0.00                             | 26,670,913.12    | 4        |
| 6   | Total shareholders' equity                    | (2,502.33)         | (534,210.81)     | 758,903.26     | 2,627,621.43            | 23,140,141.00        | 7,454,255.00        | 1,579,913.58        | 0.00                             | 35,024,121.13    | 5        |
| 7   | Long-term debt (including current maturities) | 0.00               | 0.00             | 0.00           | 0.00                    | 10,939,216.00        | 8,680,243.00        | 0.00                | 0.00                             | 19,619,459.00    | 6        |
| 8   | Total capitalization                          | (2,502.33)         | (534,210.81)     | 758,903.26     | 2,627,621.43            | 34,079,357.00        | 16,134,498.00       | 1,579,913.58        | 0.00                             | 54,643,580.13    | 7        |
| <b>Current liabilities</b>                  |   |                    |                  |                |                         |                      |                     |                     |                                  |                  |          |
| 9   | Notes payable                                 | 0.00               | 0.00             | 0.00           | 0.00                    | 6,000,000.00         | 0.00                | 0.00                | 0.00                             | 6,000,000.00     | 8        |
| 10  | Accounts payable                              | 0.00               | 84,680.00        | 1,438,826.81   | 925,442.30              | 1,002,459.00         | 30.00               | 1,647.17            | 0.00                             | 3,453,085.28     | 9        |
| 11  | Accrued taxes                                 | 0.00               | 2,608.56         | 42,197.42      | 19,663.42               | 183,910.00           | 0.00                | (2,193.82)          | 0.00                             | 246,185.58       | 10       |
| 12  | Income taxes payable                          | (1,826.65)         | (88,981.00)      | 233,259.05     | 177,318.29              | 5,927,435.00         | 1,190,282.00        | (9,299.95)          | 0.00                             | 7,428,186.74     | 11       |
| 13  | Dividends declared                            | 0.00               | 0.00             | 0.00           | 0.00                    | 100.00               | 0.00                | 0.00                | 0.00                             | 0.00             | 12       |
| 14  | Customers' deposits                           | 0.00               | 0.00             | 0.00           | 58,882.17               | 0.00                 | 400,956.00          | 0.00                | 0.00                             | 459,938.17       | 13       |
| 15  | Other current liabilities                     | 0.00               | 0.00             | 0.00           | 17,139.00               | 620,080.00           | 317,102.00          | 0.00                | 0.00                             | 954,321.00       | 14       |
| 16  | Intercompany accounts - net                   | 5,609.98           | 1,184,128.04     | 0.00           | 0.00                    | 7,126,994.00         | 3,893,606.00        | 0.00                | 0.00                             | 12,210,338.02    | 15       |
| 17  | Total current liabilities                     | 3,783.33           | 1,182,435.60     | 1,714,283.28   | 1,198,445.18            | 20,860,978.00        | 5,801,976.00        | (9,846.60)          | 0.00                             | 30,752,054.79    | 16       |
| 18  | Deferred income taxes                         | 0.00               | 0.00             | 0.00           | 81,519.69               | 1,270,604.00         | 5,122,737.00        | 19,338.21           | 0.00                             | 6,494,198.90     | 17       |
| 19  | Deferred credits and other liabilities        | 0.00               | 0.00             | 0.00           | 0.00                    | 488,770.00           | 243,023.00          | 0.00                | 0.00                             | 731,793.00       | 18       |
| 20  | Total liabilities and shareholders' equity    | \$1,281.00         | \$648,224.79     | \$2,473,186.54 | \$3,907,586.30          | \$56,699,709.00      | \$27,302,234.00     | \$1,589,405.19      | \$0.00                           | \$92,621,626.82  | 19       |

ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME  
FOR THE MONTH ENDED JANUARY 31, 1998

| Line No. | Description (a)                       | Current Month     |                       |                  |                  |                                |                     | Total Atmos Consolidated (h) | Line No. |
|----------|---------------------------------------|-------------------|-----------------------|------------------|------------------|--------------------------------|---------------------|------------------------------|----------|
|          |                                       | Regulated (1) (b) | Non-Regulated (2) (c) | Eliminations (d) | Total (e)        | Non-Utility Operations (3) (f) | Shared Services (g) |                              |          |
| 1        | Operating revenues                    |                   |                       |                  |                  |                                |                     |                              |          |
| 2        | Gas                                   | \$102,354,962.32  | \$1,669,314.46        | \$0.00           | \$104,024,276.78 | \$0.00                         | \$0.00              | \$104,024,276.78             | 1        |
| 3        | Transportation                        | 2,727,578.63      | 10,371.55             | (162,370.18)     | 2,575,580.00     | 0.00                           | 0.00                | 2,575,580.00                 | 2        |
| 4        | Other                                 | 0.00              | 0.00                  | 0.00             | 0.00             | 6,218,548.00                   | 0.00                | 6,218,548.00                 | 3        |
| 5        | Total operating revenues              | 105,082,540.95    | 1,679,686.01          | (162,370.18)     | 106,599,856.78   | 6,218,548.00                   | 0.00                | 112,818,404.78               | 4        |
| 6        | Purchased gas cost                    | 61,302,873.87     | 1,512,218.71          | (162,066.02)     | 62,653,026.56    | 3,796,691.00                   | 0.00                | 66,449,717.56                | 5        |
| 7        | Gross profit                          | 43,779,667.08     | 167,467.30            | (304.16)         | 43,946,830.22    | 2,421,857.00                   | 0.00                | 46,368,687.22                | 6        |
| 8        | Operating expenses                    |                   |                       |                  |                  |                                |                     |                              |          |
| 9        | Operation                             | 8,199,655.27      | 487,708.30            | 0.00             | 8,687,363.57     | 860,686.00                     | 1,326,185.50        | 10,874,235.07                | 7        |
| 10       | Maintenance                           | 771,118.57        | 0.00                  | 0.00             | 771,118.57       | 52,537.00                      | 2,457.45            | 826,113.02                   | 8        |
| 11       | Depreciation                          | 3,339,518.13      | 2,865.00              | 0.00             | 3,342,383.13     | 343,865.00                     | 270,919.31          | 3,957,167.44                 | 9        |
| 12       | Taxes - other than income taxes       | 2,972,349.80      | 10,365.59             | 0.00             | 2,982,715.39     | 78,010.00                      | 92,998.18           | 3,153,723.57                 | 10       |
| 13       | Shared Services - direct              | 945,391.62        | 0.00                  | 0.00             | 945,391.62       | 0.00                           | 0.00                | 945,391.62                   | 11       |
| 14       | Shared Services - billed              | 1,342,864.43      | 22,430.10             | 265.91           | 1,365,560.44     | 27,000.00                      | (1,392,560.44)      | 0.00                         | 12       |
| 15       | Provision for income taxes            | 8,600,536.00      | (131,000.00)          | 0.00             | 8,469,536.00     | 496,900.00                     | (114,000.00)        | 8,852,436.00                 | 13       |
| 16       | Total operating expenses              | 26,171,433.82     | 392,368.99            | 265.91           | 26,564,068.72    | 1,858,998.00                   | 186,000.00          | 28,609,066.72                | 14       |
| 17       | Operating income (loss)               | 17,608,233.26     | (224,901.69)          | (570.07)         | 17,382,761.50    | 562,859.00                     | (186,000.00)        | 17,759,620.50                | 15       |
| 18       | Other income                          |                   |                       |                  |                  |                                |                     |                              |          |
| 19       | Merchandise                           | 40,173.74         | 0.00                  | 0.00             | 40,173.74        | 0.00                           | 0.00                | 40,173.74                    | 16       |
| 20       | Interest income                       | 117,961.80        | 0.00                  | 0.00             | 117,961.80       | 31,838.00                      | 0.00                | 149,799.80                   | 17       |
| 21       | Shared Services - billed              | 0.00              | (265.91)              | 265.91           | 0.00             | 0.00                           | 0.00                | 0.00                         | 18       |
| 22       | Other nonoperating income             | (24,196.17)       | (3,520.31)            | 304.16           | (27,412.32)      | 1,613.00                       | 0.00                | (25,799.32)                  | 19       |
| 23       | Equity in earnings - Woodward         | 0.00              | 0.00                  | 0.00             | 0.00             | 259,854.00                     | 0.00                | 259,854.00                   | 20       |
| 24       | Total other income (loss)             | 133,939.37        | (3,786.22)            | 570.07           | 130,723.22       | 293,305.00                     | 0.00                | 424,028.22                   | 21       |
| 25       | Income (loss) before interest charges | 17,742,172.63     | (228,687.91)          | (0.00)           | 17,513,484.72    | 856,164.00                     | (186,000.00)        | 18,183,648.72                | 22       |
| 26       | Interest charges                      | 3,604,922.99      | 790.68                | 0.00             | 3,605,713.67     | 213,683.00                     | 0.00                | 3,819,396.67                 | 23       |
| 27       | Net income (loss)                     | \$14,137,249.64   | (\$229,478.59)        | (\$0.00)         | \$13,907,771.05  | \$642,481.00                   | (\$186,000.00)      | \$14,364,252.05              | 24       |

Footnotes:  
(1) Regulated Utility Operations includes Energas, GGC, Trans La, UCG, WKG and CNG.  
(2) Non-Regulated Utility Operations includes Egasco, Enermart, TLIG and WKGR.  
(3) Non-Utility Operations includes Atmos Energy Services, UCG Energy and UCG Storage.  
(4) Includes all Shared Services expenses booked directly to the business units.  
(5) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.

ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME  
FOR THE FOUR MONTHS ENDED JANUARY 31, 1998

| Line No. | Description (a)                       | Year To Date      |                       |                  |                  |                                |                     | Total Atmos Consolidated (h) | Line No. |
|----------|---------------------------------------|-------------------|-----------------------|------------------|------------------|--------------------------------|---------------------|------------------------------|----------|
|          |                                       | Regulated (1) (b) | Non-Regulated (2) (c) | Eliminations (d) | Total (e)        | Non-Utility Operations (3) (f) | Shared Services (g) |                              |          |
| 1        | Operating revenues                    |                   |                       |                  |                  |                                |                     |                              |          |
| 2        | Gas                                   | \$369,656,463.80  | \$9,598,354.84        | \$0.00           | \$379,254,818.64 | \$0.00                         | \$0.00              | \$379,254,818.64             | 1        |
| 3        | Transportation                        | 10,160,912.09     | 30,139.55             | (780,272.78)     | 9,410,778.86     | 0.00                           | 0.00                | 9,410,778.86                 | 2        |
| 4        | Other                                 | 379,817,375.89    | 9,628,494.39          | (780,272.78)     | 388,665,597.50   | 19,483,668.00                  | 0.00                | 19,483,668.00                | 3        |
|          | Total operating revenues              | 243,931,217.45    | 8,271,792.85          | (779,103.54)     | 251,423,906.76   | 10,755,890.00                  | 0.00                | 262,179,796.76               | 5        |
| 5        | Purchased gas cost                    | 135,886,158.44    | 1,356,701.54          | (1,169.24)       | 137,241,690.74   | 8,727,778.00                   | 0.00                | 145,969,468.74               | 6        |
| 6        | Gross profit                          |                   |                       |                  |                  |                                |                     |                              |          |
| 7        | Operating expenses                    |                   |                       |                  |                  |                                |                     |                              |          |
| 8        | Operation                             | 34,170,603.91     | 1,775,855.52          | 0.00             | 35,946,459.43    | 3,024,724.82                   | 5,681,682.01        | 44,652,866.26                | 7        |
| 9        | Maintenance                           | 3,024,963.11      | 0.00                  | 0.00             | 3,024,963.11     | 272,462.00                     | 9,751.41            | 3,307,176.52                 | 8        |
| 10       | Depreciation                          | 13,361,866.50     | 11,460.00             | 0.00             | 13,373,326.50    | 1,407,911.00                   | 1,084,277.24        | 15,865,514.74                | 9        |
| 11       | Taxes - other than income taxes       | 10,726,779.83     | 38,559.76             | 0.00             | 10,765,339.59    | 313,484.00                     | 294,164.05          | 11,372,987.64                | 10       |
| 12       | Shared Services - direct              | (4) 3,207,372.99  | 0.00                  | 0.00             | 3,207,372.99     | 0.00                           | (7,064,659.43)      | 3,207,372.99                 | 11       |
| 13       | Shared Services - billed              | (5) 6,858,612.07  | 98,617.10             | 1,430.26         | 6,958,659.43     | 106,000.00                     | (7,064,659.43)      | 0.00                         | 12       |
| 14       | Provision for income taxes            | 19,949,527.15     | (243,000.00)          | 0.00             | 19,706,527.15    | 1,429,500.44                   | 0.00                | 21,136,027.59                | 13       |
|          | Total operating expenses              | 91,299,725.56     | 1,681,492.38          | 1,430.26         | 92,982,648.20    | 6,554,082.26                   | 5,215.28            | 99,541,945.74                | 14       |
| 15       | Operating income (loss)               | 44,586,432.88     | (324,790.84)          | (2,599.50)       | 44,259,042.54    | 2,173,695.74                   | (5,215.28)          | 46,427,523.00                | 15       |
| 16       | Other income                          |                   |                       |                  |                  |                                |                     |                              |          |
| 17       | Merchandise                           | 71,481.49         | 0.00                  | 0.00             | 71,481.49        | 0.00                           | 0.00                | 71,481.49                    | 16       |
| 18       | Interest income                       | 532,646.92        | 0.00                  | 0.00             | 532,646.92       | 87,202.00                      | 0.00                | 619,848.92                   | 17       |
| 19       | Shared Services - billed              | 0.00              | (1,430.26)            | 1,430.26         | 0.00             | 0.00                           | 0.00                | 0.00                         | 18       |
| 20       | Other nonoperating income             | (135,780.80)      | (75,876.29)           | 1,169.24         | (210,487.85)     | 66,167.00                      | 0.00                | (144,320.85)                 | 19       |
| 21       | Equity in earnings - Woodward         | 0.00              | 0.00                  | 0.00             | 0.00             | 640,196.00                     | 0.00                | 640,196.00                   | 20       |
|          | Total other income (loss)             | 468,347.61        | (77,306.55)           | 2,599.50         | 393,640.56       | 793,565.00                     | 0.00                | 1,187,205.56                 | 21       |
| 22       | Income (loss) before interest charges | 45,054,780.49     | (402,097.39)          | 0.00             | 44,652,683.10    | 2,967,260.74                   | (5,215.28)          | 47,614,728.56                | 22       |
| 23       | Interest charges                      | 12,266,527.05     | 1,281.36              | 0.00             | 12,267,808.41    | 860,573.00                     | 0.00                | 13,128,381.41                | 23       |
| 24       | Net income (loss)                     | \$32,788,253.44   | (\$403,378.75)        | \$0.00           | \$32,384,874.69  | \$2,106,687.74                 | (\$5,215.28)        | \$34,486,347.15              | 24       |

Footnotes:

- (1) Regulated Utility Operations includes Ennergas, GGC, Trans La, UCG, WKG and CNG.
- (2) Non-Regulated Utility Operations includes Egasco, Emermart, TLIG and WKGR.
- (3) Non-Utility Operations includes Atmos Energy Services, UCG Energy and UCG Storage.
- (4) Includes all Shared Services expenses booked directly to the business units.
- (5) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.



ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
ELIMINATIONS TO CONSOLIDATING INCOME STATEMENT  
01/31/98

|  | Current Month |           | YEAR TO DATE |            |
|--|---------------|-----------|--------------|------------|
|  | Dr            | Cr        | Dr           | Cr         |
| 1. Gas Revenue<br>Purchased Gas Cost<br>To eliminate gas sales to Atmos<br>from Trans La Industrial  | \$0.00        | \$0.00    | \$0.00       | \$0.00     |
| 2. Transportation Revenue<br>Purchased Gas Cost<br>To eliminate transportation charges<br>to Enermart Trust from Atmos   | 36,913.00     | 36,913.00 | 450,223.00   | 450,223.00 |
| 3. Transportation Revenue<br>Purchased Gas Cost<br>To eliminate transportation charges<br>to Trans La Industrial from Atmos  | 32,558.46     | 32,558.46 | 127,455.79   | 127,455.79 |
| 4. Transportation Revenue<br>Purchased Gas Cost<br>To eliminate transportation charges to<br>Amarillo Distribution Division from<br>Amarillo Transmission Division-Atmos | 92,594.56     | 92,594.56 | 201,424.75   | 201,424.75 |
| 5. Transportation Revenue<br>Other Nonoperating Income<br>To eliminate transportation charges for<br>CNG sales at public fill stations from Atmos                        | 304.16        | 304.16    | 1,169.24     | 1,169.24   |
| 6. Operation Expense<br>Other Nonoperating Income<br>To eliminate allocation of Corporate<br>Division expenses to WKGR from Atmos  | 265.91        | 265.91    | 1,430.26     | 1,430.26   |

ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME - REGULATED  
FOR THE MONTH ENDED JANUARY 31, 1998

| Line No. | Description (a)                       | Current Month    |                 |                |                 |                 |                  | Total Regulated (g) | Line No. |
|----------|---------------------------------------|------------------|-----------------|----------------|-----------------|-----------------|------------------|---------------------|----------|
|          |                                       | Energy (b)       | Greeley (c)     | Trans La (d)   | UCG (e)         | WKG (f)         |                  |                     |          |
| 1        | Operating revenues                    |                  |                 |                |                 |                 |                  |                     |          |
| 2        | Gas                                   | \$22,855,673.02  | \$12,092,736.65 | \$4,087,895.01 | \$50,848,201.00 | \$12,470,456.64 | \$102,354,962.32 | 1                   |          |
| 3        | Transportation                        | 203,648.97       | 1,471,124.11    | 37,283.04      | 1,283,795.00    | 1,055,727.51    | 2,727,578.63     | 2                   |          |
| 4        | Other                                 | 0.00             | 0.00            | 0.00           | 0.00            | 0.00            | 0.00             | 3                   |          |
| 5        | Total operating revenues              | 23,059,321.99    | 12,239,860.76   | 4,125,178.05   | 52,131,996.00   | 13,526,184.15   | 105,082,540.95   | 4                   |          |
| 6        | Purchased gas cost                    | 13,750,953.89    | 7,018,780.64    | 1,211,627.06   | 31,527,890.00   | 7,793,622.28    | 61,302,873.87    | 5                   |          |
| 7        | Gross profit                          | 9,308,368.10     | 5,221,080.12    | 2,913,550.99   | 20,604,106.00   | 5,732,561.87    | 43,779,667.08    | 6                   |          |
| 8        | Operating expenses                    |                  |                 |                |                 |                 |                  |                     |          |
| 9        | Operation                             | (2) 1,658,878.49 | 1,367,620.48    | 610,669.93     | 3,222,049.40    | 1,340,436.97    | 8,199,655.27     | 7                   |          |
| 10       | Maintenance                           | 116,491.05       | 90,885.13       | 71,730.42      | 400,926.00      | 91,085.97       | 771,118.57       | 8                   |          |
| 11       | Depreciation                          | 548,925.06       | 414,872.91      | 303,528.74     | 1,526,856.00    | 545,335.42      | 3,339,518.13     | 9                   |          |
| 12       | Taxes - other than income taxes       | 1,544,409.89     | 230,044.01      | 189,454.28     | 851,567.00      | 156,874.62      | 2,972,349.80     | 10                  |          |
| 13       | Shared Services - direct              | 374,963.24       | 181,014.97      | 195,134.13     | 0.00            | 194,279.28      | 945,391.62       | 11                  |          |
| 14       | Shared Services - billed              | 452,782.13       | 195,986.39      | 124,690.04     | 329,641.40      | 239,764.47      | 1,342,864.43     | 12                  |          |
| 15       | Provision for income taxes            | 1,405,250.40     | 892,048.47      | 224,324.47     | 5,005,536.00    | 1,073,376.66    | 8,600,536.00     | 13                  |          |
| 16       | Total operating expenses              | 6,101,700.26     | 3,372,472.36    | 1,719,532.01   | 11,336,575.80   | 3,641,153.39    | 26,171,433.82    | 14                  |          |
| 17       | Operating income (loss)               | 3,206,667.84     | 1,848,607.76    | 1,194,018.98   | 9,267,530.20    | 2,091,408.48    | 17,608,233.26    | 15                  |          |
| 18       | Other income                          |                  |                 |                |                 |                 |                  | 16                  |          |
| 19       | Merchandise                           | 14,235.81        | (4,915.24)      | (71.02)        | (4,918.00)      | 35,842.19       | 40,173.74        | 17                  |          |
| 20       | Interest income                       | 15,972.75        | 153.40          | 676.59         | 99,068.00       | 2,089.06        | 117,961.80       | 18                  |          |
| 21       | Other nonoperating income             | (15,945.45)      | 15,538.59       | (5,806.89)     | (6,930.00)      | (11,052.42)     | (24,196.17)      | 19                  |          |
| 22       | Equity in earnings - Woodward         | 0.00             | 0.00            | 0.00           | 0.00            | 0.00            | 0.00             | 20                  |          |
| 23       | Total other income (loss)             | 14,263.11        | 10,778.75       | (5,201.32)     | 87,220.00       | 26,878.83       | 133,939.37       | 21                  |          |
| 24       | Income (loss) before interest charges | 3,220,930.95     | 1,859,386.51    | 1,188,817.66   | 9,354,750.20    | 2,118,287.31    | 17,742,172.63    | 22                  |          |
| 25       | Interest charges                      | 681,299.68       | 407,246.65      | 885,260.26     | 1,098,577.00    | 532,539.40      | 3,604,922.99     | 23                  |          |
| 26       | Net income (loss)                     | \$2,539,631.27   | \$1,452,139.86  | \$303,557.40   | \$8,256,173.20  | \$1,585,747.91  | \$14,137,249.64  | 24                  |          |

ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME - REGULATED  
FOR THE FOUR MONTHS ENDED JANUARY 31, 1998

| Line No. | Description (a)                       | Year To Date    |                 |                  |                  |                 |                     | Line No. |
|----------|---------------------------------------|-----------------|-----------------|------------------|------------------|-----------------|---------------------|----------|
|          |                                       | Energas (1) (b) | Greeley (c)     | Trans La (1) (d) | UCG (e)          | WKG (f)         | Total Regulated (g) |          |
|          | Operating revenues                    |                 |                 |                  |                  |                 |                     |          |
| 1        | Gas                                   | \$86,577,911.89 | \$41,529,418.54 | \$15,556,884.78  | \$162,330,210.00 | \$63,662,038.59 | \$369,656,463.80    | 1        |
| 2        | Transportation                        | 976,701.60      | 545,461.27      | 140,277.13       | 5,223,556.00     | 3,274,916.09    | 10,160,912.09       | 2        |
| 3        | Other                                 | 0.00            | 0.00            | 0.00             | 0.00             | 0.00            | 0.00                | 3        |
| 4        | Total operating revenues              | 87,554,613.49   | 42,074,879.81   | 15,697,161.91    | 167,553,766.00   | 66,936,954.68   | 379,817,375.89      | 4        |
| 5        | Purchased gas cost                    | 58,476,594.89   | 25,839,133.62   | 4,923,489.71     | 107,600,622.00   | 47,091,377.23   | 243,931,217.45      | 5        |
| 6        | Gross profit                          | 29,078,018.60   | 16,235,746.19   | 10,773,672.20    | 59,953,144.00    | 19,845,577.45   | 135,886,158.44      | 6        |
|          | Operating expenses                    |                 |                 |                  |                  |                 |                     |          |
| 7        | Operation                             | 6,342,844.26    | 4,529,658.06    | 2,305,268.80     | 16,029,443.33    | 4,963,389.46    | 34,170,603.91       | 7        |
| 8        | Maintenance                           | 406,357.75      | 236,050.14      | 200,807.44       | 1,872,616.00     | 309,131.78      | 3,024,963.11        | 8        |
| 9        | Depreciation                          | 2,194,826.76    | 1,654,849.81    | 1,214,114.96     | 6,116,762.00     | 2,181,312.97    | 13,361,866.50       | 9        |
| 10       | Taxes - other than income taxes       | 4,301,610.12    | 894,060.88      | 747,805.64       | 4,115,192.00     | 668,111.19      | 10,726,779.83       | 10       |
| 10       | Shared Services - direct              | 1,224,776.00    | 522,899.60      | 597,566.19       | 0.00             | 862,131.20      | 3,207,372.99        | 10       |
| 11       | Shared Services - billed              | 2,198,791.80    | 858,265.61      | 593,526.29       | 1,948,331.89     | 1,259,696.48    | 6,858,612.07        | 11       |
| 12       | Provision for income taxes            | 3,509,247.72    | 2,323,072.54    | 1,262,978.66     | 9,747,527.15     | 3,106,701.08    | 19,949,527.15       | 12       |
| 13       | Total operating expenses              | 20,178,454.41   | 11,018,856.64   | 6,922,067.98     | 39,829,872.37    | 13,350,474.16   | 91,299,725.56       | 13       |
| 14       | Operating income (loss)               | 8,899,564.19    | 5,216,889.55    | 3,851,604.22     | 20,123,271.63    | 6,495,103.29    | 44,586,432.88       | 14       |
|          | Other income                          |                 |                 |                  |                  |                 |                     |          |
| 15       | Merchandise                           | (443.78)        | (5,787.99)      | 7,289.28         | (45,616.00)      | 116,039.98      | 71,481.49           | 15       |
| 16       | Interest income                       | 61,864.47       | 381.87          | 1,265.56         | 461,287.00       | 7,848.02        | 532,646.92          | 16       |
| 17       | Other nonoperating income             | (90,610.92)     | 46,912.25       | (34,970.27)      | (28,973.00)      | (28,138.86)     | (135,780.80)        | 17       |
| 18       | Equity in earnings - Woodward         | 0.00            | 0.00            | 0.00             | 0.00             | 0.00            | 0.00                | 18       |
| 19       | Total other income (loss)             | (29,190.23)     | 41,506.13       | (26,415.43)      | 386,698.00       | 95,749.14       | 468,347.61          | 19       |
| 20       | Income (loss) before interest charges | 8,870,373.96    | 5,258,395.68    | 3,825,188.79     | 20,509,969.63    | 6,590,852.43    | 45,054,780.49       | 20       |
| 21       | Interest charges                      | 2,554,768.60    | 1,517,212.76    | 1,836,383.85     | 4,377,972.00     | 1,980,189.84    | 12,266,527.05       | 21       |
| 22       | Net income (loss)                     | \$6,315,605.36  | \$3,741,182.92  | \$1,988,804.94   | \$16,131,997.63  | \$4,610,662.59  | \$32,788,253.44     | 22       |

Footnote: (1) Includes CNG.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF INCOME- NON-REGULATED UTILITY  
FOR THE MONTH ENDED 01/31/98

| Line No. | Description (a)                       | 1998             |                |                         |                     |                                  |                         | Line No. |
|----------|---------------------------------------|------------------|----------------|-------------------------|---------------------|----------------------------------|-------------------------|----------|
|          |                                       | EGASCO, INC. (b) | ENERMART (c)   | TRANS LA INDUSTRIAL (d) | W K G RESOURCES (e) | ELIMINATIONS and ADJUSTMENTS (f) | ATMOS NON REGULATED (g) |          |
|          | Operating revenues                    |                  |                |                         |                     |                                  |                         |          |
| 1        | Gas                                   | \$30,082.26      | \$1,051,108.69 | \$588,123.51            | \$0.00              | \$0.00                           | \$1,669,314.46          | 1        |
| 2        | Transportation                        | 0.00             | 0.00           | 10,371.55               | 0.00                | 0.00                             | 10,371.55               | 2        |
| 3        | Other                                 | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00                             | 0.00                    | 3        |
| 4        | Total operating revenues              | 30,082.26        | 1,051,108.69   | 598,495.06              | 0.00                | 0.00                             | 1,679,686.01            | 4        |
| 5        | Purchased gas cost                    | 17,861.16        | 1,001,078.80   | 493,278.75              | 0.00                | 0.00                             | 1,512,218.71            | 5        |
| 6        | Gross profit                          | 12,221.10        | 50,029.89      | 105,216.31              | 0.00                | 0.00                             | 167,467.30              | 6        |
|          | Operating expenses                    |                  |                |                         |                     |                                  |                         |          |
| 7        | Operation                             | 64,625.25        | 389,073.67     | 34,009.38               | 0.00                | 0.00                             | 487,708.30              | 7        |
| 8        | Maintenance                           | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00                             | 0.00                    | 8        |
| 9        | Depreciation and amortization         | 0.00             | 0.00           | 2,865.00                | 0.00                | 0.00                             | 2,865.00                | 9        |
| 10       | Taxes - other than income taxes       | 0.00             | 5,376.34       | 4,979.25                | 10.00               | 0.00                             | 10,365.59               | 10       |
| 11       | Shared services - billed              | 1,173.06         | 15,987.52      | 5,269.52                | 0.00                | 0.00                             | 22,430.10               | 11       |
| 12       | Provision for income taxes            | (27,000.00)      | (126,000.00)   | 22,000.00               | 0.00                | 0.00                             | (131,000.00)            | 12       |
| 13       | Total operating expenses              | 38,798.31        | 284,437.53     | 69,123.15               | 10.00               | 0.00                             | 392,368.99              | 13       |
| 14       | Operating income (loss)               | (26,577.21)      | (234,407.64)   | 36,093.16               | (10.00)             | 0.00                             | (224,901.69)            | 14       |
|          | Other income                          |                  |                |                         |                     |                                  |                         |          |
| 15       | Merchandise                           | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00                             | 0.00                    | 15       |
| 16       | Interest income                       | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00                             | 0.00                    | 16       |
| 17       | Shared services - billed              | 0.00             | 0.00           | 0.00                    | (265.91)            | 0.00                             | (265.91)                | 17       |
| 18       | Other nonoperating income             | (4,938.55)       | 0.00           | 0.00                    | 1,418.24            | 0.00                             | (3,520.31)              | 18       |
| 19       | Total other income (loss)             | (4,938.55)       | 0.00           | 0.00                    | 1,152.33            | 0.00                             | (3,786.22)              | 19       |
| 20       | Income (loss) before interest charges | (31,515.76)      | (234,407.64)   | 36,093.16               | 1,142.33            | 0.00                             | (228,687.91)            | 20       |
| 21       | Interest charges                      | 0.00             | 300.00         | 490.68                  | 0.00                | 0.00                             | 790.68                  | 21       |
| 22       | Net income (loss)                     | (\$31,515.76)    | (\$234,707.64) | \$35,602.48             | \$1,142.33          | \$0.00                           | (\$229,478.59)          | 22       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF INCOME- NON-REGULATED UTILITY  
FOR THE FOUR MONTHS ENDED 01/31/98

| Line No. | Description (a)                       | 1998             |                |                         |                   |                                  |                         | Line No.       |
|----------|---------------------------------------|------------------|----------------|-------------------------|-------------------|----------------------------------|-------------------------|----------------|
|          |                                       | EGASCO, INC. (b) | ENERMART (c)   | TRANS LA INDUSTRIAL (d) | WKG RESOURCES (e) | ELIMINATIONS and ADJUSTMENTS (f) | ATMOS NON-REGULATED (g) |                |
| 1        | Operating revenues                    |                  |                |                         |                   |                                  |                         | 1              |
| 2        | Gas                                   | \$501,616.22     | \$6,792,887.73 | \$2,303,850.89          | \$0.00            | \$0.00                           | \$0.00                  | \$9,598,354.84 |
| 3        | Transportation                        | 0.00             | 0.00           | 30,139.55               | 0.00              | 0.00                             | 0.00                    | 30,139.55      |
| 3        | Other                                 | 0.00             | 0.00           | 0.00                    | 0.00              | 0.00                             | 0.00                    | 0.00           |
| 4        | Total operating revenues              | 501,616.22       | 6,792,887.73   | 2,333,990.44            | 0.00              | 0.00                             | 0.00                    | 9,628,494.39   |
| 5        | Purchased gas cost                    | 398,274.13       | 5,817,969.04   | 2,055,549.68            | 0.00              | 0.00                             | 0.00                    | 8,271,792.85   |
| 6        | Gross profit                          | 103,342.09       | 974,918.69     | 278,440.76              | 0.00              | 0.00                             | 0.00                    | 1,356,701.54   |
| 7        | Operating expenses                    |                  |                |                         |                   |                                  |                         |                |
| 8        | Operation                             | 241,309.10       | 1,475,780.85   | 58,765.57               | 0.00              | 0.00                             | 0.00                    | 1,775,855.52   |
| 8        | Maintenance                           | 0.00             | 0.00           | 0.00                    | 0.00              | 0.00                             | 0.00                    | 0.00           |
| 9        | Depreciation and amortization         | 0.00             | 0.00           | 11,460.00               | 0.00              | 0.00                             | 0.00                    | 11,460.00      |
| 10       | Taxes - other than income taxes       | 0.00             | 18,771.51      | 19,778.25               | 10.00             | 0.00                             | 0.00                    | 38,559.76      |
| 11       | Shared services - billed              | 5,616.29         | 72,275.48      | 20,725.33               | 0.00              | 0.00                             | 0.00                    | 98,617.10      |
| 12       | Provision for income taxes            | (101,000.00)     | (207,000.00)   | 65,000.00               | 0.00              | 0.00                             | 0.00                    | (243,000.00)   |
| 13       | Total operating expenses              | 145,925.39       | 1,359,827.84   | 175,729.15              | 10.00             | 0.00                             | 0.00                    | 1,681,492.38   |
| 14       | Operating income (loss)               | (42,583.30)      | (384,909.15)   | 102,711.61              | (10.00)           | 0.00                             | 0.00                    | (324,790.84)   |
| 15       | Other income                          |                  |                |                         |                   |                                  |                         |                |
| 15       | Merchandise                           | 0.00             | 0.00           | 0.00                    | 0.00              | 0.00                             | 0.00                    | 0.00           |
| 16       | Interest income                       | 0.00             | 0.00           | 0.00                    | 0.00              | 0.00                             | 0.00                    | 0.00           |
| 17       | Shared services - billed              | 0.00             | 0.00           | 0.00                    | (1,430.26)        | 0.00                             | 0.00                    | (1,430.26)     |
| 18       | Other nonoperating income             | (77,144.38)      | 0.00           | 0.00                    | 1,268.09          | 0.00                             | 0.00                    | (75,876.29)    |
| 19       | Total other income (loss)             | (77,144.38)      | 0.00           | 0.00                    | (162.17)          | 0.00                             | 0.00                    | (77,306.55)    |
| 20       | Income (loss) before interest charges | (119,727.68)     | (384,909.15)   | 102,711.61              | (172.17)          | 0.00                             | 0.00                    | (402,097.39)   |
| 21       | Interest charges                      | 0.00             | 300.00         | 981.36                  | 0.00              | 0.00                             | 0.00                    | 1,281.36       |
| 22       | Net income (loss)                     | (\$119,727.68)   | (\$385,209.15) | \$101,730.25            | (\$172.17)        | \$0.00                           | \$0.00                  | (\$403,378.75) |

NON-UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME - NON-UTILITY  
FOR THE MONTH ENDED 01/31/98

1998

| Line No. | Description (a)                 | Eliminations and Adjustments (f) |                 |                     |                            |                                   |                           |                     |                                   |              |                           | Total Non-Utility (j) | Line No. |                     |    |              |
|----------|---------------------------------|----------------------------------|-----------------|---------------------|----------------------------|-----------------------------------|---------------------------|---------------------|-----------------------------------|--------------|---------------------------|-----------------------|----------|---------------------|----|--------------|
|          |                                 | UCG Leasing (b)                  | UCG Propane (c) | Rental Division (d) | Utility Serv. Division (e) | UCG Energy Corp. Consolidated (g) | Atmos Energy Services (h) | UCG Storage Co. (i) | UCG Energy Corp. Consolidated (g) |              | Atmos Energy Services (h) |                       |          | UCG Storage Co. (i) |    |              |
| 1        | Operating revenues              |                                  |                 |                     |                            |                                   |                           |                     |                                   |              |                           |                       |          |                     |    |              |
| 2        | Gas                             | \$0.00                           | \$0.00          | \$0.00              | \$0.00                     | \$0.00                            | \$0.00                    | \$0.00              | \$0.00                            | \$0.00       | \$0.00                    | \$0.00                | \$0.00   | \$0.00              | 1  | \$0.00       |
| 3        | Transportation                  | 0.00                             | 0.00            | 0.00                | 0.00                       | 0.00                              | 0.00                      | 0.00                | 0.00                              | 0.00         | 0.00                      | 0.00                  | 0.00     | 0.00                | 2  | 0.00         |
| 3        | Other                           | 90,540.00                        | 4,535,567.00    | 285,134.00          | 95,930.00                  | 5,007,171.00                      | 285,134.00                | 95,930.00           | 5,007,171.00                      | 5,007,171.00 | 0.00                      | 1,211,377.00          | 0.00     | 6,218,548.00        | 3  | 6,218,548.00 |
| 4        | Total operating revenues        | 90,540.00                        | 4,535,567.00    | 285,134.00          | 95,930.00                  | 5,007,171.00                      | 285,134.00                | 95,930.00           | 5,007,171.00                      | 5,007,171.00 | 0.00                      | 1,211,377.00          | 0.00     | 6,218,548.00        | 4  | 6,218,548.00 |
| 5        | Purchased gas cost              | 0.00                             | 2,792,969.00    | 0.00                | 90,997.00                  | 2,883,966.00                      | 0.00                      | 0.00                | 2,883,966.00                      | 2,883,966.00 | 0.00                      | 912,725.00            | 0.00     | 3,796,691.00        | 5  | 3,796,691.00 |
| 6        | Gross profit                    | 90,540.00                        | 1,742,598.00    | 285,134.00          | 4,933.00                   | 2,123,205.00                      | 285,134.00                | 4,933.00            | 2,123,205.00                      | 2,123,205.00 | 0.00                      | 298,652.00            | 0.00     | 2,421,857.00        | 6  | 2,421,857.00 |
| 7        | Operating expenses              |                                  |                 |                     |                            |                                   |                           |                     |                                   |              |                           |                       |          |                     |    |              |
| 8        | Operation                       | 2,580.00                         | 723,070.00      | 106,866.00          | 3,084.00                   | 835,600.00                        | 106,866.00                | 3,084.00            | 835,600.00                        | 835,600.00   | 40.00                     | 25,046.00             | 0.00     | 860,686.00          | 7  | 860,686.00   |
| 8        | Maintenance                     | 0.00                             | 51,094.00       | 0.00                | 0.00                       | 51,094.00                         | 0.00                      | 0.00                | 51,094.00                         | 51,094.00    | 0.00                      | 1,443.00              | 0.00     | 52,537.00           | 8  | 52,537.00    |
| 9        | Depreciation and amortization   | 32,630.00                        | 182,803.00      | 61,154.00           | 33,645.00                  | 310,232.00                        | 61,154.00                 | 33,645.00           | 310,232.00                        | 310,232.00   | 0.00                      | 33,633.00             | 0.00     | 343,865.00          | 9  | 343,865.00   |
| 10       | Taxes - other than income taxes | 0.00                             | 21,738.00       | 20,161.00           | 0.00                       | 41,899.00                         | 20,161.00                 | 0.00                | 41,899.00                         | 41,899.00    | 0.00                      | 36,111.00             | 0.00     | 78,010.00           | 10 | 78,010.00    |
| 11       | Shared services - billed        | 1,350.00                         | 21,060.00       | 4,320.00            | 270.00                     | 27,000.00                         | 1,350.00                  | 270.00              | 27,000.00                         | 27,000.00    | 0.00                      | 54,900.00             | 0.00     | 27,000.00           | 11 | 27,000.00    |
| 12       | Provision for income taxes      | 17,000.00                        | 264,000.00      | 26,000.00           | 135,000.00                 | 442,000.00                        | 17,000.00                 | 135,000.00          | 442,000.00                        | 442,000.00   | 0.00                      | 54,900.00             | 0.00     | 496,900.00          | 12 | 496,900.00   |
| 13       | Total operating expenses        | 53,560.00                        | 1,263,765.00    | 218,501.00          | 171,999.00                 | 1,707,825.00                      | 218,501.00                | 171,999.00          | 1,707,825.00                      | 1,707,825.00 | 40.00                     | 151,133.00            | 0.00     | 1,858,998.00        | 13 | 1,858,998.00 |
| 14       | Operating income (loss)         | 36,980.00                        | 478,833.00      | 66,633.00           | (167,066.00)               | 415,380.00                        | 66,633.00                 | (167,066.00)        | 415,380.00                        | 415,380.00   | (40.00)                   | 147,519.00            | 0.00     | 562,859.00          | 14 | 562,859.00   |
| 15       | Other income                    |                                  |                 |                     |                            |                                   |                           |                     |                                   |              |                           |                       |          |                     |    |              |
| 15       | Merchandise                     | 0.00                             | 0.00            | 0.00                | 0.00                       | 0.00                              | 0.00                      | 0.00                | 0.00                              | 0.00         | 0.00                      | 0.00                  | 0.00     | 0.00                | 15 | 0.00         |
| 16       | Interest income                 | 3,631.00                         | 10,905.00       | 33,177.00           | 4,954.00                   | 15,032.00                         | 33,177.00                 | 4,954.00            | 15,032.00                         | 15,032.00    | 0.00                      | 16,806.00             | 0.00     | 31,838.00           | 16 | 31,838.00    |
| 17       | Other nonoperating income       | 93.00                            | (9,338.00)      | (1,887.00)          | 12,745.00                  | 1,613.00                          | (1,887.00)                | 12,745.00           | 1,613.00                          | 1,613.00     | 0.00                      | 0.00                  | 0.00     | 1,613.00            | 17 | 1,613.00     |
| 18       | Equity in earnings - Woodward   | 0.00                             | 0.00            | 0.00                | 259,854.00                 | 259,854.00                        | 0.00                      | 0.00                | 259,854.00                        | 259,854.00   | 0.00                      | 0.00                  | 0.00     | 259,854.00          | 18 | 259,854.00   |
| 19       | Total other income (loss)       | 3,724.00                         | 1,567.00        | 31,290.00           | 277,553.00                 | 276,499.00                        | 31,290.00                 | 277,553.00          | 276,499.00                        | 276,499.00   | 0.00                      | 16,806.00             | 0.00     | 293,305.00          | 19 | 293,305.00   |
| 20       | Income (loss) before int chgs   | 40,704.00                        | 480,400.00      | 97,923.00           | 110,487.00                 | 691,879.00                        | 97,923.00                 | 110,487.00          | 691,879.00                        | 691,879.00   | (40.00)                   | 164,325.00            | 0.00     | 856,164.00          | 20 | 856,164.00   |
| 21       | Interest charges                | 13,362.00                        | 68,513.00       | 58,192.00           | 31,116.00                  | 133,548.00                        | 58,192.00                 | 31,116.00           | 133,548.00                        | 133,548.00   | 0.00                      | 80,135.00             | 0.00     | 213,683.00          | 21 | 213,683.00   |
| 22       | Net income (loss)               | \$27,342.00                      | \$411,887.00    | \$39,731.00         | \$79,371.00                | \$558,331.00                      | \$39,731.00               | \$79,371.00         | \$558,331.00                      | \$558,331.00 | (\$40.00)                 | \$84,190.00           | 0.00     | \$642,481.00        | 22 | \$642,481.00 |

NON-UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME- NON UTILITY  
FOR THE FOUR MONTHS ENDED 01/31/98

| Line No. | Description (a)                 | 1998            |                 |                     |                            |                                  |                                   |                     |                     |                 |            | Line No.     |                |    |
|----------|---------------------------------|-----------------|-----------------|---------------------|----------------------------|----------------------------------|-----------------------------------|---------------------|---------------------|-----------------|------------|--------------|----------------|----|
|          |                                 | UCG Leasing (b) | UCG Propane (c) | Rental Division (d) | Utility Serv. Division (e) | Eliminations and Adjustments (f) | UCG Energy Corp. Consolidated (g) | Energy Services (h) | UCG Storage Co. (i) | Non-Utility (j) | Total (j)  |              |                |    |
| 1        | Operating revenues              |                 |                 |                     |                            |                                  |                                   |                     |                     |                 |            |              |                |    |
| 2        | Gas                             | \$0.00          | \$0.00          | \$0.00              | \$0.00                     | \$0.00                           | \$0.00                            | \$0.00              | \$0.00              | \$0.00          | \$0.00     | \$0.00       | \$0.00         | 1  |
| 3        | Transportation                  | 0.00            | 0.00            | 0.00                | 0.00                       | 0.00                             | 0.00                              | 0.00                | 0.00                | 0.00            | 0.00       | 0.00         | 0.00           | 2  |
| 4        | Other                           | 365,051.00      | 14,978,786.00   | 1,101,877.00        | 306,133.00                 | 0.00                             | 16,751,847.00                     | 0.00                | 2,731,821.00        | 19,483,668.00   | 0.00       | 2,731,821.00 | 19,483,668.00  | 3  |
| 5        | Total operating revenues        | 365,051.00      | 14,978,786.00   | 1,101,877.00        | 306,133.00                 | 0.00                             | 16,751,847.00                     | 0.00                | 2,731,821.00        | 19,483,668.00   | 0.00       | 2,731,821.00 | 19,483,668.00  | 4  |
| 6        | Purchased gas cost              | 0.00            | 8,858,396.00    | 0.00                | 336,053.00                 | 0.00                             | 9,194,449.00                      | 0.00                | 1,561,441.00        | 10,755,890.00   | 0.00       | 1,561,441.00 | 10,755,890.00  | 5  |
| 7        | Gross profit                    | 365,051.00      | 6,120,390.00    | 1,101,877.00        | (29,920.00)                | 0.00                             | 7,557,398.00                      | 0.00                | 1,170,380.00        | 8,727,778.00    | 0.00       | 1,170,380.00 | 8,727,778.00   | 6  |
| 8        | Operating expenses              |                 |                 |                     |                            |                                  |                                   |                     |                     |                 |            |              |                |    |
| 9        | Operation                       | 7,677.39        | 2,678,875.55    | 194,972.39          | 13,390.79                  | 0.00                             | 2,894,916.12                      | 0.00                | 129,698.70          | 3,024,724.82    | 0.00       | 129,698.70   | 3,024,724.82   | 7  |
| 10       | Maintenance                     | 0.00            | 236,828.00      | 0.00                | 0.00                       | 0.00                             | 236,828.00                        | 0.00                | 35,634.00           | 272,462.00      | 0.00       | 35,634.00    | 272,462.00     | 8  |
| 11       | Depreciation and amortization   | 130,996.00      | 734,024.00      | 264,982.00          | 143,489.00                 | 0.00                             | 1,273,491.00                      | 0.00                | 134,420.00          | 1,407,911.00    | 0.00       | 134,420.00   | 1,407,911.00   | 9  |
| 12       | Taxes - other than income taxes | 0.00            | 95,232.00       | 81,409.00           | 0.00                       | 0.00                             | 176,641.00                        | 0.00                | 136,843.00          | 313,484.00      | 0.00       | 136,843.00   | 313,484.00     | 10 |
| 13       | Shared services - billed        | 5,300.00        | 82,680.00       | 16,960.00           | 1,060.00                   | 0.00                             | 106,000.00                        | 0.00                | (0.00)              | 106,000.00      | 0.00       | (0.00)       | 106,000.00     | 11 |
| 14       | Provision for income taxes      | 70,730.82       | 796,000.84      | 168,009.46          | 212,458.91                 | 0.00                             | 1,247,200.03                      | 0.00                | 182,300.41          | 1,429,500.44    | 0.00       | 182,300.41   | 1,429,500.44   | 12 |
| 15       | Total operating expenses        | 214,704.21      | 4,623,640.39    | 726,332.85          | 370,398.70                 | 0.00                             | 5,935,076.15                      | 0.00                | 618,896.11          | 6,554,082.26    | 0.00       | 618,896.11   | 6,554,082.26   | 13 |
| 16       | Operating income (loss)         | 150,346.79      | 1,496,749.61    | 375,544.15          | (400,318.70)               | 0.00                             | 1,622,321.85                      | (110.00)            | 551,483.89          | 2,173,695.74    | (110.00)   | 551,483.89   | 2,173,695.74   | 14 |
| 17       | Other income                    |                 |                 |                     |                            |                                  |                                   |                     |                     |                 |            |              |                |    |
| 18       | Merchandise                     | 0.00            | 0.00            | 0.00                | 0.00                       | 0.00                             | 0.00                              | 0.00                | 0.00                | 0.00            | 0.00       | 0.00         | 0.00           | 15 |
| 19       | Interest income                 | 14,407.00       | 36,085.00       | 136,051.00          | 21,354.00                  | (160,998.00)                     | 46,899.00                         | 0.00                | 40,303.00           | 87,202.00       | 0.00       | 40,303.00    | 87,202.00      | 16 |
| 20       | Other nonoperating income       | 373.00          | 2,762.00        | (6,406.00)          | 69,438.00                  | 0.00                             | 66,167.00                         | 0.00                | 0.00                | 66,167.00       | 0.00       | 0.00         | 66,167.00      | 17 |
| 21       | Equity in earnings - Woodward   | 0.00            | 0.00            | 0.00                | 640,196.00                 | 0.00                             | 640,196.00                        | 0.00                | 0.00                | 640,196.00      | 0.00       | 0.00         | 640,196.00     | 18 |
| 22       | Total other income (loss)       | 14,780.00       | 38,847.00       | 129,645.00          | 730,988.00                 | (160,998.00)                     | 753,262.00                        | 0.00                | 40,303.00           | 793,565.00      | 0.00       | 40,303.00    | 793,565.00     | 19 |
| 23       | Income (loss) before int chgs   | 165,126.79      | 1,535,596.61    | 505,189.15          | 330,669.30                 | (160,998.00)                     | 2,375,583.85                      | (110.00)            | 591,786.89          | 2,967,260.74    | (110.00)   | 591,786.89   | 2,967,260.74   | 20 |
| 24       | Interest charges                | 54,741.00       | 279,945.00      | 247,323.00          | 126,031.00                 | (160,998.00)                     | 547,042.00                        | 0.00                | 313,531.00          | 860,573.00      | 0.00       | 313,531.00   | 860,573.00     | 21 |
| 25       | Net income (loss)               | \$110,385.79    | \$1,255,651.61  | \$257,866.15        | \$204,638.30               | \$0.00                           | \$1,828,541.85                    | (\$110.00)          | \$278,255.89        | \$2,106,687.74  | (\$110.00) | \$278,255.89 | \$2,106,687.74 | 22 |

ATMOS ENERGY CORPORATION  
 Shared Services Billing  
 For The Month Ended 01/31/98

12-Dec-97  
 03:22 PM

ALLOCATED DOLLARS

| DEPARTMENT                     | Total        | Energas      | GGC         | Trans La    | UCCO         | WKG          | Egasco   | Enertmart | TLIG     | UCO Energy | UCG Storage | WKGR    |
|--------------------------------|--------------|--------------|-------------|-------------|--------------|--------------|----------|-----------|----------|------------|-------------|---------|
| ACCOUNTING:                    | (642,150.84) | (121,213.89) | (91,042.01) | (63,708.87) | (251,672.50) | (140,880.29) | (95.03)  | (444.93)  | (95.03)  | 27,000.00  | -           | 1.71    |
| BUSINESS DEVELOPMENT:          | 38,239.80    | 9,498.77     | 4,619.37    | 3,231.26    | 14,534.95    | 6,355.45     | -        | -         | -        | -          | -           | -       |
| CALL CENTER:                   | 1,930.64     | 763.77       | 375.12      | 263.34      | -            | 514.13       | 2.12     | 9.27      | 2.12     | -          | -           | 0.77    |
| EXECUTIVE:                     | 287,202.05   | 71,323.98    | 34,895.12   | 24,294.13   | 107,970.83   | 47,427.69    | 192.54   | 860.54    | 184.03   | -          | -           | 53.19   |
| GAS CONTROL:                   | -            | -            | -           | -           | -            | -            | -        | -         | -        | -          | -           | -       |
| GAS SUPPLY:                    | 107,063.21   | 21,356.26    | 16,606.38   | 6,629.98    | 27,077.57    | 22,738.96    | -        | 9,357.16  | 3,296.90 | -          | -           | -       |
| HUMAN RESOURCES:               | 509,659.97   | 145,433.26   | 69,687.30   | 49,065.23   | 148,612.20   | 95,378.48    | 220.95   | 978.29    | 220.95   | -          | -           | 63.31   |
| INFORMATION TECHNOLOGY:        | 270,181.01   | 106,019.61   | 39,691.63   | 28,488.46   | 33,937.42    | 62,043.89    | -        | -         | -        | -          | -           | -       |
| INTERNAL AUDIT:                | 38,395.21    | 9,491.28     | 4,618.94    | 3,229.04    | 14,528.75    | 6,346.73     | 26.88    | 119.03    | 26.88    | -          | -           | 7.68    |
| INVESTOR RELATIONS:            | 169,283.06   | 47,337.03    | 23,102.48   | 16,171.61   | 50,057.31    | 31,719.11    | 133.30   | 587.67    | 133.30   | -          | -           | 41.25   |
| LEGAL:                         | (88,246.34)  | (22,563.71)  | (10,250.47) | (7,872.65)  | (35,358.23)  | (14,198.97)  | 65.19    | 1,053.07  | 900.97   | -          | -           | (21.54) |
| NEW BUSINESS VENTURES:         | 20,885.69    | 5,162.93     | 2,512.55    | 1,756.49    | 7,903.15     | 3,452.40     | 14.62    | 64.75     | 14.62    | -          | -           | 4.18    |
| PLANNING & BUDGETING:          | 55,402.49    | 13,693.49    | 6,664.92    | 4,659.35    | 20,964.30    | 9,158.03     | 38.79    | 171.74    | 38.79    | -          | -           | 11.08   |
| PRICE POLICY & ADMINISTRATION: | 69,531.79    | 22,049.18    | 19,488.90   | 8,392.08    | 5,564.85     | 13,756.85    | 26.45    | 201.94    | 32.04    | -          | -           | 19.50   |
| REGULATORY AFFAIRS:            | 22,314.82    | 3,347.22     | 5,578.71    | 2,231.48    | 8,925.93     | 2,231.48     | -        | -         | -        | -          | -           | -       |
| REMITTANCE PROCESSING:         | 28,445.19    | 8,465.29     | 3,168.79    | 2,272.77    | 9,384.07     | 4,952.31     | 22.76    | 176.36    | 2.84     | -          | -           | -       |
| TECHNICAL SERVICES:            | 45,346.05    | 10,311.70    | 6,266.82    | 4,085.68    | 17,494.51    | 7,051.31     | 31.74    | 72.55     | 27.21    | -          | -           | 4.53    |
| TREASURY:                      | 93,772.22    | 31,503.38    | 15,926.94   | 10,688.53   | 11,080.01    | 22,458.33    | 236.29   | 1,644.32  | 227.44   | -          | -           | 6.98    |
| TOTAL OPERATIONS:              | 1,027,256.02 | 361,981.55   | 151,911.49  | 93,877.91   | 191,005.12   | 180,505.89   | 916.60   | 14,851.76 | 5,013.06 | 27,000.00  | -           | 192.64  |
| Operations w/o A&G Cap:        | 1,908,256.02 | 585,552.96   | 293,365.80  | 193,020.50  | 395,377.62   | 390,426.62   | 1,294.67 | 16,226.06 | 5,391.13 | 27,000.00  | -           | 300.66  |
| MAINTENANCE                    | 2,457.45     | 607.48       | 295.63      | 206.67      | 929.90       | 406.22       | 1.72     | 7.62      | 1.72     | -          | -           | 0.49    |
| DEPRECIATION                   | 270,919.31   | 66,971.27    | 32,591.59   | 22,784.31   | 102,515.87   | 44,782.96    | 189.64   | 839.85    | 189.64   | -          | -           | 54.18   |
| TAXES - OTHER                  | 97,998.18    | 22,989.15    | 11,187.68   | 7,821.15    | 35,190.51    | 15,372.60    | 65.10    | 288.29    | 65.10    | -          | -           | 18.60   |
| TOTAL                          | 1,393,630.96 | 452,549.45   | 195,986.39  | 124,690.04  | 329,641.40   | 241,067.67   | 1,173.06 | 15,987.52 | 5,269.52 | 27,000.00  | -           | 265.91  |



ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Year-To-Date 1/31/98

ALLOCATED DOLLARS

| DEPARTMENT                     | Total          | Energas      | GCC          | Trans La     | UCO          | WKO          | Erasco   | Enertart  | TLIG      | UCO Energy | UCO Storage | WKGR     |
|--------------------------------|----------------|--------------|--------------|--------------|--------------|--------------|----------|-----------|-----------|------------|-------------|----------|
| ACCOUNTING:                    | (2,358,843.23) | (439,688.90) | (458,329.76) | (276,972.26) | (786,360.35) | (503,047.15) | (80.25)  | (408.82)  | (43.24)   | 106,000.00 | -           | 85.48    |
| BUSINESS DEVELOPMENT:          | 197,289.94     | 49,006.83    | 23,832.62    | 16,671.00    | 74,989.91    | 32,789.58    | -        | -         | -         | -          | -           | -        |
| CALL CENTER:                   | 22,958.87      | 9,082.55     | 4,460.91     | 3,131.58     | -            | 6,113.94     | 25.25    | 110.21    | 25.25     | -          | -           | 9.18     |
| EXECUTIVE:                     | 1,076,271.20   | 267,544.49   | 130,827.47   | 91,091.40    | 404,209.11   | 171,760.03   | 729.30   | 3,236.61  | 672.05    | -          | -           | 200.74   |
| GAS CONTROL:                   | -              | -            | -            | -            | -            | -            | -        | -         | -         | -          | -           | -        |
| GAS SUPPLY:                    | 496,970.13     | 98,150.69    | 76,991.65    | 29,638.91    | 126,443.97   | 107,343.77   | -        | 43,846.67 | 14,554.47 | -          | -           | -        |
| HUMAN RESOURCES:               | 1,585,084.16   | 481,428.78   | 229,377.39   | 161,932.80   | 394,888.46   | 313,797.70   | 557.48   | 2,425.75  | 515.38    | -          | -           | 160.42   |
| INFORMATION TECHNOLOGY:        | 957,173.85     | 393,621.34   | 147,357.01   | 105,770.77   | 80,086.73    | 230,338.00   | -        | -         | -         | -          | -           | -        |
| INTERNAL AUDIT:                | 149,939.27     | 37,084.33    | 18,026.46    | 12,608.95    | 56,710.00    | 24,791.45    | 106.58   | 468.24    | 102.80    | -          | -           | 30.46    |
| INVESTOR RELATIONS:            | 688,318.89     | 188,569.85   | 91,970.37    | 64,371.60    | 213,526.16   | 126,308.05   | 532.86   | 2,347.58  | 529.55    | -          | -           | 162.87   |
| LEGAL:                         | 1,601,700.71   | 397,785.69   | 192,592.00   | 134,035.68   | 601,621.09   | 265,602.29   | 1,253.29 | 6,451.46  | 2,053.04  | -          | -           | 306.17   |
| NEW BUSINESS VENTURES:         | 65,173.84      | 16,121.99    | 7,835.33     | 5,481.08     | 24,650.02    | 10,777.36    | 46.45    | 203.79    | 44.54     | -          | -           | 13.28    |
| PLANNING & BUDGETING:          | 206,017.98     | 57,604.17    | 28,086.49    | 19,669.13    | 60,974.38    | 38,590.19    | 164.23   | 719.24    | 159.40    | -          | -           | 50.75    |
| PRICE POLICY & ADMINISTRATION: | 270,130.24     | 85,562.17    | 75,617.92    | 32,564.21    | 21,917.26    | 53,382.36    | 102.81   | 783.30    | 124.45    | -          | -           | 75.76    |
| REGULATORY AFFAIRS:            | 86,544.36      | 12,981.66    | 21,636.10    | 8,654.43     | 34,617.74    | 8,654.43     | -        | -         | -         | -          | -           | -        |
| REMITTANCE PROCESSING:         | 84,748.28      | 33,463.85    | 12,526.37    | 8,989.73     | 9,384.07     | 19,579.86    | 90.33    | 699.97    | 14.10     | -          | -           | -        |
| TECHNICAL SERVICES:            | 157,668.67     | 35,844.07    | 21,789.44    | 14,214.58    | 60,834.08    | 24,512.24    | 108.04   | 253.26    | 96.82     | -          | -           | 16.14    |
| TREASURY:                      | 390,656.58     | 130,922.46   | 66,866.62    | 44,947.09    | 45,029.98    | 94,137.92    | 980.63   | 6,776.85  | 941.52    | -          | -           | 33.51    |
| TOTAL OPERATIONS:              | 5,677,771.72   | 1,855,086.02 | 691,464.39   | 476,800.68   | 1,423,522.61 | 1,031,432.02 | 4,617.00 | 67,914.11 | 19,790.13 | 106,000.00 | -           | 1,144.76 |
| Operations w/o A&G Cap.        | 9,201,771.72   | 2,744,364.16 | 1,370,755.55 | 908,961.36   | 2,132,153.95 | 1,837,232.83 | 5,944.26 | 73,755.11 | 21,080.52 | 106,000.00 | -           | 1,523.98 |
| MAINTENANCE                    | 9,751.41       | 2,411.18     | 1,172.80     | 820.09       | 3,689.27     | 1,612.15     | 6.87     | 30.33     | 6.76      | -          | -           | 1.96     |
| DEPRECIATION                   | 1,084,277.24   | 268,374.77   | 130,281.46   | 91,186.16    | 409,926.64   | 179,358.58   | 784.59   | 3,415.46  | 725.42    | -          | -           | 224.16   |
| TAXES - OTHER                  | 293,929.58     | 72,687.15    | 35,346.96    | 24,719.36    | 111,193.37   | 48,596.93    | 207.83   | 915.58    | 203.02    | -          | -           | 59.38    |
| TOTAL                          | 7,065,729.95   | 2,198,559.12 | 858,265.61   | 593,526.29   | 1,948,331.89 | 1,260,999.68 | 5,616.29 | 72,275.48 | 20,725.33 | 106,000.00 | -           | 1,430.26 |

ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Month Ended 01/31/98

ALLOCATED DOLLARS

| DEPARTMENT                                  | Total        | Energas      | GGC         | Trans La    | UCG          | WKG          | Egasco   | Enermart   | TLIQ     | UCG Energy | UCG Storage | WKGR     |
|---|--------------|--------------|-------------|-------------|--------------|--------------|----------|------------|----------|------------|-------------|----------|
| 0112900 VP & Controller                     | 59,691.30    | 23,613.88    | 11,598.02   | 8,141.89    | -            | 15,895.79    | 65.66    | 286.52     | 65.66    | -          | -           | 23.88    |
| 0113000 Assistant Controller General Acctg  | 12,152.90    | 4,807.68     | 2,361.31    | 1,637.66    | -            | 3,236.32     | 13.37    | 58.33      | 13.37    | -          | -           | 4.86     |
| 0113100 General Accounting                  | 37,060.42    | 14,661.10    | 7,200.84    | 5,055.04    | -            | 9,869.19     | 40.77    | 177.89     | 40.77    | -          | -           | 14.82    |
| 0113200 Payroll Accounting                  | 41,467.77    | 16,404.65    | 8,057.19    | 5,656.20    | -            | 11,042.87    | 45.61    | 199.05     | 45.61    | -          | -           | 16.59    |
| 0113300 Accounts Payable                    | 25,877.34    | 10,237.06    | 5,027.97    | 3,529.67    | -            | 6,891.14     | 28.47    | 124.21     | 28.47    | -          | -           | 10.35    |
| 0113400 Accounting Systems                  | 1,007.28     | 398.49       | 195.71      | 137.39      | -            | 268.24       | 1.11     | 4.83       | 1.11     | -          | -           | 0.40     |
| 0113500 Assistant Controller, Utility Acctg | 4,044.81     | 1,600.12     | 785.91      | 551.71      | -            | 1,077.13     | 4.45     | 19.42      | 4.45     | -          | -           | 1.62     |
| 0113600 Plant Accounting                    | 31,331.53    | 12,394.76    | 6,087.72    | 4,273.62    | -            | 8,343.59     | 34.46    | 150.39     | 34.46    | -          | -           | 12.33    |
| 0113700 Gas Accounting                      | 47,030.15    | 18,605.14    | 9,137.96    | 6,414.91    | -            | 12,524.13    | 51.73    | 225.74     | 51.73    | -          | -           | 18.81    |
| 0113800 Customer Billing                    | 7,177.55     | 2,839.43     | 1,394.60    | 979.02      | -            | 1,911.38     | 7.90     | 34.45      | 7.90     | -          | -           | 2.87     |
| 0113900 Financial Reporting                 | 26,450.14    | 10,463.67    | 5,139.26    | 3,607.80    | -            | 7,043.67     | 29.10    | 126.96     | 29.10    | -          | -           | 10.58    |
| 0114600 Dallas Taxation                     | 43,557.97    | 17,231.54    | 8,463.31    | 5,941.31    | -            | 11,599.49    | 47.91    | 209.08     | 47.91    | -          | -           | 17.42    |
| 0118300 Dallas Stores                       | -            | -            | -           | -           | -            | -            | -        | -          | -        | -          | -           | -        |
| 0119200 Controller Miscellaneous            | (125,000.00) | (30,900.00)  | (15,037.50) | (10,512.50) | (47,300.00)  | (20,662.50)  | (87.50)  | (387.50)   | (87.50)  | 27,000.00  | -           | (25.00)  |
| Management Fee - UCGE                       | 27,000.00    | -            | -           | -           | -            | -            | -        | -          | -        | -          | -           | -        |
| 0119700 I/C Billing & Other                 | -            | -            | -           | -           | -            | -            | -        | -          | -        | -          | -           | -        |
| 0119800 Overhead Capitalized-Division 02    | (540,096.47) | (133,511.84) | (64,973.61) | (45,422.11) | (204,372.50) | (89,277.93)  | (378.07) | (1,674.30) | (378.07) | -          | -           | (108.02) |
| 0119800 Overhead Capitalized-Op Company     | (340,903.33) | (90,059.57)  | (76,480.70) | (53,720.48) | -            | (120,642.78) | -        | -          | -        | -          | -           | -        |
| ACCOUNTING:                                 | (642,150.84) | (121,213.89) | (91,042.01) | (63,708.87) | (251,672.50) | (140,880.29) | (95.03)  | (444.93)   | (95.03)  | 27,000.00  | -           | 1.71     |
| 0056000 Business Development                | 38,239.80    | 9,498.77     | 4,619.37    | 3,231.26    | 14,534.95    | 6,355.45     | -        | -          | -        | -          | -           | -        |
| BUSINESS DEVELOPMENT:                       | 38,239.80    | 9,498.77     | 4,619.37    | 3,231.26    | 14,534.95    | 6,355.45     | -        | -          | -        | -          | -           | -        |
| 0120100 Amarillo Call Center                | 1,930.64     | 763.77       | 375.12      | 263.34      | -            | 514.13       | 2.12     | 9.27       | 2.12     | -          | -           | 0.77     |
| CALL CENTER:                                | 1,930.64     | 763.77       | 375.12      | 263.34      | -            | 514.13       | 2.12     | 9.27       | 2.12     | -          | -           | 0.77     |
| 0050500 Chairman, President & CEO           | 131,110.19   | 32,410.43    | 15,772.56   | 11,026.37   | 49,612.10    | 21,672.51    | 91.78    | 406.44     | 91.78    | -          | -           | 26.22    |
| 0052100 Dallas Operations                   | 42,556.31    | 10,847.59    | 5,464.23    | 3,719.42    | 15,396.87    | 6,987.75     | 21.28    | 102.14     | 21.28    | -          | -           | 4.26     |
| 0052500 Utility Services                    | 37,694.44    | 9,318.06     | 4,534.64    | 3,170.10    | 14,263.58    | 6,230.89     | 26.39    | 116.85     | 26.39    | -          | -           | 7.54     |
| 0054700 Chief Financial Officer             | 75,841.11    | 18,747.90    | 9,123.69    | 6,378.24    | 28,698.28    | 12,536.54    | 53.09    | 235.11     | 53.09    | -          | -           | 15.17    |
| EXECUTIVE:                                  | 287,202.05   | 71,323.98    | 34,895.12   | 24,294.13   | 107,970.83   | 47,427.69    | 192.54   | 860.54     | 184.03   | -          | -           | 53.19    |
| 0051700 Corporate Gas Control               | -            | -            | -           | -           | -            | -            | -        | -          | -        | -          | -           | -        |
| GAS CONTROL:                                | -            | -            | -           | -           | -            | -            | -        | -          | -        | -          | -           | -        |
| 0051500 Interstate Gas Supply               | 41,125.03    | 7,402.50     | 8,225.01    | 2,056.25    | 11,103.76    | 12,337.51    | -        | -          | -        | -          | -           | -        |
| 0051600 Intrastate Gas Supply               | 40,401.69    | 8,040.35     | 4,040.17    | 2,020.08    | 10,100.42    | 6,060.25     | -        | 8,080.34   | 2,020.08 | -          | -           | -        |
| 0051900 Gas Supply                          | 25,536.49    | 5,873.41     | 4,341.20    | 2,553.65    | 5,873.39     | 4,341.20     | -        | 1,276.82   | 1,276.82 | -          | -           | -        |
| GAS SUPPLY:                                 | 107,063.21   | 21,356.26    | 16,606.38   | 6,629.98    | 27,077.57    | 22,738.96    | -        | 9,357.16   | 3,296.90 | -          | -           | -        |

ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Month Ended 01/31/98

ALLOCATED DOLLARS

| DEPARTMENT   | Total        | Energys     | GCC         | Trans La    | UCG         | WKG         | Exasco   | Emermart | TLIG     | UCG Energy | UCG Storage | WKGR    |
|--|--------------|-------------|-------------|-------------|-------------|-------------|----------|----------|----------|------------|-------------|---------|
| 0056100 Professional Development                       | 3,658.55     | 979.33      | 460.59      | 327.06      | 1,263.96    | 627.41      | -        | -        | -        | -          | -           | -       |
| 0117100 Corporate Services                             | 1,760.74     | 696.55      | 342.11      | 240.16      | -           | 468.89      | 1.94     | 8.45     | 1.94     | -          | -           | 0.70    |
| 0117200 Compensation & Employment                      | 41,076.85    | 16,796.32   | 7,903.19    | 5,611.10    | -           | 10,766.24   | -        | -        | -        | -          | -           | -       |
| 0117300 Human Resources - VP                           | 20,494.95    | 5,486.50    | 2,580.31    | 1,832.25    | 7,081.01    | 3,514.88    | -        | -        | -        | -          | -           | -       |
| 0117400 Employee & Labor Relations                     | 9,272.62     | 2,482.29    | 1,167.42    | 828.97      | 3,203.69    | 1,590.25    | -        | -        | -        | -          | -           | -       |
| 0117500 Employee Benefits                              | 65,970.45    | 26,975.33   | 12,692.71   | 9,011.56    | -           | 17,290.85   | -        | -        | -        | -          | -           | -       |
| 0117800 Employee Communications                        | 11,378.40    | 3,045.99    | 1,432.54    | 1,017.23    | 3,931.24    | 1,951.40    | -        | -        | -        | -          | -           | -       |
| 0117900 Facilities                                     | 18,226.30    | 4,879.18    | 2,294.69    | 1,629.43    | 6,297.19    | 3,125.81    | -        | -        | -        | -          | -           | -       |
| 0118100 Employee Development                           | 25,213.99    | 6,749.79    | 3,174.44    | 2,254.13    | 8,711.43    | 4,324.20    | -        | -        | -        | -          | -           | -       |
| 0119000 Employee Relocation Expense                    | 26,896.46    | 6,648.81    | 3,235.64    | 2,261.99    | 10,177.62   | 4,445.98    | 18.83    | 83.38    | 18.83    | -          | -           | 5.38    |
| 0119210 Performance Plan                               | 116,667.00   | 28,840.08   | 14,035.04   | 9,811.69    | 44,146.79   | 19,285.06   | 81.67    | 361.67   | 81.67    | -          | -           | 23.33   |
| 0119300 Outside Directors Retirement Cost              | 14,000.00    | 3,460.80    | 1,684.20    | 1,177.40    | 5,297.60    | 2,314.20    | 9.80     | 43.40    | 9.80     | -          | -           | 2.80    |
| 0119400 Treasury - Worker's Comp                       | (0.04)       | (0.01)      | (0.01)      | (0.01)      | -           | (0.01)      | -        | -        | -        | -          | -           | -       |
| 0119500 Human Resources - Benefits                     | 441.18       | 174.51      | 85.72       | 60.18       | -           | 117.49      | 0.49     | 2.12     | 0.49     | -          | -           | 0.18    |
| 0119600 Retirement Costs                               | 154,602.72   | 38,217.79   | 18,598.71   | 13,002.09   | 58,501.67   | 25,555.83   | 108.22   | 479.27   | 108.22   | -          | -           | 30.92   |
| HUMAN RESOURCES:                                       | 509,659.97   | 145,433.26  | 69,687.30   | 49,065.23   | 148,612.20  | 95,378.48   | 220.95   | 978.29   | 220.95   | -          | -           | 63.31   |
| 0115000 Information Services                           | 14,225.10    | 4,261.84    | 1,596.06    | 1,145.12    | 4,727.00    | 2,495.08    | -        | -        | -        | -          | -           | -       |
| 0115100 Production Services                            | 94,086.94    | 42,226.22   | 15,806.61   | 11,346.88   | -           | 24,707.23   | -        | -        | -        | -          | -           | -       |
| 0115200 Mass Mail                                      | 56,146.17    | 25,198.40   | 9,432.56    | 6,771.23    | -           | 14,743.98   | -        | -        | -        | -          | -           | -       |
| 0115300 Information Systems                            | 17,819.03    | 7,997.17    | 2,993.60    | 2,148.98    | -           | 4,679.28    | -        | -        | -        | -          | -           | -       |
| 0115400 Information Support                            | 3,618.99     | 1,084.25    | 406.05      | 291.33      | 1,202.59    | 634.77      | -        | -        | -        | -          | -           | -       |
| 0115500 Office Equipment                               | 84,284.78    | 25,251.73   | 9,456.75    | 6,784.92    | 28,007.83   | 14,783.55   | -        | -        | -        | -          | -           | -       |
| 0115600 Telecommunication Services                     | 270,181.01   | 106,019.61  | 39,691.63   | 28,488.46   | 33,937.42   | 62,043.89   | -        | -        | -        | -          | -           | -       |
| INFORMATION TECHNOLOGY:                                | 38,395.21    | 9,491.28    | 4,618.94    | 3,229.04    | 14,528.75   | 6,346.73    | 26.88    | 119.03   | 26.88    | -          | -           | 7.68    |
| INTERNAL AUDIT:  | 38,395.21    | 9,491.28    | 4,618.94    | 3,229.04    | 14,528.75   | 6,346.73    | 26.88    | 119.03   | 26.88    | -          | -           | 7.68    |
| 0054900 Investor Relations                             | 102,268.17   | 25,280.69   | 12,302.86   | 8,600.75    | 38,698.28   | 16,904.93   | 71.59    | 317.03   | 71.59    | -          | -           | 20.45   |
| 0117700 Corporate Communications                       | 30,018.59    | 7,420.61    | 3,611.24    | 2,524.56    | 11,359.03   | 4,962.07    | 21.01    | 93.06    | 21.01    | -          | -           | 6.00    |
| 0052400 Public Affairs                                 | 36,996.30    | 14,635.73   | 7,188.38    | 5,046.30    | 9,852.11    | 4,070.70    | 40.70    | 177.58   | 40.70    | -          | -           | 14.80   |
| INVESTOR RELATIONS:                                    | 169,283.06   | 47,337.03   | 23,102.48   | 16,171.61   | 50,057.31   | 31,719.11   | 133.30   | 587.67   | 133.30   | -          | -           | 41.25   |
| 0052000 Legal  | (175,148.94) | (43,296.82) | (21,070.42) | (14,730.03) | (66,276.36) | (28,952.12) | (122.60) | (542.96) | (122.60) | -          | -           | (35.03) |
| 0052099 Contract Administration                        | 6,250.28     | 129.99      | 1,235.06    | 130.01      | 1,040.05    | 1,305.06    | 130.01   | 1,305.06 | 975.04   | -          | -           | -       |
| 0052200 Governmental Affairs                           | 8,032.95     | 1,985.75    | 966.36      | 675.37      | 3,039.67    | 1,327.85    | 5.62     | 24.90    | 5.62     | -          | -           | 1.61    |
| 0057900 Corporate Secretary                            | 59,407.71    | 14,685.58   | 7,146.75    | 4,996.19    | 22,479.88   | 9,820.09    | 41.59    | 184.16   | 41.59    | -          | -           | 11.88   |
| 0118200 Central Records                                | 13,211.66    | 3,931.79    | 1,471.78    | 1,055.61    | 4,358.53    | 2,300.15    | 10.37    | 81.91    | 10.37    | -          | -           | -       |
| LEGAL:   | (88,246.34)  | (22,365.71) | (10,250.47) | (7,872.65)  | (35,358.23) | (14,198.97) | 65.19    | 1,033.07 | 900.97   | -          | -           | (21.54) |
| 0054600 New Business Ventures                          | 20,885.69    | 5,162.93    | 2,512.55    | 1,756.49    | 7,903.15    | 3,452.40    | 14.62    | 64.75    | 14.62    | -          | -           | 4.18    |
| NEW BUSINESS VENTURES:                                 | 20,885.69    | 5,162.93    | 2,512.55    | 1,756.49    | 7,903.15    | 3,452.40    | 14.62    | 64.75    | 14.62    | -          | -           | 4.18    |
| 0054400 Financial & Strategic Planning                 | 33,822.33    | 8,560.87    | 4,068.83    | 2,844.46    | 12,798.37   | 5,590.83    | 23.68    | 104.85   | 23.68    | -          | -           | 6.76    |
| 0054500 Business Strategies & Competitive Intelligence | 4,827.01     | 1,193.24    | 580.69      | 405.95      | 1,826.54    | 797.90      | 3.38     | 14.96    | 3.38     | -          | -           | 0.97    |
| 0114300 Budget & Planning                              | 16,753.15    | 4,141.38    | 2,015.40    | 1,408.94    | 6,339.39    | 2,769.30    | 11.73    | 51.93    | 11.73    | -          | -           | 3.35    |
| PLANNING & BUDGETTING:                                 | 55,402.49    | 13,693.49   | 6,664.92    | 4,659.35    | 20,964.30   | 9,158.03    | 38.79    | 171.74   | 38.79    | -          | -           | 11.08   |

ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Month Ended 01/31/98

ALLOCATED DOLLARS

| DEPARTMENT                                   | Total        | Energas    | GCC        | Trans La   | UCG        | WKG        | Egasco   | Enertart  | TLIG     | UCG Energy | UCG Storage | WKGR   |
|--|--------------|------------|------------|------------|------------|------------|----------|-----------|----------|------------|-------------|--------|
| 0054000 Price Policy & Administration - V.P. | 13,605.98    | 2,821.89   | 2,375.60   | 1,049.02   | 5,564.85   | 1,755.17   | 4.08     | 28.57     | 4.08     | -          | -           | 2.72   |
| 0054000 Price Policy & Administration        | 55,925.81    | 19,227.29  | 17,113.30  | 7,343.06   | -          | 12,001.68  | 22.37    | 173.37    | 27.96    | -          | -           | 16.78  |
| PRICE POLICY & ADMINISTRATION:               | 69,531.79    | 22,049.18  | 19,488.90  | 8,392.08   | 5,564.85   | 13,756.85  | 26.45    | 201.94    | 32.04    | -          | -           | 19.50  |
| 0054100 Regulatory Affairs                   | 22,314.82    | 3,347.22   | 5,578.71   | 2,231.48   | 8,925.93   | 2,231.48   | -        | -         | -        | -          | -           | -      |
| REGULATORY AFFAIRS:                          | 22,314.82    | 3,347.22   | 5,578.71   | 2,231.48   | 8,925.93   | 2,231.48   | -        | -         | -        | -          | -           | -      |
| 0118000 Remittance Processing                | 28,445.19    | 8,465.29   | 3,168.79   | 2,272.77   | 9,384.07   | 4,952.31   | 22.76    | 176.36    | 2.84     | -          | -           | -      |
| REMITTANCE PROCESSING:                       | 28,445.19    | 8,465.29   | 3,168.79   | 2,272.77   | 9,384.07   | 4,952.31   | 22.76    | 176.36    | 2.84     | -          | -           | -      |
| 0056200 Technical Services                   | 45,346.05    | 10,311.70  | 6,266.82   | 4,085.68   | 17,494.51  | 7,051.31   | 31.74    | 72.55     | 27.21    | -          | -           | 4.53   |
| TECHNICAL SERVICES:                          | 45,346.05    | 10,311.70  | 6,266.82   | 4,085.68   | 17,494.51  | 7,051.31   | 31.74    | 72.55     | 27.21    | -          | -           | 4.53   |
| 0114500 Dallas Treasury                      | 22,127.35    | 8,660.65   | 3,644.37   | 1,980.40   | -          | 5,885.88   | 212.42   | 1,540.06  | 203.57   | -          | -           | -      |
| 0114700 Dallas Risk Management               | 17,936.41    | 4,433.87   | 2,157.75   | 1,508.45   | 6,787.14   | 2,964.89   | 12.56    | 55.60     | 12.56    | -          | -           | 3.59   |
| 0114800 Dallas Treasurer                     | 11,344.80    | 2,804.43   | 1,564.78   | 954.10     | 4,292.87   | 1,875.30   | 7.94     | 35.17     | 7.94     | -          | -           | 2.27   |
| 0117600 Purchasing                           | 15,773.11    | 5,023.74   | 3,547.37   | 2,544.20   | -          | 4,657.80   | -        | -         | -        | -          | -           | -      |
| 0118500 Mail & Supply                        | 20,971.47    | 8,575.24   | 4,034.91   | 2,864.70   | -          | 5,496.62   | -        | -         | -        | -          | -           | -      |
| 0118909 Fleet Administration                 | -            | -          | -          | -          | -          | -          | -        | -         | -        | -          | -           | -      |
| 0118600 Purchasing & Stores                  | 5,619.08     | 2,005.45   | 1,177.76   | 836.68     | -          | 1,577.84   | 3.37     | 13.49     | 3.37     | -          | -           | 1.12   |
| TREASURY:                                    | 93,772.22    | 31,503.38  | 15,926.94  | 10,688.53  | 11,080.01  | 22,458.33  | 236.29   | 1,644.32  | 227.44   | -          | -           | 6.98   |
| TOTAL OPERATIONS:                            | 1,027,256.02 | 361,981.55 | 151,911.49 | 93,877.91  | 191,005.12 | 180,505.89 | 916.60   | 14,851.76 | 5,013.06 | 27,000.00  | -           | 192.64 |
| Operations w/o A&G Cap.                      | 1,908,256.02 | 585,552.96 | 293,365.80 | 193,020.50 | 395,377.62 | 390,426.62 | 1,294.67 | 16,526.06 | 5,391.13 | 27,000.00  | -           | 300.66 |
| MAINTENANCE                                  | 2,457.45     | 607.48     | 295.63     | 206.67     | 929.90     | 406.22     | 1.72     | 7.62      | 1.72     | -          | -           | 0.49   |
| DEPRECIATION                                 | 270,919.31   | 66,971.27  | 32,591.59  | 22,784.31  | 102,515.87 | 44,782.96  | 189.64   | 839.85    | 189.64   | -          | -           | 54.18  |
| TAXES - OTHER                                | 92,998.18    | 22,989.15  | 11,187.68  | 7,821.15   | 35,190.51  | 15,372.60  | 65.10    | 288.29    | 65.10    | -          | -           | 18.60  |
| TOTAL  | 1,393,630.96 | 452,549.45 | 195,986.39 | 124,690.04 | 329,641.40 | 241,067.67 | 1,173.06 | 15,987.52 | 5,269.52 | 27,000.00  | -           | 265.91 |

ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Year-To-Date 1/31/98

ALLOCATED DOLLARS

| DEPARTMENT                                  | Total          | Energas      | GCC          | Trans La     | UCG          | WKG          | Egaso      | Emermart   | TLIG       | UCG Energy | UCG Storage | WKGR     |
|---|----------------|--------------|--------------|--------------|--------------|--------------|------------|------------|------------|------------|-------------|----------|
| 0112900 VP & Controller                     | 297,816.91     | 117,816.34   | 57,865.83    | 40,622.23    | -            | 79,308.65    | 327.60     | 1,429.52   | 327.60     | -          | -           | 119.14   |
| 0113000 Assistant Controller General Acctg  | 48,831.01      | 19,317.54    | 9,487.87     | 6,660.55     | -            | 13,003.70    | 53.72      | 234.38     | 53.72      | -          | -           | 19.53    |
| 0113100 General Accounting                  | 134,025.66     | 53,020.54    | 26,041.19    | 18,281.10    | -            | 35,691.04    | 147.43     | 643.32     | 147.43     | -          | -           | 53.61    |
| 0113200 Payroll Accounting                  | 123,746.81     | 48,934.23    | 24,044.01    | 16,879.06    | -            | 32,953.77    | 136.11     | 593.99     | 136.11     | -          | -           | 49.51    |
| 0113300 Accounts Payable                    | 92,953.03      | 36,772.19    | 18,060.78    | 12,678.80    | -            | 24,753.40    | 102.25     | 446.17     | 102.25     | -          | -           | 37.19    |
| 0113400 Accounting Systems                  | 18,544.55      | 7,336.25     | 3,603.19     | 2,529.47     | -            | 4,938.41     | 20.40      | 89.01      | 20.40      | -          | -           | 7.42     |
| 0113500 Assistant Controller, Utility Acctg | 14,220.66      | 5,625.66     | 2,763.08     | 1,939.70     | -            | 3,786.96     | 15.65      | 68.26      | 15.65      | -          | -           | 5.70     |
| 0113600 Plant Accounting                    | 111,708.64     | 44,191.91    | 21,705.00    | 15,237.07    | -            | 29,748.02    | 122.88     | 536.20     | 122.88     | -          | -           | 44.68    |
| 0113700 Gas Accounting                      | 189,978.58     | 75,155.54    | 36,912.84    | 25,913.07    | -            | 50,591.30    | 208.97     | 911.89     | 208.97     | -          | -           | 76.00    |
| 0113800 Customer Billing                    | 27,271.16      | 10,788.44    | 5,298.79     | 3,719.79     | -            | 7,262.31     | 30.01      | 130.90     | 30.01      | -          | -           | 10.91    |
| 0113900 Financial Reporting                 | 73,128.81      | 28,929.74    | 14,208.93    | 9,974.77     | -            | 19,474.20    | 80.45      | 351.02     | 80.45      | -          | -           | 29.25    |
| 0114600 Dallas Taxation                     | 132,173.00     | 52,287.63    | 25,681.21    | 18,028.40    | -            | 35,197.68    | 145.39     | 634.44     | 145.39     | -          | -           | 52.86    |
| 0118300 Dallas Stores                       | (40.00)        | (40.00)      | -            | -            | -            | -            | -          | -          | -          | -          | -           | -        |
| 0119200 Controller Miscellaneous            | (205,204.07)   | (50,566.79)  | (24,711.32)  | (17,275.59)  | (77,729.01)  | (33,955.78)  | (143.85)   | (636.92)   | (143.71)   | -          | -           | (41.10)  |
| Management Fee - UCGE                       | 106,000.00     | -            | -            | -            | -            | -            | -          | -          | -          | 106,000.00 | -           | -        |
| 0119700 I/C Billing & Other                 | -              | -            | -            | -            | -            | -            | -          | -          | -          | -          | -           | -        |
| 0119800 Overhead Capitalized-Division 02    | (1,873,303.49) | (463,293.36) | (225,260.54) | (157,543.85) | (708,631.34) | (309,736.53) | (1,327.26) | (5,841.00) | (1,290.39) | -          | -           | (379.22) |
| 0119800 Overhead Capitalized-Op Company     | (1,650,696.51) | (425,984.78) | (454,030.62) | (274,616.83) | -            | (496,064.28) | -          | -          | -          | -          | -           | -        |
| ACCOUNTING:                                 | (2,358,845.25) | (439,688.90) | (458,329.76) | (276,972.26) | (786,360.33) | (503,047.15) | (80.25)    | (408.82)   | (43.24)    | 106,000.00 | -           | 85.48    |
| 0056000 Business Development                | 197,289.94     | 49,006.83    | 23,832.62    | 16,671.00    | 74,989.91    | 32,789.58    | -          | -          | -          | -          | -           | -        |
| BUSINESS DEVELOPMENT:                       | 197,289.94     | 49,006.83    | 23,832.62    | 16,671.00    | 74,989.91    | 32,789.58    | -          | -          | -          | -          | -           | -        |
| 0120100 Amanillo Call Center                | 22,958.87      | 9,082.55     | 4,460.91     | 3,131.58     | -            | 6,113.94     | 25.25      | 110.21     | 25.25      | -          | -           | 9.18     |
| CALL CENTER:                                | 22,958.87      | 9,082.55     | 4,460.91     | 3,131.58     | -            | 6,113.94     | 25.25      | 110.21     | 25.25      | -          | -           | 9.18     |
| 0050500 Chairman, President & CEO           | 503,828.86     | 124,619.46   | 60,577.03    | 42,371.68    | 190,571.06   | 83,310.18    | 358.16     | 1,573.45   | 345.51     | -          | -           | 102.33   |
| 0052100 Dallas Operations                   | 175,076.54     | 44,644.49    | 22,471.14    | 15,301.50    | 63,329.96    | 28,745.95    | 89.09      | 423.12     | 53.46      | -          | -           | 17.83    |
| 0052500 Utility Services                    | 103,030.97     | 25,481.82    | 12,388.84    | 8,664.84     | 38,973.53    | 17,035.72    | 73.07      | 321.39     | 70.89      | -          | -           | 20.87    |
| 0054700 Chief Financial Officer             | 294,334.83     | 72,798.72    | 35,390.46    | 24,753.38    | 111,334.56   | 48,668.18    | 208.98     | 918.65     | 202.19     | -          | -           | 59.71    |
| EXECUTIVE:                                  | 1,076,371.20   | 267,544.49   | 130,827.47   | 91,091.40    | 404,209.11   | 177,760.03   | 729.30     | 3,236.61   | 672.05     | -          | -           | 200.74   |
| 0051700 Corporate Gas Control               | -              | -            | -            | -            | -            | -            | -          | -          | -          | -          | -           | -        |
| GAS CONTROL:                                | -              | -            | -            | -            | -            | -            | -          | -          | -          | -          | -           | -        |
| 0051500 Interstate Gas Supply               | 205,880.59     | 37,058.51    | 41,176.12    | 10,294.02    | 55,587.75    | 61,764.19    | -          | -          | -          | -          | -           | -        |
| 0051600 Intrastate Gas Supply               | 195,281.20     | 39,056.26    | 19,528.12    | 9,764.05     | 48,820.30    | 29,292.17    | -          | 39,056.25  | 9,764.05   | -          | -           | -        |
| 0051900 Gas Supply                          | 95,808.34      | 22,035.92    | 16,287.41    | 9,580.84     | 22,035.92    | 16,287.41    | -          | 4,790.42   | 4,790.42   | -          | -           | -        |
| GAS SUPPLY:                                 | 496,970.13     | 98,150.69    | 76,991.65    | 29,638.91    | 126,443.97   | 107,343.77   | -          | 43,846.67  | 14,554.47  | -          | -           | -        |

ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Year-To-Date 1/31/98

ALLOCATED DOLLARS

| DEPARTMENT   | Total        | Energys    | GGC        | Trans La   | UCO        | WKG        | Ergasco  | Emermart | TLIG     | UCO Energy | UCO Storage | WKOR   |
|--|--------------|------------|------------|------------|------------|------------|----------|----------|----------|------------|-------------|--------|
| 0056100 Professional Development                       | 14,725.44    | 5,504.65   | 2,589.90   | 1,838.83   | 1,263.96   | 3,528.10   | -        | -        | -        | -          | -           | -      |
| 0117100 Corporate Services                             | 12,904.99    | 5,105.21   | 2,507.44   | 1,760.23   | -          | 3,436.61   | 14.20    | 61.94    | 14.20    | -          | -           | 5.16   |
| 0117200 Compensation & Employment                      | 190,941.69   | 78,076.06  | 36,737.18  | 26,082.63  | -          | 50,045.82  | -        | -        | -        | -          | -           | -      |
| 0117300 Human Resources - VP                           | 77,847.19    | 20,839.71  | 9,800.95   | 6,959.53   | 26,896.20  | 13,330.80  | -        | -        | -        | -          | -           | -      |
| 0117400 Employee & Labor Relations                     | 39,537.77    | 10,583.82  | 4,977.91   | 3,534.67   | 13,660.66  | 6,780.71   | -        | -        | -        | -          | -           | -      |
| 0117500 Employee Benefits                              | 297,396.79   | 121,605.55 | 57,219.14  | 40,624.41  | -          | 77,947.69  | -        | -        | -        | -          | -           | -      |
| 0117800 Employee Communications                        | 52,192.19    | 13,971.28  | 6,571.13   | 4,665.99   | 18,032.85  | 8,930.94   | -        | -        | -        | -          | -           | -      |
| 0117900 Facilities                                     | 45,244.58    | 12,186.45  | 5,731.66   | 4,089.90   | 15,729.13  | 7,807.44   | -        | -        | -        | -          | -           | -      |
| 0118100 Employee Development                           | 104,180.68   | 27,889.16  | 13,116.35  | 9,313.75   | 35,994.43  | 17,866.99  | -        | -        | -        | -          | -           | -      |
| 0119000 Employee Relocation Expense                    | 38,656.31    | 9,555.84   | 4,650.35   | 3,250.99   | 14,627.54  | 6,389.89   | 27.06    | 119.84   | 27.06    | -          | -           | 7.74   |
| 0119210 Performance Plan                               | 466,667.00   | 115,427.39 | 56,109.07  | 39,246.38  | 176,515.05 | 77,165.21  | 331.72   | 1,457.36 | 320.05   | -          | -           | 94.77  |
| 0119300 Outside Directors Retirement Cost              | 83,000.00    | 20,530.88  | 9,978.79   | 6,980.24   | 31,393.06  | 13,724.86  | 59.09    | 259.41   | 56.79    | -          | -           | 16.88  |
| 0119400 Treasury - Worker's Comp                       | 0.09         | 0.04       | 0.02       | 0.01       | -          | 0.02       | -        | -        | -        | -          | -           | -      |
| 0119500 Human Resources - Benefits                     | 440.39       | 174.20     | 85.56      | 60.07      | -          | 117.28     | 0.49     | 2.12     | 0.49     | -          | -           | 0.18   |
| 0119600 Retirement Costs                               | 161,069.05   | 39,978.54  | 19,301.94  | 13,545.17  | 60,775.58  | 26,685.34  | 124.92   | 525.08   | 96.79    | -          | -           | 35.69  |
| HUMAN RESOURCES:                                       | 1,585,084.16 | 481,428.78 | 229,377.39 | 161,932.80 | 394,888.46 | 313,797.70 | 557.48   | 2,425.75 | 515.38   | -          | -           | 160.42 |
| 0115000 Information Services                           | 62,779.27    | 18,808.66  | 7,043.84   | 5,053.73   | 20,861.55  | 11,011.49  | -        | -        | -        | -          | -           | -      |
| 0115100 Production Services                            | 344,929.81   | 154,804.50 | 57,948.21  | 41,598.53  | 90,578.57  | 14.37      | -        | -        | -        | -          | -           | -      |
| 0115200 Mass Mail                                      | 54.74        | 24.57      | 9.20       | 6.60       | -          | -          | -        | -        | -        | -          | -           | -      |
| 0115300 Information Systems                            | 286,236.48   | 128,462.94 | 48,087.73  | 34,520.12  | -          | 75,165.69  | -        | -        | -        | -          | -           | -      |
| 0115400 Information Support                            | 84,945.48    | 38,123.52  | 14,270.84  | 10,244.43  | -          | 22,306.69  | -        | -        | -        | -          | -           | -      |
| 0115500 Office Equipment                               | 22,107.77    | 6,623.49   | 2,480.49   | 1,779.68   | 7,346.41   | 3,877.70   | -        | -        | -        | -          | -           | -      |
| 0115600 Telecommunication Services                     | 156,120.30   | 46,773.66  | 17,516.70  | 12,567.68  | 51,878.77  | 27,383.49  | -        | -        | -        | -          | -           | -      |
| INFORMATION TECHNOLOGY:                                | 957,175.85   | 393,621.34 | 147,357.01 | 105,770.77 | 80,086.73  | 230,338.00 | -        | -        | -        | -          | -           | -      |
| 0116400 Internal Audit                                 | 149,929.27   | 37,084.33  | 18,026.46  | 12,608.95  | 56,710.00  | 24,791.45  | 106.58   | 468.24   | 102.80   | -          | -           | 30.46  |
| INTERNAL AUDIT:  | 149,929.27   | 37,084.33  | 18,026.46  | 12,608.95  | 56,710.00  | 24,791.45  | 106.58   | 468.24   | 102.80   | -          | -           | 30.46  |
| 0054900 Investor Relations                             | 406,763.40   | 100,551.88 | 48,933.64  | 34,208.80  | 153,919.28 | 67,238.00  | 284.74   | 1,260.97 | 284.74   | -          | -           | 81.35  |
| 0117700 Corporate Communications                       | 157,577.26   | 38,972.19  | 18,947.76  | 13,252.16  | 59,606.88  | 26,054.65  | 111.74   | 491.52   | 108.43   | -          | -           | 31.93  |
| 0052400 Public Affairs                                 | 123,978.23   | 49,045.78  | 24,088.97  | 16,910.64  | -          | 33,015.40  | 136.38   | 595.09   | 136.38   | -          | -           | 49.59  |
| INVESTOR RELATIONS:                                    | 688,318.89   | 188,569.85 | 91,970.37  | 64,371.60  | 213,526.16 | 126,308.05 | 532.86   | 2,347.58 | 529.55   | -          | -           | 162.87 |
| 0052000 Legal  | 1,186,389.99 | 293,275.64 | 142,722.71 | 99,775.39  | 448,929.97 | 196,110.26 | 830.47   | 3,677.80 | 830.47   | -          | -           | 237.28 |
| 0052099 Contract Administration                        | 6,250.28     | 129.99     | 1,235.06   | 130.01     | 1,040.05   | 1,305.06   | 130.01   | 1,305.06 | 975.04   | -          | -           | -      |
| 0052200 Governmental Affairs                           | 33,186.04    | 8,203.59   | 3,992.27   | 2,790.94   | 12,557.60  | 5,485.66   | 23.23    | 102.87   | 23.23    | -          | -           | 6.65   |
| 0057900 Corporate Secretary                            | 311,185.59   | 76,925.08  | 37,435.62  | 26,170.71  | 117,752.63 | 51,438.98  | 217.83   | 964.67   | 217.83   | -          | -           | 62.24  |
| 0118200 Central Records                                | 64,688.81    | 19,251.39  | 7,206.34   | 5,168.63   | 21,340.84  | 11,262.33  | 51.75    | 401.06   | 6.47     | -          | -           | -      |
| LEGAL:   | 1,601,700.71 | 397,785.69 | 192,592.00 | 134,035.68 | 601,621.09 | 265,602.29 | 1,253.29 | 6,451.46 | 2,053.04 | -          | -           | 306.17 |
| 0054600 New Business Ventures                          | 65,173.84    | 16,121.99  | 7,835.33   | 5,481.08   | 24,650.02  | 10,777.36  | 46.45    | 203.79   | 44.54    | -          | -           | 13.28  |
| NEW BUSINESS VENTURES:                                 | 65,173.84    | 16,121.99  | 7,835.33   | 5,481.08   | 24,650.02  | 10,777.36  | 46.45    | 203.79   | 44.54    | -          | -           | 13.28  |
| 0054400 Financial & Strategic Planning                 | 139,603.73   | 34,537.93  | 16,781.51  | 11,740.55  | 52,796.34  | 23,086.90  | 99.81    | 437.20   | 94.98    | -          | -           | 28.51  |
| 0054500 Business Strategies & Competitive Intelligence | 4,859.01     | 1,201.14   | 584.54     | 408.64     | 1,838.65   | 803.19     | 3.41     | 15.06    | 3.41     | -          | -           | 0.97   |
| 0114300 Budget & Planning                              | 61,555.24    | 21,865.10  | 10,720.44  | 7,519.94   | 6,339.39   | 14,700.10  | 61.01    | 266.98   | 61.01    | -          | -           | 21.27  |
| PLANNING & BUDGETTING:                                 | 206,017.98   | 57,604.17  | 28,086.49  | 19,669.13  | 60,974.38  | 38,390.19  | 164.23   | 719.24   | 159.40   | -          | -           | 50.75  |

ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Year-To-Date 1/31/98

ALLOCATED DOLLARS

| DEPARTMENT                                   | Total        | Energis      | GGC          | Trans La   | UCCG         | WKG          | Egasco   | Emermart  | TLIG      | UCG Energy | UCG Storage | WKOR     |
|--|--------------|--------------|--------------|------------|--------------|--------------|----------|-----------|-----------|------------|-------------|----------|
| 0054000 Price Policy & Administration - V.P. | 53,615.96    | 11,124.56    | 9,364.54     | 4,135.89   | 21,917.26    | 6,918.40     | 16.20    | 112.11    | 16.20     | -          | -           | 10.80    |
| 0054000 Price Policy & Administration        | 216,514.28   | 74,437.61    | 66,253.38    | 28,428.32  | -            | 46,463.96    | 86.61    | 671.19    | 108.25    | -          | -           | 64.96    |
| PRICE POLICY & ADMINISTRATION:               | 270,130.24   | 85,562.17    | 75,617.92    | 32,564.21  | 21,917.26    | 53,382.36    | 102.81   | 783.30    | 124.45    | -          | -           | 75.76    |
| 0054100 Regulatory Affairs                   | 86,544.36    | 12,981.66    | 21,636.10    | 8,654.43   | 34,617.74    | 8,654.43     | -        | -         | -         | -          | -           | -        |
| REGULATORY AFFAIRS:                          | 86,544.36    | 12,981.66    | 21,636.10    | 8,654.43   | 34,617.74    | 8,654.43     | -        | -         | -         | -          | -           | -        |
| 0118000 Remittance Processing                | 84,748.28    | 33,463.85    | 12,526.37    | 8,989.73   | 9,384.07     | 19,579.86    | 90.33    | 699.97    | 14.10     | -          | -           | -        |
| REMITTANCE PROCESSING:                       | 84,748.28    | 33,463.85    | 12,526.37    | 8,989.73   | 9,384.07     | 19,579.86    | 90.33    | 699.97    | 14.10     | -          | -           | -        |
| 0056200 Technical Services                   | 157,668.67   | 35,844.07    | 21,789.44    | 14,214.58  | 60,834.08    | 24,512.24    | 108.04   | 253.26    | 96.82     | -          | -           | 16.14    |
| TECHNICAL SERVICES:                          | 157,668.67   | 35,844.07    | 21,789.44    | 14,214.58  | 60,834.08    | 24,512.24    | 108.04   | 253.26    | 96.82     | -          | -           | 16.14    |
| 0114500 Dallas Treasury                      | 90,417.36    | 35,389.36    | 14,891.74    | 8,092.36   | -            | 24,051.02    | 868.00   | 6,293.05  | 831.83    | -          | -           | -        |
| 0114700 Dallas Risk Management               | 37,979.22    | 9,393.85     | 4,566.42     | 3,194.03   | 14,365.60    | 6,279.97     | 27.00    | 118.58    | 26.06     | -          | -           | 7.71     |
| 0114800 Dallas Treasurer                     | 81,069.39    | 20,051.89    | 9,747.34     | 6,817.88   | 30,664.38    | 13,405.08    | 57.61    | 253.14    | 55.61     | -          | -           | 16.46    |
| 0117600 Purchasing                           | 61,577.97    | 19,612.58    | 13,848.88    | 9,932.53   | -            | 18,183.98    | -        | -         | -         | -          | -           | -        |
| 0118500 Mail & Supply                        | 72,913.83    | 29,814.47    | 14,028.62    | 9,960.03   | -            | 19,110.71    | -        | -         | -         | -          | -           | -        |
| 0118909 Fleet Administration                 | 17.25        | 6.83         | 3.35         | 2.35       | -            | 4.59         | 0.02     | 0.08      | 0.02      | -          | -           | 0.01     |
| 0118600 Purchasing & Stores                  | 46,661.56    | 16,653.48    | 9,780.27     | 6,947.91   | -            | 13,102.57    | 28.00    | 112.00    | 28.00     | -          | -           | 9.33     |
| TREASURY:                                    | 390,636.58   | 130,922.46   | 66,866.62    | 44,947.09  | 45,029.98    | 94,137.92    | 980.63   | 6,776.83  | 941.52    | -          | -           | 33.51    |
| TOTAL OPERATIONS:                            | 5,677,771.72 | 1,855,086.02 | 691,464.39   | 476,800.68 | 1,423,522.61 | 1,031,432.02 | 4,617.00 | 67,914.11 | 19,790.13 | 106,000.00 | -           | 1,144.76 |
| Operations w/o A&G Cap.                      | 9,201,771.72 | 2,744,364.16 | 1,370,755.55 | 908,961.36 | 2,132,153.95 | 1,837,232.83 | 5,944.26 | 73,755.11 | 21,080.52 | 106,000.00 | -           | 1,523.98 |
| MAINTENANCE                                  | 9,751.41     | 2,411.18     | 1,172.80     | 820.09     | 3,689.27     | 1,612.15     | 6.87     | 30.33     | 6.76      | -          | -           | 1.96     |
| DEPRECIATION                                 | 1,084,277.24 | 268,374.77   | 130,281.46   | 91,186.16  | 409,926.64   | 179,358.58   | 784.59   | 3,415.46  | 725.42    | -          | -           | 224.16   |
| TAXES - OTHER                                | 293,929.58   | 72,687.15    | 35,346.96    | 24,719.36  | 111,193.37   | 48,596.93    | 207.83   | 915.58    | 203.02    | -          | -           | 59.38    |
| TOTAL  | 7,065,729.95 | 2,198,559.12 | 858,265.61   | 593,526.29 | 1,948,331.89 | 1,260,999.68 | 5,616.29 | 72,275.48 | 20,725.33 | 106,000.00 | -           | 1,430.26 |

**ATMOS ENERGY CORPORATION**  
 Analysis of Shared Services - Actual vs. Budget  
 For The Month Ended 01/31/98

| Department Name               | FY '98           | Budget           | Actual           | Actual       | Prior            | Actual           |
|-------------------------------|------------------|------------------|------------------|--------------|------------------|------------------|
|                               | Actual           | Budget           | Over (Under)     | Over (Under) | Year             | Over (Under)     |
| <b>EXECUTIVE:</b>             | 288,000          | 270,490          | 17,285           |              | 235,546          | 52,229           |
| <b>FINANCE:</b>               |                  |                  |                  |              |                  |                  |
| ACCOUNTING                    | (346,304)        | 324,683          | (670,987)        |              | 297,084          | (643,388)        |
| INFORMATION TECHNOLOGY        | 679,582          | 562,964          | 116,618          |              | 627,437          | 52,145           |
| INTERNAL AUDIT                | 38,553           | 62,139           | (23,586)         |              | 44,290           | (5,737)          |
| INVESTOR RELATIONS            | 169,369          | 186,300          | (16,931)         |              | 167,471          | 1,898            |
| NEW BUSINESS VENTURES         | 20,885           | 22,943           | (2,058)          |              | -                | 20,885           |
| PLANNING & BUDGETING          | 57,026           | 74,515           | (17,489)         |              | 48,849           | 8,177            |
| PRICE POLICY & ADMINISTRATION | 80,082           | 90,520           | (10,438)         |              | 97,197           | (17,115)         |
| REGULATORY AFFAIRS            | 22,909           | 27,646           | (4,737)          |              | -                | 22,909           |
| TREASURY:                     | 307,688          | 446,043          | (138,355)        |              | 343,286          | (35,598)         |
| <b>TOTAL FINANCE:</b>         | <b>1,029,790</b> | <b>1,797,753</b> | <b>(767,963)</b> |              | <b>1,625,614</b> | <b>(595,824)</b> |
| <b>OPERATIONS:</b>            |                  |                  |                  |              |                  |                  |
| BUSINESS DEVELOPMENT          | 39,238           | 60,161           | (20,923)         |              | 55,682           | (16,444)         |
| CALL CENTER                   | 3,063            | -                | 3,063            |              | -                | 3,063            |
| GAS SUPPLY & GAS CONTROL      | 107,065          | 175,700          | (68,635)         |              | 106,725          | 340              |
| TECHNICAL SERVICES            | 45,367           | 18,610           | 26,757           |              | 90,397           | (45,030)         |
| <b>TOTAL OPERATIONS:</b>      | <b>194,733</b>   | <b>254,471</b>   | <b>(59,738)</b>  |              | <b>252,804</b>   | <b>(58,071)</b>  |
| <b>HUMAN RESOURCES:</b>       | 606,284          | 606,451          | (167)            |              | 778,559          | (172,275)        |
| <b>LEGAL:</b>                 | 450,646          | 411,792          | 38,854           |              | 305,005          | 145,641          |
| <b>OVERHEAD CAPITALIZED:</b>  | (881,000)        | (883,917)        | 2,917            |              | (830,000)        | (51,000)         |
| <b>TOTAL O&amp;M</b>          | <b>1,688,228</b> | <b>2,457,040</b> | <b>(768,812)</b> |              | <b>2,367,528</b> | <b>(679,300)</b> |
| <b>DEPRECIATION</b>           | 270,919          | 198,000          | 72,919           |              | 385,972          | (115,053)        |
| <b>TAXES - OTHER</b>          | 92,998           | 57,000           | 35,998           |              | 77,149           | 15,849           |
| <b>TOTAL</b>                  | <b>2,052,145</b> | <b>2,712,040</b> | <b>(659,895)</b> |              | <b>2,830,649</b> | <b>(778,503)</b> |



**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Year-To-Date Ended 01/31/98**

| Department Name               | FY '98             |                    | Actual Over (Under) Budget |                    | Prior Year         |       | Actual Over (Under) Prior |              |
|-------------------------------|--------------------|--------------------|----------------------------|--------------------|--------------------|-------|---------------------------|--------------|
|                               | Actual             | Budget             | Budget                     | Over (Under)       | Year               | Prior | Prior                     | Over (Under) |
| <b>EXECUTIVE:</b>             | 1,078,692          | 1,079,501          |                            | (809)              | 778,587            |       | 300,105                   |              |
| <b>FINANCE:</b>               |                    |                    |                            |                    |                    |       |                           |              |
| ACCOUNTING                    | 553,404            | 1,289,247          |                            | (735,843)          | 1,164,945          |       | (611,541)                 |              |
| INFORMATION TECHNOLOGY        | 2,399,300          | 2,456,239          |                            | (56,939)           | 2,303,365          |       | 95,935                    |              |
| INTERNAL AUDIT                | 150,181            | 222,622            |                            | (72,441)           | 175,228            |       | (25,047)                  |              |
| INVESTOR RELATIONS            | 688,404            | 757,092            |                            | (68,688)           | 674,753            |       | 13,651                    |              |
| NEW BUSINESS VENTURES         | 65,175             | 91,772             |                            | (26,597)           | -                  |       | 65,175                    |              |
| PLANNING & BUDGETING          | 208,398            | 309,769            |                            | (101,371)          | 176,911            |       | 31,487                    |              |
| PRICE POLICY & ADMINISTRATION | 311,194            | 359,331            |                            | (48,137)           | 393,930            |       | (82,736)                  |              |
| REGULATORY AFFAIRS            | 95,279             | 110,605            |                            | (15,326)           | -                  |       | 95,279                    |              |
| TREASURY:                     | 1,229,903          | 1,743,722          |                            | (513,819)          | 1,344,214          |       | (114,311)                 |              |
| <b>TOTAL FINANCE:</b>         | <b>5,701,238</b>   | <b>7,340,399</b>   |                            | <b>(1,639,161)</b> | <b>6,233,346</b>   |       | <b>(532,108)</b>          |              |
| <b>OPERATIONS:</b>            |                    |                    |                            |                    |                    |       |                           |              |
| BUSINESS DEVELOPMENT          | 206,181            | 239,072            |                            | (32,891)           | 208,296            |       | (2,115)                   |              |
| CALL CENTER                   | 31,935             | -                  |                            | 31,935             | -                  |       | 31,935                    |              |
| GAS SUPPLY & GAS CONTROL      | 501,247            | 702,500            |                            | (201,253)          | 435,964            |       | 65,283                    |              |
| TECHNICAL SERVICES            | 157,689            | 121,276            |                            | 36,413             | 366,329            |       | (208,640)                 |              |
| <b>TOTAL OPERATIONS:</b>      | <b>897,052</b>     | <b>1,062,848</b>   |                            | <b>(165,796)</b>   | <b>1,010,589</b>   |       | <b>(113,537)</b>          |              |
| <b>HUMAN RESOURCES:</b>       | <b>1,880,130</b>   | <b>2,343,958</b>   |                            | <b>(463,828)</b>   | <b>2,633,220</b>   |       | <b>(753,090)</b>          |              |
| <b>LEGAL:</b>                 | <b>2,282,980</b>   | <b>1,425,093</b>   |                            | <b>857,887</b>     | <b>1,126,006</b>   |       | <b>1,156,974</b>          |              |
| <b>OVERHEAD CAPITALIZED:</b>  | <b>(3,524,000)</b> | <b>(3,535,668)</b> |                            | <b>11,668</b>      | <b>(3,320,000)</b> |       | <b>(204,000)</b>          |              |
| <b>TOTAL O&amp;M</b>          | <b>8,316,092</b>   | <b>9,716,131</b>   |                            | <b>(1,400,039)</b> | <b>8,461,748</b>   |       | <b>(145,656)</b>          |              |
| <b>DEPRECIATION</b>           | <b>1,084,277</b>   | <b>792,000</b>     |                            | <b>292,277</b>     | <b>1,543,888</b>   |       | <b>(459,611)</b>          |              |
| <b>TAXES - OTHER</b>          | <b>293,930</b>     | <b>228,000</b>     |                            | <b>65,930</b>      | <b>300,826</b>     |       | <b>(6,896)</b>            |              |
| <b>TOTAL</b>                  | <b>9,694,299</b>   | <b>10,736,131</b>  |                            | <b>(1,041,832)</b> | <b>10,306,462</b>  |       | <b>(612,163)</b>          |              |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Month Ended 01/31/98**

| Department Name                             | FY '98           |                | Actual           |        | Budget       |        | Actual         |                  | Prior |      | Actual       |       |
|---|------------------|----------------|------------------|--------|--------------|--------|----------------|------------------|-------|------|--------------|-------|
|   | Actual           | Budget         | Over (Under)     | Budget | Over (Under) | Budget | Year           | Over (Under)     | Prior | Year | Over (Under) | Prior |
| <b>EXECUTIVE:</b>                           |                  |                |                  |        |              |        |                |                  |       |      |              |       |
| 0050500 Chairman, President & CEO           | 131,110          | 122,564        | 8,546            |        |              |        | 135,225        | (4,115)          |       |      |              |       |
| 0052100 Dallas Operations                   | 43,128           | 54,703         | (11,575)         |        |              |        | 32,982         | 10,146           |       |      |              |       |
| 0052500 Utility Services                    | 37,695           | 24,340         | 13,355           |        |              |        | 22,606         | 15,089           |       |      |              |       |
| 0054700 Chief Financial Officer             | 75,842           | 68,883         | 6,959            |        |              |        | 44,733         | 31,109           |       |      |              |       |
|   | <u>288,000</u>   | <u>270,490</u> | <u>17,285</u>    |        |              |        | <u>235,546</u> | <u>52,229</u>    |       |      |              |       |
| <b>EXECUTIVE:</b>                           |                  |                |                  |        |              |        |                |                  |       |      |              |       |
| <b>FINANCE:</b>                             |                  |                |                  |        |              |        |                |                  |       |      |              |       |
| 0112900 VP & Controller                     | 71,706           | 64,456         | 7,250            |        |              |        | 66,140         | 5,566            |       |      |              |       |
| 0113000 Assistant Controller General Acctg  | 12,154           | 92,865         | (80,711)         |        |              |        | 15,054         | (2,900)          |       |      |              |       |
| 0113100 General Accounting                  | 37,060           | -              | 37,060           |        |              |        | 38,790         | (1,730)          |       |      |              |       |
| 0113200 Payroll Accounting                  | 41,469           | -              | 41,469           |        |              |        | 28,303         | 13,166           |       |      |              |       |
| 0113300 Accounts Payable                    | 25,876           | -              | 25,876           |        |              |        | 20,174         | 5,702            |       |      |              |       |
| 0113400 Accounting Systems                  | 1,007            | 34,473         | (33,466)         |        |              |        | 7,418          | (6,411)          |       |      |              |       |
| 0113500 Assistant Controller, Utility Acctg | 4,045            | -              | 4,045            |        |              |        | 3,824          | 221              |       |      |              |       |
| 0113600 Plant Accounting                    | 31,331           | -              | 31,331           |        |              |        | 18,354         | 12,977           |       |      |              |       |
| 0113700 Gas Accounting                      | 46,872           | 56,611         | (9,739)          |        |              |        | 48,847         | (1,975)          |       |      |              |       |
| 0113800 Customer Billing                    | 6,636            | -              | 6,636            |        |              |        | 13,949         | (7,313)          |       |      |              |       |
| 0113900 Financial Reporting                 | 26,450           | 42,891         | (16,441)         |        |              |        | 16,781         | 9,669            |       |      |              |       |
| 0114600 Dallas Taxation                     | 35,090           | 33,387         | 1,703            |        |              |        | 19,450         | 15,640           |       |      |              |       |
| 0118300 Dallas Stores                       | -                | -              | -                |        |              |        | -              | -                |       |      |              |       |
| 0119200 Controller Miscellaneous            | <u>(686,000)</u> | <u>-</u>       | <u>(686,000)</u> |        |              |        | <u>-</u>       | <u>(686,000)</u> |       |      |              |       |
| ACCOUNTING                                  | <u>(346,304)</u> | <u>324,683</u> | <u>(670,987)</u> |        |              |        | <u>297,084</u> | <u>(643,388)</u> |       |      |              |       |
| 0115000 Information Services                | 24,533           | 25,217         | (684)            |        |              |        | 24,859         | (326)            |       |      |              |       |
| 0115100 Production Services                 | 178,263          | 142,231        | 36,032           |        |              |        | 170,925        | 7,338            |       |      |              |       |
| 0115200 Mass Mail                           | 261,514          | 242,913        | 18,601           |        |              |        | 261,559        | (45)             |       |      |              |       |
| 0115300 Information Systems                 | 96,342           | 84,938         | 11,404           |        |              |        | 75,427         | 20,915           |       |      |              |       |
| 0115400 Information Support                 | 31,025           | 36,012         | (4,987)          |        |              |        | 46,455         | (15,430)         |       |      |              |       |
| 0115500 Office Equipment                    | 3,619            | 4,191          | (572)            |        |              |        | 44,027         | (40,408)         |       |      |              |       |
| 0115600 Telecommunication Services          | 84,286           | 27,462         | 56,824           |        |              |        | 4,185          | 80,101           |       |      |              |       |
| INFORMATION TECHNOLOGY                      | <u>679,582</u>   | <u>562,964</u> | <u>116,618</u>   |        |              |        | <u>627,437</u> | <u>52,145</u>    |       |      |              |       |
| 0116400 Internal Audit                      | 38,553           | 62,139         | (23,586)         |        |              |        | 44,290         | (5,737)          |       |      |              |       |
| INTERNAL AUDIT                              | <u>38,553</u>    | <u>62,139</u>  | <u>(23,586)</u>  |        |              |        | <u>44,290</u>  | <u>(5,737)</u>   |       |      |              |       |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Month Ended 01/31/98**

| Department Name  | FY '98           |                  | Actual Over (Under) Budget |                  | Actual Over (Under) Prior |       |
|--|------------------|------------------|----------------------------|------------------|---------------------------|-------|
|  | Actual           | Budget           | Budget                     | Over (Under)     | Prior Year                | Prior |
| 0054900 Investor Relations                             | 102,353          | 132,524          | (30,171)                   | 96,711           | 5,642                     |       |
| 0052400 Public Affairs                                 | 36,996           | -                | 36,996                     | 24,556           | 12,440                    |       |
| 0117700 Corporate Communications                       | 30,020           | 53,776           | (23,756)                   | 46,204           | (16,184)                  |       |
| <b>INVESTOR RELATIONS</b>                              | <b>169,369</b>   | <b>186,300</b>   | <b>(16,931)</b>            | <b>167,471</b>   | <b>1,898</b>              |       |
| 0054600 New Business Ventures                          | 20,885           | 22,943           | (2,058)                    | -                | 20,885                    |       |
| <b>NEW BUSINESS VENTURES</b>                           | <b>20,885</b>    | <b>22,943</b>    | <b>(2,058)</b>             | <b>-</b>         | <b>20,885</b>             |       |
| 0054400 Financial & Strategic Planning                 | 34,937           | 20,629           | 14,308                     | 29,891           | 5,046                     |       |
| 0054500 Business Strategies & Competitive Intelligence | 4,827            | 28,329           | (23,502)                   | -                | 4,827                     |       |
| 0114300 Budget & Planning                              | 17,262           | 25,557           | (8,295)                    | 18,958           | (1,696)                   |       |
| <b>PLANNING &amp; BUDGETING</b>                        | <b>57,026</b>    | <b>74,515</b>    | <b>(17,489)</b>            | <b>48,849</b>    | <b>8,177</b>              |       |
| 0054000 Price Policy & Administration                  | 80,082           | 90,520           | (10,438)                   | 97,197           | (17,115)                  |       |
| <b>PRICE POLICY &amp; ADMINISTRATION</b>               | <b>80,082</b>    | <b>90,520</b>    | <b>(10,438)</b>            | <b>97,197</b>    | <b>(17,115)</b>           |       |
| 0054100 Regulatory Affairs                             | 22,909           | 27,646           | (4,737)                    | -                | 22,909                    |       |
| <b>REGULATORY AFFAIRS</b>                              | <b>22,909</b>    | <b>27,646</b>    | <b>(4,737)</b>             | <b>-</b>         | <b>22,909</b>             |       |
| 0114500 Dallas Treasury                                | 22,742           | 40,010           | (17,268)                   | 44,238           | (21,496)                  |       |
| 0114700 Dallas Risk Management                         | 154,462          | 238,644          | (84,182)                   | -                | 154,462                   |       |
| 0114800 Dallas Treasurer                               | 11,752           | 19,928           | (8,176)                    | 176,949          | (165,197)                 |       |
| 0117600 Purchasing                                     | 15,773           | 17,296           | (1,523)                    | 13,701           | 2,072                     |       |
| 0118000 Remittance Processing                          | 75,178           | 91,879           | (16,701)                   | 59,076           | 16,102                    |       |
| 0118500 Mail & Supply                                  | 21,847           | 20,268           | 1,579                      | 30,792           | (8,945)                   |       |
| 0118600 Purchasing & Stores                            | 5,934            | 11,726           | (5,792)                    | 18,530           | (12,596)                  |       |
| 0118909 Fleet Administration                           | -                | 6,292            | (6,292)                    | -                | -                         |       |
| <b>TREASURY:</b>                                       | <b>307,688</b>   | <b>446,043</b>   | <b>(138,355)</b>           | <b>343,286</b>   | <b>(35,598)</b>           |       |
| <b>TOTAL FINANCE:</b>                                  | <b>1,029,790</b> | <b>1,797,753</b> | <b>(767,963)</b>           | <b>1,625,614</b> | <b>(595,824)</b>          |       |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Month Ended 01/31/98**

| Department Name                           | FY '98  |         | Actual       |        | Actual     |                    |
|---|---------|---------|--------------|--------|------------|--------------------|
|   | Actual  | Budget  | Over (Under) | Budget | Prior Year | Over (Under) Prior |
| <b>OPERATIONS:</b>                        |         |         |              |        |            |                    |
| 0056000 Business Development              | 39,238  | 60,161  | (20,923)     |        | 55,682     | (16,444)           |
| <b>BUSINESS DEVELOPMENT</b>               | 39,238  | 60,161  | (20,923)     |        | 55,682     | (16,444)           |
| 0120100 Amarillo Call Center              | 3,063   | -       | 3,063        |        | -          | 3,063              |
| <b>CALL CENTER</b>                        | 3,063   | -       | 3,063        |        | -          | 3,063              |
| 0051500 Interstate Gas Supply             | 41,126  | 59,600  | (18,474)     |        | 42,218     | (1,092)            |
| 0051600 Intrastate Gas Supply             | 40,402  | 42,800  | (2,398)      |        | 41,535     | (1,133)            |
| 0051700 Corporate Gas Control             | 1,580   | 48,200  | (46,620)     |        | -          | 1,580              |
| 0051900 Gas Supply                        | 23,957  | 25,100  | (1,143)      |        | 22,972     | 985                |
| <b>GAS SUPPLY &amp; GAS CONTROL</b>       | 107,065 | 175,700 | (68,635)     |        | 106,725    | 340                |
| 0056200 Technical Services                | 45,367  | 18,610  | 26,757       |        | 90,397     | (45,030)           |
| <b>TECHNICAL SERVICES</b>                 | 45,367  | 18,610  | 26,757       |        | 90,397     | (45,030)           |
| <b>TOTAL OPERATIONS:</b>                  | 194,733 | 254,471 | (59,738)     |        | 252,804    | (58,071)           |
| <b>HUMAN RESOURCES:</b>                   |         |         |              |        |            |                    |
| 0056100 Professional Development          | 3,658   | 24,721  | (21,063)     |        | 14,484     | (10,826)           |
| 0117100 Corporate Services                | 1,760   | -       | 1,760        |        | 28,437     | (26,677)           |
| 0117200 Compensation & Employment         | 46,532  | 54,921  | (8,389)      |        | 70,213     | (23,681)           |
| 0117300 Human Resources - VP              | 20,496  | 22,155  | (1,659)      |        | 17,882     | 2,614              |
| 0117400 Employee & Labor Relations        | 9,273   | 10,094  | (821)        |        | -          | 9,273              |
| 0117500 Employee Benefits                 | 112,853 | 116,782 | (3,929)      |        | 104,004    | 8,849              |
| 0117800 Employee Communications           | 11,378  | 19,665  | (8,287)      |        | -          | 11,378             |
| 0117900 Facilities                        | 20,282  | 18,641  | 1,641        |        | -          | 20,282             |
| 0118100 Employee Development              | 31,051  | 46,553  | (15,502)     |        | 40,302     | (9,251)            |
| 0119000 Employee Relocation Expense       | 38,440  | 67,919  | (29,479)     |        | 53,815     | (15,375)           |
| 0119210 Performance Plan                  | 116,667 | -       | 116,667      |        | 116,667    | -                  |
| 0119300 Outside Directors Retirement Cost | 14,000  | -       | 14,000       |        | 14,000     | -                  |
| 0119400 Treasury - Worker's Comp          | 64      | -       | 64           |        | 12         | 52                 |
| 0119500 Human Resources - Benefits        | 1,413   | -       | 1,413        |        | 99         | 1,314              |
| 0119600 Retirement Costs                  | 178,417 | 225,000 | (46,583)     |        | 318,644    | (140,227)          |
| <b>HUMAN RESOURCES:</b>                   | 606,284 | 606,451 | (167)        |        | 778,559    | (172,275)          |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Month Ended 01/31/98**

| Department Name                 | FY '98           |                  | Actual Over (Under) Budget |                  | Prior Year       | Actual Over (Under) Prior |
|---------------------------------|------------------|------------------|----------------------------|------------------|------------------|---------------------------|
|                                 | Actual           | Budget           | Budget                     | Over (Under)     |                  |                           |
| <b>LEGAL:</b>                   |                  |                  |                            |                  |                  |                           |
| 0052000 Legal                   | 363,744          | 190,783          | 172,961                    | 155,521          | 208,223          | 155,521                   |
| 0052099 Contract Administration | 6,250            | 11,538           | (5,288)                    | 6,250            | -                | 6,250                     |
| 0052200 Governmental Affairs    | 8,033            | 10,323           | (2,290)                    | 107              | 7,926            | 107                       |
| 0057900 Corporate Secretary     | 59,408           | 178,490          | (119,082)                  | (12,914)         | 72,322           | (12,914)                  |
| 0118200 Central Records         | 13,211           | 20,658           | (7,447)                    | (3,323)          | 16,534           | (3,323)                   |
| <b>LEGAL:</b>                   | <u>450,646</u>   | <u>411,792</u>   | <u>38,854</u>              | <u>145,641</u>   | <u>305,005</u>   | <u>145,641</u>            |
| <b>OVERHEAD CAPITALIZED:</b>    |                  |                  |                            |                  |                  |                           |
| 0119800 Overhead Capitalized    | (881,000)        | (883,917)        | 2,917                      | (51,000)         | (830,000)        | (51,000)                  |
| <b>OVERHEAD CAPITALIZED:</b>    | <u>(881,000)</u> | <u>(883,917)</u> | <u>2,917</u>               | <u>(51,000)</u>  | <u>(830,000)</u> | <u>(51,000)</u>           |
| <b>TOTAL O&amp;M</b>            | <u>1,688,228</u> | <u>2,457,040</u> | <u>(768,812)</u>           | <u>(679,300)</u> | <u>2,367,528</u> | <u>(679,300)</u>          |
| <b>DEPRECIATION</b>             | 270,919          | 198,000          | 72,919                     | (115,053)        | 385,972          | (115,053)                 |
| <b>TAXES - OTHER</b>            | 92,998           | 57,000           | 35,998                     | 15,849           | 77,149           | 15,849                    |
| <b>TOTAL</b>                    | <u>2,052,145</u> | <u>2,712,040</u> | <u>(659,895)</u>           | <u>(778,503)</u> | <u>2,830,649</u> | <u>(778,503)</u>          |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Year-To-Date Ended 01/31/98**

| Department Name                             | FY '98           |                  | Actual Over (Under) Budget |        | Prior Year       |            | Actual Over (Under) Prior |  |
|---|------------------|------------------|----------------------------|--------|------------------|------------|---------------------------|--|
|   | Actual           | Budget           | Actual Over (Under) Budget | Budget | Prior Year       | Prior Year | Actual Over (Under) Prior |  |
| <b>EXECUTIVE:</b>                           |                  |                  |                            |        |                  |            |                           |  |
| 0050500 Chairman, President & CEO           | 503,829          | 494,008          | 9,821                      |        | 405,382          |            | 98,447                    |  |
| 0052100 Dallas Operations                   | 177,498          | 217,333          | (39,835)                   |        | 126,599          |            | 50,899                    |  |
| 0052500 Utility Services                    | 103,030          | 94,210           | 8,820                      |        | 88,460           |            | 14,570                    |  |
| 0054700 Chief Financial Officer             | 294,335          | 273,950          | 20,385                     |        | 158,146          |            | 136,189                   |  |
|   | <u>1,078,692</u> | <u>1,079,501</u> | <u>(809)</u>               |        | <u>778,587</u>   |            | <u>300,105</u>            |  |
| <b>FINANCE:</b>                             |                  |                  |                            |        |                  |            |                           |  |
| 0112900 VP & Controller                     | 345,837          | 257,824          | 88,013                     |        | 240,817          |            | 105,020                   |  |
| 0113000 Assistant Controller General Acctg  | 48,832           | 371,460          | (322,628)                  |        | 57,949           |            | (9,117)                   |  |
| 0113100 General Accounting                  | 134,026          | -                | 134,026                    |        | 156,557          |            | (22,531)                  |  |
| 0113200 Payroll Accounting                  | 123,748          | -                | 123,748                    |        | 105,047          |            | 18,701                    |  |
| 0113300 Accounts Payable                    | 92,953           | -                | 92,953                     |        | 77,306           |            | 15,647                    |  |
| 0113400 Accounting Systems                  | 18,736           | 137,892          | (119,156)                  |        | 24,977           |            | (6,241)                   |  |
| 0113500 Assistant Controller, Utility Acctg | 14,220           | -                | 14,220                     |        | 18,060           |            | (3,840)                   |  |
| 0113600 Plant Accounting                    | 111,709          | -                | 111,709                    |        | 89,409           |            | 22,300                    |  |
| 0113700 Gas Accounting                      | 189,820          | 219,790          | (29,970)                   |        | 188,364          |            | 1,456                     |  |
| 0113800 Customer Billing                    | 26,730           | -                | 26,730                     |        | 52,811           |            | (26,081)                  |  |
| 0113900 Financial Reporting                 | 73,129           | 171,564          | (98,435)                   |        | 73,997           |            | (868)                     |  |
| 0114600 Dallas Taxation                     | 90,089           | 130,717          | (40,628)                   |        | 79,651           |            | 10,438                    |  |
| 0118300 Dallas Stores                       | -                | -                | -                          |        | -                |            | -                         |  |
| 0119200 Controller Miscellaneous            | (716,425)        | -                | (716,425)                  |        | -                |            | (716,425)                 |  |
| <b>ACCOUNTING</b>                           | <u>553,404</u>   | <u>1,289,247</u> | <u>(735,843)</u>           |        | <u>1,164,945</u> |            | <u>(611,541)</u>          |  |
| 0115000 Information Services                | 99,311           | 97,737           | 1,574                      |        | 94,797           |            | 4,514                     |  |
| 0115100 Production Services                 | 583,578          | 726,127          | (142,549)                  |        | 668,021          |            | (84,443)                  |  |
| 0115200 Mass Mail                           | 918,986          | 904,399          | 14,587                     |        | 861,152          |            | 57,834                    |  |
| 0115300 Information Systems                 | 464,296          | 440,117          | 24,179                     |        | 421,547          |            | 42,749                    |  |
| 0115400 Information Support                 | 140,137          | 161,784          | (21,647)                   |        | 164,148          |            | (24,011)                  |  |
| 0115500 Office Equipment                    | 36,470           | 16,764           | 19,706                     |        | 78,036           |            | (41,566)                  |  |
| 0115600 Telecommunication Services          | 156,522          | 109,311          | 47,211                     |        | 15,664           |            | 140,858                   |  |
| <b>INFORMATION TECHNOLOGY</b>               | <u>2,399,300</u> | <u>2,456,239</u> | <u>(56,939)</u>            |        | <u>2,303,365</u> |            | <u>95,935</u>             |  |
| 0116400 Internal Audit                      | 150,181          | 222,622          | (72,441)                   |        | 175,228          |            | (25,047)                  |  |
| <b>INTERNAL AUDIT</b>                       | <u>150,181</u>   | <u>222,622</u>   | <u>(72,441)</u>            |        | <u>175,228</u>   |            | <u>(25,047)</u>           |  |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Year-To-Date Ended 01/31/98**

| Department Name  | FY '98           |                  | Actual Over (Under) Budget |        | Prior Year       | Actual Over (Under) Prior |
|--|------------------|------------------|----------------------------|--------|------------------|---------------------------|
|  | Actual           | Budget           | Over (Under)               | Budget |                  |                           |
| 0054900 Investor Relations                             | 406,848          | 528,764          | (121,916)                  |        | 375,990          | 30,858                    |
| 0052400 Public Affairs                                 | 123,979          | -                | 123,979                    |        | 100,034          | 23,945                    |
| 0117700 Corporate Communications                       | 157,577          | 228,328          | (70,751)                   |        | 198,729          | (41,152)                  |
| <b>INVESTOR RELATIONS</b>                              | <b>688,404</b>   | <b>757,092</b>   | <b>(68,688)</b>            |        | <b>674,753</b>   | <b>13,651</b>             |
| 0054600 New Business Ventures                          | 65,175           | 91,772           | (26,597)                   |        | -                | 65,175                    |
| <b>NEW BUSINESS VENTURES</b>                           | <b>65,175</b>    | <b>91,772</b>    | <b>(26,597)</b>            |        | <b>-</b>         | <b>65,175</b>             |
| 0054400 Financial & Strategic Planning                 | 140,719          | 82,516           | 58,203                     |        | 104,783          | 35,936                    |
| 0054500 Business Strategies & Competitive Intelligence | 4,859            | 126,470          | (121,611)                  |        | -                | 4,859                     |
| 0114300 Budget & Planning                              | 62,820           | 100,783          | (37,963)                   |        | 72,128           | (9,308)                   |
| <b>PLANNING &amp; BUDGETING</b>                        | <b>208,398</b>   | <b>309,769</b>   | <b>(101,371)</b>           |        | <b>176,911</b>   | <b>31,487</b>             |
| 0054000 Price Policy & Administration                  | 311,194          | 359,331          | (48,137)                   |        | 393,930          | (82,736)                  |
| <b>PRICE POLICY &amp; ADMINISTRATION</b>               | <b>311,194</b>   | <b>359,331</b>   | <b>(48,137)</b>            |        | <b>393,930</b>   | <b>(82,736)</b>           |
| 0054100 Regulatory Affairs                             | 95,279           | 110,605          | (15,326)                   |        | -                | 95,279                    |
| <b>REGULATORY AFFAIRS</b>                              | <b>95,279</b>    | <b>110,605</b>   | <b>(15,326)</b>            |        | <b>-</b>         | <b>95,279</b>             |
| 0114500 Dallas Treasury                                | 94,906           | 218,541          | (123,635)                  |        | 150,861          | (55,955)                  |
| 0114700 Dallas Risk Management                         | 614,984          | 951,254          | (336,270)                  |        | -                | 614,984                   |
| 0114800 Dallas Treasurer                               | 76,127           | 79,590           | (3,463)                    |        | 747,819          | (671,692)                 |
| 0117600 Purchasing                                     | 61,578           | 67,678           | (6,100)                    |        | 63,184           | (1,606)                   |
| 0118000 Remittance Processing                          | 259,100          | 275,549          | (16,449)                   |        | 216,418          | 42,682                    |
| 0118500 Mail & Supply                                  | 76,212           | 80,157           | (3,945)                    |        | 91,348           | (15,136)                  |
| 0118600 Purchasing & Stores                            | 46,979           | 45,285           | 1,694                      |        | 74,584           | (27,605)                  |
| 0118909 Fleet Administration                           | 17               | 25,668           | (25,651)                   |        | -                | 17                        |
| <b>TREASURY:</b>                                       | <b>1,229,903</b> | <b>1,743,722</b> | <b>(513,819)</b>           |        | <b>1,344,214</b> | <b>(114,311)</b>          |
| <b>TOTAL FINANCE:</b>                                  | <b>5,701,238</b> | <b>7,340,399</b> | <b>(1,639,161)</b>         |        | <b>6,233,346</b> | <b>(532,108)</b>          |

**ATMOS ENERGY CORPORATION**  
 Analysis of Shared Services - Actual vs. Budget  
 For The Year-To-Date Ended 01/31/98

| Department Name                           | FY '98           |                  | Actual              |        | Prior Year       | Actual Over (Under) Prior |
|---|------------------|------------------|---------------------|--------|------------------|---------------------------|
|   | Actual           | Budget           | Over (Under) Budget | Budget |                  |                           |
| <b>OPERATIONS:</b>                        |                  |                  |                     |        |                  |                           |
| 0056000 Business Development              | 206,181          | 239,072          | (32,891)            |        | 208,296          | (2,115)                   |
| <b>BUSINESS DEVELOPMENT</b>               | <u>206,181</u>   | <u>239,072</u>   | <u>(32,891)</u>     |        | <u>208,296</u>   | <u>(2,115)</u>            |
| 0120100 Amarillo Call Center              | 31,935           | -                | 31,935              |        | -                | 31,935                    |
| <b>CALL CENTER</b>                        | <u>31,935</u>    | <u>-</u>         | <u>31,935</u>       |        | <u>-</u>         | <u>31,935</u>             |
| 0051500 Interstate Gas Supply             | 202,073          | 238,400          | (36,327)            |        | 171,548          | 30,525                    |
| 0051600 Intrastate Gas Supply             | 202,828          | 170,900          | 31,928              |        | 172,619          | 30,209                    |
| 0051700 Corporate Gas Control             | 1,580            | 192,800          | (191,220)           |        | -                | 1,580                     |
| 0051900 Gas Supply                        | 94,766           | 100,400          | (5,634)             |        | 91,797           | 2,969                     |
| <b>GAS SUPPLY &amp; GAS CONTROL</b>       | <u>501,247</u>   | <u>702,500</u>   | <u>(201,253)</u>    |        | <u>435,964</u>   | <u>65,283</u>             |
| 0056200 Technical Services                | 157,689          | 121,276          | 36,413              |        | 366,329          | (208,640)                 |
| <b>TECHNICAL SERVICES</b>                 | <u>157,689</u>   | <u>121,276</u>   | <u>36,413</u>       |        | <u>366,329</u>   | <u>(208,640)</u>          |
| <b>TOTAL OPERATIONS:</b>                  | <u>897,052</u>   | <u>1,062,848</u> | <u>(165,796)</u>    |        | <u>1,010,589</u> | <u>(113,537)</u>          |
| <b>HUMAN RESOURCES:</b>                   |                  |                  |                     |        |                  |                           |
| 0056100 Professional Development          | 14,726           | 98,884           | (84,158)            |        | 57,413           | (42,687)                  |
| 0117100 Corporate Services                | 12,905           | -                | 12,905              |        | 168,987          | (156,082)                 |
| 0117200 Compensation & Employment         | 199,146          | 220,497          | (21,351)            |        | 204,714          | (5,568)                   |
| 0117300 Human Resources - VP              | 77,847           | 86,994           | (9,147)             |        | 80,656           | (2,809)                   |
| 0117400 Employee & Labor Relations        | 39,923           | 38,054           | 1,869               |        | -                | 39,923                    |
| 0117500 Employee Benefits                 | 422,478          | 434,988          | (12,510)            |        | 437,657          | (15,179)                  |
| 0117800 Employee Communications           | 52,192           | 78,660           | (26,468)            |        | -                | 52,192                    |
| 0117900 Facilities                        | 50,438           | 58,933           | (8,495)             |        | -                | 50,438                    |
| 0118100 Employee Development              | 112,455          | 155,272          | (42,817)            |        | 170,843          | (58,388)                  |
| 0119000 Employee Relocation Expense       | 90,564           | 271,676          | (181,112)           |        | 252,165          | (161,601)                 |
| 0119210 Performance Plan                  | 466,667          | -                | 466,667             |        | 666,667          | (200,000)                 |
| 0119300 Outside Directors Retirement Cost | 83,000           | -                | 83,000              |        | 56,000           | 27,000                    |
| 0119400 Treasury - Worker's Comp          | 65               | -                | 65                  |        | 57               | 8                         |
| 0119500 Human Resources - Benefits        | 1,397            | -                | 1,397               |        | 362              | 1,035                     |
| 0119600 Retirement Costs                  | 256,327          | 900,000          | (643,673)           |        | 537,699          | (281,372)                 |
| <b>HUMAN RESOURCES:</b>                   | <u>1,880,130</u> | <u>2,343,958</u> | <u>(463,828)</u>    |        | <u>2,633,220</u> | <u>(753,090) (34)</u>     |



ATMOS ENERGY CORPORATION  
 Analysis of Shared Services - Actual vs. Budget  
 For The Year-To-Date Ended 01/31/98

| Department Name                 | FY '98      |             | Actual Over (Under) Budget |              | Prior Year  | Actual Over (Under) Prior |
|---------------------------------|-------------|-------------|----------------------------|--------------|-------------|---------------------------|
|                                 | Actual      | Budget      | Budget                     | Over (Under) |             |                           |
| LEGAL:                          |             |             |                            |              |             |                           |
| 0052000 Legal                   | 1,867,671   | 761,925     | 1,105,746                  | 1,073,540    | 794,131     | 1,073,540                 |
| 0052099 Contract Administration | 6,250       | 45,744      | (39,494)                   | 6,250        | -           | 6,250                     |
| 0052200 Governmental Affairs    | 33,187      | 41,292      | (8,105)                    | 2,210        | 30,977      | 2,210                     |
| 0057900 Corporate Secretary     | 311,185     | 490,040     | (178,855)                  | 84,590       | 226,595     | 84,590                    |
| 0118200 Central Records         | 64,687      | 86,092      | (21,405)                   | (9,616)      | 74,303      | (9,616)                   |
| LEGAL:                          | 2,282,980   | 1,425,093   | 857,887                    | 1,156,974    | 1,126,006   | 1,156,974                 |
| OVERHEAD CAPITALIZED:           |             |             |                            |              |             |                           |
| 0119800 Overhead Capitalized    | (3,524,000) | (3,535,668) | 11,668                     | (204,000)    | (3,320,000) | (204,000)                 |
| OVERHEAD CAPITALIZED:           | (3,524,000) | (3,535,668) | 11,668                     | (204,000)    | (3,320,000) | (204,000)                 |
| TOTAL O&M                       | 8,316,092   | 9,716,131   | (1,400,039)                | (145,656)    | 8,461,748   | (145,656)                 |
| DEPRECIATION                    | 1,084,277   | 792,000     | 292,277                    | (459,611)    | 1,543,888   | (459,611)                 |
| TAXES - OTHER                   | 293,930     | 228,000     | 65,930                     | (6,896)      | 300,826     | (6,896)                   |
| TOTAL                           | 9,694,299   | 10,736,131  | (1,041,832)                | (612,163)    | 10,306,462  | (612,163)                 |

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE MONTH ENDED 01/31/98

1998

| Line No. | Description (a)                       | Utility Business Units |                 |                |                 | WKG (f)         | Total Utility Business Units (g) | Line No. |
|----------|---------------------------------------|------------------------|-----------------|----------------|-----------------|-----------------|----------------------------------|----------|
|          |                                       | Energy (b)             | GGC (c)         | Trans Ia (d)   | UCG (e)         |                 |                                  |          |
| 1        | Operating revenues                    |                        |                 |                |                 |                 |                                  |          |
| 2        | Gas                                   | \$23,936,863.97        | \$12,092,736.65 | \$4,676,018.52 | \$50,848,201.00 | \$12,470,456.64 | \$104,024,276.78                 | 1        |
| 3        | Transportation                        | 73,837.25              | 147,124.11      | 15,096.13      | 1,283,795.00    | 1,055,727.51    | 2,575,580.00                     | 2        |
| 3        | Other                                 | 0.00                   | 0.00            | 0.00           | 0.00            | 0.00            | 0.00                             | 3        |
| 4        | Total operating revenues              | 24,010,701.22          | 12,239,860.76   | 4,691,114.65   | 51,131,996.00   | 13,526,184.15   | 106,599,856.78                   | 4        |
| 5        | Purchased gas cost                    | 14,640,386.29          | 7,018,780.64    | 1,672,347.35   | 31,527,890.00   | 7,793,622.28    | 62,653,026.56                    | 5        |
| 6        | Gross profit                          | 9,370,314.93           | 52,221,080.12   | 3,018,767.30   | 20,604,106.00   | 5,732,561.87    | 43,946,830.22                    | 6        |
| 7        | Operating expenses                    |                        |                 |                |                 |                 |                                  |          |
| 7        | Operation                             | 2,112,577.41           | 1,367,620.48    | 644,679.31     | 3,222,049.40    | 1,340,436.97    | 8,687,363.57                     | 7        |
| 8        | Maintenance                           | 116,491.05             | 90,885.13       | 71,730.42      | 400,926.00      | 91,085.97       | 771,118.57                       | 8        |
| 9        | Depreciation and amortization         | 548,925.06             | 414,872.91      | 306,393.74     | 1,526,856.00    | 545,335.42      | 3,342,383.13                     | 9        |
| 10       | Taxes - other than income taxes       | 1,549,786.23           | 230,044.01      | 194,433.53     | 851,567.00      | 156,884.62      | 2,982,715.39                     | 10       |
| 11       | Shared services - direct              | 374,963.24             | 181,014.97      | 195,134.13     | 0.00            | 194,279.28      | 945,391.62                       | 11       |
| 12       | Shared services - billed              | 469,942.71             | 195,986.39      | 129,959.56     | 329,641.40      | 240,030.38      | 1,365,560.44                     | 12       |
| 13       | Provision for income taxes            | 1,252,250.40           | 892,048.47      | 246,324.47     | 5,005,536.00    | 1,073,376.66    | 8,469,536.00                     | 13       |
| 14       | Total operating expenses              | 6,424,936.10           | 3,372,472.36    | 1,788,655.16   | 11,336,575.80   | 3,641,429.30    | 26,564,068.72                    | 14       |
| 15       | Operating income (loss)               | 2,945,378.83           | 1,848,607.76    | 1,230,112.14   | 9,267,530.20    | 2,091,132.57    | 17,382,761.50                    | 15       |
| 16       | Other income                          |                        |                 |                |                 |                 |                                  |          |
| 16       | Merchandise                           | 14,235.81              | (4,915.24)      | (71.02)        | (4,918.00)      | 35,842.19       | 40,173.74                        | 16       |
| 17       | Interest income                       | 15,972.75              | 155.40          | 676.59         | 99,068.00       | 2,089.06        | 117,961.80                       | 17       |
| 18       | Other nonoperating income             | (20,579.84)            | 15,538.59       | (5,806.89)     | (6,930.00)      | (9,634.18)      | (27,412.32)                      | 18       |
| 19       | Total other income (loss)             | 9,628.72               | 10,778.75       | (5,201.32)     | 87,220.00       | 28,297.07       | 130,723.22                       | 19       |
| 20       | Income (loss) before interest charges | 2,955,007.55           | 1,859,386.51    | 1,224,910.82   | 9,354,750.20    | 2,119,429.64    | 17,513,484.72                    | 20       |
| 21       | Interest charges                      | 681,599.68             | 407,246.65      | 885,750.94     | 1,098,577.00    | 532,539.40      | 3,605,713.67                     | 21       |
| 22       | Net income (loss)                     | \$2,273,407.87         | \$1,452,139.86  | \$339,159.88   | \$8,256,173.20  | \$1,586,890.24  | \$13,907,771.05                  | 22       |

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE FOUR MONTHS ENDED 01/31/98

1998

| Line No. | Description (a)                       | Utility Business Units |                 |                 |                  | WKG (f)         | Total Utility Business Units (b) | Line No. |
|----------|---------------------------------------|------------------------|-----------------|-----------------|------------------|-----------------|----------------------------------|----------|
|          |                                       | Energas (b)            | GGC (c)         | Trans La (d)    | UCG (e)          |                 |                                  |          |
| 1        | Operating revenues                    |                        |                 |                 |                  |                 |                                  |          |
| 2        | Gas                                   | \$93,872,415.84        | \$41,529,418.54 | \$17,860,735.67 | \$162,330,210.00 | \$63,662,038.59 | \$379,254,818.64                 | 1        |
| 3        | Transportation                        | 323,884.61             | 545,461.27      | 42,960.89       | 5,223,556.00     | 3,274,916.09    | 9,410,778.86                     | 2        |
| 3        | Other                                 | 0.00                   | 0.00            | 0.00            | 0.00             | 0.00            | 0.00                             | 3        |
| 4        | Total operating revenues              | 94,196,300.45          | 42,074,879.81   | 17,903,696.56   | 167,553,766.00   | 66,936,954.68   | 388,665,597.50                   | 4        |
| 5        | Purchased gas cost                    | 64,041,190.31          | 25,839,133.62   | 6,851,583.60    | 107,600,622.00   | 47,091,377.23   | 251,423,906.76                   | 5        |
| 6        | Gross profit                          | 30,155,110.14          | 16,235,746.19   | 11,052,112.96   | 59,953,144.00    | 19,845,577.45   | 137,241,690.74                   | 6        |
| 7        | Operating expenses                    |                        |                 |                 |                  |                 |                                  |          |
| 7        | Operation                             | 8,059,934.21           | 4,529,658.06    | 2,364,034.37    | 16,029,443.33    | 4,963,389.46    | 35,946,459.43                    | 7        |
| 8        | Maintenance                           | 406,357.75             | 236,050.14      | 200,807.44      | 1,872,616.00     | 309,131.78      | 3,024,963.11                     | 8        |
| 9        | Depreciation and amortization         | 2,194,826.76           | 1,654,849.81    | 1,225,574.96    | 6,116,762.00     | 2,181,312.97    | 13,373,326.50                    | 9        |
| 10       | Taxes - other than income taxes       | 4,320,381.63           | 894,060.88      | 767,583.89      | 4,115,192.00     | 668,121.19      | 10,765,339.59                    | 10       |
| 11       | Shared services - direct              | 1,224,776.00           | 522,899.60      | 597,566.19      | 0.00             | 862,131.20      | 3,207,372.99                     | 11       |
| 12       | Shared services - billed              | 2,276,683.57           | 858,265.61      | 614,251.62      | 1,948,331.89     | 1,261,126.74    | 6,958,659.43                     | 12       |
| 13       | Provision for income taxes            | 3,201,247.72           | 2,323,072.54    | 1,327,978.66    | 9,747,527.15     | 3,106,701.08    | 19,706,527.15                    | 13       |
| 14       | Total operating expenses              | 21,684,207.64          | 11,018,856.64   | 7,097,797.13    | 39,829,872.37    | 13,351,914.42   | 92,982,648.20                    | 14       |
| 15       | Operating income (loss)               | 8,470,902.50           | 5,216,889.55    | 3,954,315.83    | 20,123,271.63    | 6,493,663.03    | 44,259,042.54                    | 15       |
| 16       | Other income                          |                        |                 |                 |                  |                 |                                  |          |
| 16       | Merchandise                           | (443.78)               | (5,787.99)      | 7,289.28        | (45,616.00)      | 116,039.98      | 71,481.49                        | 16       |
| 17       | Interest income                       | 61,864.47              | 381.87          | 1,265.56        | 461,287.00       | 7,848.02        | 532,646.92                       | 17       |
| 18       | Other nonoperating income             | (166,586.06)           | 46,912.25       | (34,970.27)     | (28,973.00)      | (26,870.77)     | (210,487.85)                     | 18       |
| 19       | Total other income (loss)             | (105,165.37)           | 41,506.13       | (26,415.43)     | 386,698.00       | 97,017.23       | 393,640.56                       | 19       |
| 20       | Income (loss) before interest charges | 8,365,737.13           | 5,258,395.68    | 3,927,900.40    | 20,509,969.63    | 6,590,680.26    | 44,652,683.10                    | 20       |
| 21       | Interest charges                      | 2,555,068.60           | 1,517,212.76    | 1,837,365.21    | 4,377,972.00     | 1,980,189.84    | 12,267,808.41                    | 21       |
| 22       | Net income (loss)                     | \$5,810,668.53         | \$3,741,182.92  | \$2,090,535.19  | \$16,131,997.63  | \$4,610,490.42  | \$32,384,874.69                  | 22       |

WESTERN KENTUCKY GAS BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE MONTH ENDED 01/31/98

| Line No. | Description (a)                    | 1998            |            |                                  | Line No.        |
|----------|------------------------------------|-----------------|------------|----------------------------------|-----------------|
|          |                                    | WKKG (b)        | WKGR (c)   | Eliminations and Adjustments (d) |                 |
| 1        | Operating revenues                 |                 |            |                                  | 1               |
| 2        | Gas                                | \$12,470,456.64 | \$0.00     | \$0.00                           | \$12,470,456.64 |
| 3        | Transportation                     | 1,055,727.51    | 0.00       | 0.00                             | 1,055,727.51    |
| 4        | Other                              | 0.00            | 0.00       | 0.00                             | 0.00            |
| 4        | Total operating revenues           | 13,526,184.15   | 0.00       | 0.00                             | 13,526,184.15   |
| 5        | Purchased gas cost                 | 7,793,622.28    | 0.00       | 0.00                             | 7,793,622.28    |
| 6        | Gross profit                       | 5,732,561.87    | 0.00       | 0.00                             | 5,732,561.87    |
| 7        | Operating expenses                 |                 |            |                                  |                 |
| 7        | Operation                          | 1,340,436.97    | 0.00       | 0.00                             | 1,340,436.97    |
| 8        | Maintenance                        | 91,085.97       | 0.00       | 0.00                             | 91,085.97       |
| 9        | Depreciation and amortization      | 545,335.42      | 0.00       | 0.00                             | 545,335.42      |
| 10       | Taxes - other than income taxes    | 156,874.62      | 10.00      | 0.00                             | 156,884.62      |
| 11       | Shared services - direct           | 194,279.28      | 0.00       | 0.00                             | 194,279.28      |
| 12       | Shared services - billed           | 239,764.47      | 0.00       | 265.91                           | 240,030.38      |
| 13       | Provision for income taxes         | 1,073,376.66    | 0.00       | 0.00                             | 1,073,376.66    |
| 14       | Total operating expenses           | 3,641,153.39    | 10.00      | 265.91                           | 3,641,429.30    |
| 15       | Operating income (loss)            | 2,091,408.48    | (10.00)    | (265.91)                         | 2,091,132.57    |
| 16       | Other income                       |                 |            |                                  |                 |
| 16       | Merchandise                        | 35,842.19       | 0.00       | 0.00                             | 35,842.19       |
| 17       | Interest income                    | 2,089.06        | 0.00       | 0.00                             | 2,089.06        |
| 18       | Shared services - billed           | 0.00            | (265.91)   | 265.91                           | 0.00            |
| 19       | Other nonoperating income          | (11,052.42)     | 1,418.24   | 0.00                             | (9,634.18)      |
| 20       | Total other income (loss)          | 26,878.83       | 1,152.33   | 265.91                           | 28,297.07       |
| 21       | Income (loss) before interest chgs | 2,118,287.31    | 1,142.33   | 0.00                             | 2,119,429.64    |
| 22       | Interest charges                   | 532,539.40      | 0.00       | 0.00                             | 532,539.40      |
| 23       | Net income (loss)                  | \$1,585,747.91  | \$1,142.33 | \$0.00                           | \$1,586,890.24  |

WESTERN KENTUCKY GAS BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE FOUR MONTHS ENDED 01/31/98

| Line No. | Description (a)                    | 1998            |                                  |   | Line No. |
|----------|------------------------------------|-----------------|----------------------------------|---|----------|
|          |                                    | WKGR (c)        | Eliminations and Adjustments (d) | Western Kentucky Gas Business Units (e) |          |
|          | WKG (b)                            |                 |                                  |   |          |
| 1        | Operating revenues                 |                 |                                  |   |          |
| 2        | Gas                                | \$63,662,038.59 | \$0.00                           | \$63,662,038.59                         |          |
| 3        | Transportation                     | 3,274,916.09    | 0.00                             | 3,274,916.09                            |          |
| 4        | Other                              | 0.00            | 0.00                             | 0.00                                    |          |
| 5        | Total operating revenues           | 66,936,954.68   | 0.00                             | 66,936,954.68                           |          |
| 6        | Purchased gas cost                 | 47,091,377.23   | 0.00                             | 47,091,377.23                           |          |
| 7        | Gross profit                       | 19,845,577.45   | 0.00                             | 19,845,577.45                           |          |
| 8        | Operating expenses                 |                 |                                  |   |          |
| 9        | Operation                          | 4,963,389.46    | 0.00                             | 4,963,389.46                            |          |
| 10       | Maintenance                        | 309,131.78      | 0.00                             | 309,131.78                              |          |
| 11       | Depreciation and amortization      | 2,181,312.97    | 0.00                             | 2,181,312.97                            |          |
| 12       | Taxes - other than income taxes    | 668,111.19      | 10.00                            | 668,121.19                              |          |
| 13       | Shared services - direct           | 862,131.20      | 0.00                             | 862,131.20                              |          |
| 14       | Shared services - billed           | 1,259,696.48    | 1,430.26                         | 1,261,126.74                            |          |
| 15       | Provision for income taxes         | 3,106,701.08    | 0.00                             | 3,106,701.08                            |          |
| 16       | Total operating expenses           | 13,350,474.16   | 1,430.26                         | 13,351,914.42                           |          |
| 17       | Operating income (loss)            | 6,495,103.29    | (1,430.26)                       | 6,493,663.03                            |          |
| 18       | Other income                       |                 |                                  |   |          |
| 19       | Merchandise                        | 116,039.98      | 0.00                             | 116,039.98                              |          |
| 20       | Interest income                    | 7,848.02        | 0.00                             | 7,848.02                                |          |
| 21       | Shared services - billed           | 0.00            | (1,430.26)                       | 0.00                                    |          |
| 22       | Other nonoperating income          | (28,138.86)     | 1,268.09                         | (26,870.77)                             |          |
| 23       | Total other income (loss)          | 95,749.14       | (162.17)                         | 97,017.23                               |          |
| 24       | Income (loss) before interest chgs | 6,590,852.43    | (172.17)                         | 6,590,680.26                            |          |
| 25       | Interest charges                   | 1,980,189.84    | 0.00                             | 1,980,189.84                            |          |
| 26       | Net income (loss)                  | \$4,610,662.59  | (\$172.17)                       | \$4,610,490.42                          |          |

WESTERN KENTUCKY GAS COMPANY  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 01/31/98

| Line No. | Description (a)                      | Current Month   |              |                                | Year to Date          |                                    |                 | Actual Over (Under) Prior Year (k) | Line No.       |                 |                                |    |
|----------|--------------------------------------|-----------------|--------------|--------------------------------|-----------------------|------------------------------------|-----------------|------------------------------------|----------------|-----------------|--------------------------------|----|
|          |                                      | Actual (b)      | Budget (c)   | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Prior Year (f) | Actual (g)      |                                    |                | Budget (h)      | Actual Over (Under) Budget (i) |    |
| 1        | Operating revenues                   |                 |              |                                |                       |                                    |                 |                                    |                |                 |                                |    |
| 2        | Gas                                  | \$12,470,456.64 | \$22,973,000 | (\$10,502,543.36)              | \$26,360,003.33       | (\$13,889,546.69)                  | \$63,662,038.59 | \$38,264,000.00                    | \$5,398,038.59 | \$71,067,188.88 | (\$7,405,150.29)               | 1  |
| 3        | Transportation                       | 1,055,727.51    | 700,000      | 355,727.51                     | 626,927.35            | 428,800.16                         | 3,274,916.09    | 2,800,000.00                       | 474,916.09     | 2,293,419.11    | 981,496.98                     | 2  |
| 3        | Other                                | 0.00            | 0            | 0.00                           | 0.00                  | 0.00                               | 0.00            | 0.00                               | 0.00           | 0.00            | 0.00                           | 3  |
| 4        | Total operating revenues             | 13,526,184.15   | 23,673,000   | (10,146,815.85)                | 26,986,930.68         | (13,460,746.53)                    | 66,936,954.68   | 61,064,000.00                      | 5,872,954.68   | 73,360,607.99   | (6,423,653.31)                 | 4  |
| 5        | Purchased gas cost                   | 7,793,622.28    | 15,223,000   | (7,429,377.72)                 | 21,049,818.71         | (13,256,196.43)                    | 47,091,377.23   | 40,538,000.00                      | 6,553,377.23   | 55,959,265.01   | (8,867,887.78)                 | 5  |
| 6        | Gross profit                         | 5,732,561.87    | 8,450,000    | (2,717,438.13)                 | 5,937,111.97          | (204,550.10)                       | 19,844,577.45   | 20,526,000.00                      | (680,422.55)   | 17,401,342.98   | 2,444,234.47                   | 6  |
| 7        | Operating expenses                   |                 |              |                                |                       |                                    |                 |                                    |                |                 |                                |    |
| 7        | Operation                            | 1,340,436.97    | 1,303,000    | 37,436.97                      | 1,236,695.28          | 103,741.69                         | 4,963,389.46    | 5,136,000.00                       | (172,610.54)   | 5,327,403.99    | (364,014.53)                   | 7  |
| 8        | Maintenance                          | 91,085.97       | 132,000      | (40,914.03)                    | 56,841.67             | 34,244.30                          | 309,131.78      | 528,000.00                         | (218,868.22)   | 262,499.22      | 46,632.56                      | 8  |
| 9        | Depreciation                         | 545,335.42      | 544,000      | 1,335.42                       | 510,922.63            | 34,412.79                          | 2,181,312.97    | 2,176,000.00                       | 5,312.97       | 2,043,680.52    | 137,622.45                     | 9  |
| 10       | Taxes - other than income taxes      | 156,874.62      | 211,000      | (54,125.38)                    | 176,271.63            | (19,397.01)                        | 668,111.19      | 508,000.00                         | 160,111.19     | 877,072.25      | 61,038.94                      | 10 |
| 11       | Shared Services - direct             | 194,279.28      | 0            | 194,279.28                     | 234,637.58            | (40,358.30)                        | 862,131.20      | 0.00                               | 862,131.20     | 855,835.90      | 6,295.30                       | 11 |
| 12       | Shared Services - billed             | 239,764.47      | 567,000      | (327,235.53)                   | 655,380.61            | (415,616.14)                       | 1,259,696.48    | 2,300,000.00                       | (1,040,303.52) | 1,849,360.73    | (589,664.25)                   | 12 |
| 13       | Provision for income taxes           | 1,073,376.66    | 2,095,000    | (1,021,623.34)                 | 1,130,565.65          | (57,588.99)                        | 3,106,701.08    | 3,282,000.00                       | (175,298.92)   | 2,174,571.45    | 932,123.63                     | 13 |
| 14       | Total operating expenses             | 3,641,153.39    | 4,852,000    | (1,210,846.61)                 | 4,001,715.05          | (360,561.66)                       | 13,350,474.16   | 13,950,000.00                      | (579,525.84)   | 13,120,440.06   | 230,034.10                     | 14 |
| 15       | Operating income (loss)              | 2,091,408.48    | 3,598,000    | (1,506,591.52)                 | 1,935,396.92          | 156,011.56                         | 6,495,103.29    | 6,596,000.00                       | (100,896.71)   | 4,280,902.92    | 2,214,200.37                   | 15 |
| 16       | Other income                         |                 |              |                                |                       |                                    |                 |                                    |                |                 |                                |    |
| 16       | Merchandise                          | 35,842.19       | (2,000)      | 37,842.19                      | 94,272.57             | (58,430.38)                        | 116,039.98      | (8,000.00)                         | 124,039.98     | 238,266.16      | (122,226.18)                   | 16 |
| 17       | Interest income                      | 2,089.06        | 4,000        | (1,910.94)                     | 2,387.81              | (298.75)                           | 7,848.02        | 16,000.00                          | (8,151.98)     | 7,206.85        | 641.17                         | 17 |
| 18       | Other nonoperating income            | (11,052.42)     | 35,000       | (46,052.42)                    | (3,951.40)            | (7,101.02)                         | (28,138.86)     | 140,000.00                         | (168,138.86)   | (2,493.13)      | (25,643.73)                    | 18 |
| 19       | Total other income (loss)            | 26,878.83       | 37,000       | (10,121.17)                    | 92,708.98             | (65,830.15)                        | 95,749.14       | 148,000.00                         | (52,250.86)    | 242,979.88      | (147,230.74)                   | 19 |
| 20       | Income (loss) before interest charge | 2,118,287.31    | 3,635,000    | (1,516,712.69)                 | 2,028,105.90          | 90,181.41                          | 6,590,852.43    | 6,744,000.00                       | (153,147.57)   | 4,523,882.80    | 2,066,969.63                   | 20 |
| 21       | Interest charges                     | 532,539.40      | 426,000      | 106,539.40                     | 357,950.24            | 174,589.16                         | 1,980,189.84    | 1,719,000.00                       | 261,189.84     | 1,462,296.57    | 517,893.27                     | 21 |
| 22       | Net income (loss)                    | \$1,585,747.91  | \$3,209,000  | (\$1,623,252.09)               | \$1,670,155.66        | (84,407.75)                        | \$4,610,662.59  | \$5,025,000.00                     | (\$414,337.41) | \$3,061,586.23  | \$1,549,076.36                 | 22 |

WESTERN KENTUCKY GAS RESOURCES, INC.  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 01/31/98

| Line No. | Description (a)                       | Current Month |            |                                | Year to Date          |                                    |            | Actual Over (Under) Prior Year (k) | Line No.      |
|----------|---------------------------------------|---------------|------------|--------------------------------|-----------------------|------------------------------------|------------|------------------------------------|---------------|
|          |                                       | Actual (b)    | Budget (c) | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Prior Year (f) | Budget (h) |                                    |               |
| 1        | Operating revenues                    |               |            |                                |                       |                                    |            |                                    |               |
| 2        | Gas                                   | \$0.00        | \$0        | \$0.00                         | \$0.00                | \$0.00                             | \$0        | \$0.00                             | \$0.00        |
| 3        | Transportation                        | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0          | 0.00                               | 0.00          |
| 4        | Other                                 | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0          | 0.00                               | 0.00          |
| 5        | Total operating revenues              | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0          | 0.00                               | 0.00          |
| 6        | Purchased gas cost                    | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0          | 0.00                               | 0.00          |
| 7        | Gross profit                          | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0          | 0.00                               | 0.00          |
| 8        | Operating expenses                    |               |            |                                |                       |                                    |            |                                    |               |
| 9        | Operation                             | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0          | 0.00                               | 0.00          |
| 10       | Maintenance                           | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0          | 0.00                               | 0.00          |
| 11       | Depreciation                          | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0          | 0.00                               | 0.00          |
| 12       | Taxes - other than income taxes       | 10.00         | 0          | 10.00                          | 10.00                 | 10.00                              | 0          | 10.00                              | 10.00         |
| 13       | Provision for income taxes            | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0          | 0.00                               | (1,000.00)    |
| 14       | Total operating expenses              | 10.00         | 0          | 10.00                          | 10.00                 | 10.00                              | 0          | 10.00                              | (990.00)      |
| 15       | Operating income (loss)               | (10.00)       | 0          | (10.00)                        | 0.00                  | (10.00)                            | 0          | (10.00)                            | 990.00        |
| 16       | Other income                          |               |            |                                |                       |                                    |            |                                    |               |
| 17       | Merchandise                           | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0          | 0.00                               | 0.00          |
| 18       | Interest income                       | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0          | 0.00                               | 0.00          |
| 19       | Shared Services - Billed              | (265.91)      | 3,000      | (3,265.91)                     | (1,252.60)            | 986.69                             | 12,000     | (13,430.26)                        | (4,619.63)    |
| 20       | Other nonoperating income             | 1,418.24      | 0          | 1,418.24                       | (413.57)              | 1,831.81                           | 0          | 1,268.09                           | (7,663.46)    |
| 21       | Total other income (loss)             | 1,152.33      | 3,000      | (1,847.67)                     | (1,666.17)            | 2,818.50                           | 12,000     | (12,162.17)                        | (12,283.09)   |
| 22       | Income (loss) before interest charges | 1,142.33      | 3,000      | (1,857.67)                     | (1,666.17)            | 2,808.50                           | 12,000     | (12,172.17)                        | (11,293.09)   |
| 23       | Interest charges                      | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0          | 0.00                               | 0.00          |
| 24       | Net income (loss)                     | \$1,142.33    | \$3,000    | (\$1,857.67)                   | (\$1,666.17)          | \$2,808.50                         | \$12,000   | (\$12,172.17)                      | (\$11,293.09) |

ATMOS ENERGY SERVICES, INC.  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 01/31/98

| Line No. | Description (a)                      | Current Month |              |                                |                       | Year to Date                   |              |                                |                       | Line No.     |                                    |            |
|----------|--------------------------------------|---------------|--------------|--------------------------------|-----------------------|--------------------------------|--------------|--------------------------------|-----------------------|--------------|------------------------------------|------------|
|          |                                      | Actual (b)    | Budget * (c) | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Budget (f) | Budget * (g) | Actual Over (Under) Budget (h) | Prior Year Actual (i) |              | Actual Over (Under) Prior Year (k) |            |
| 1        | Operating revenues                   |               |              |                                |                       |                                |              |                                |                       |              |                                    |            |
| 2        | Gas                                  | \$0.00        | \$0          | \$0.00                         | \$0.00                | \$0.00                         | \$0.00       | \$0.00                         | \$0.00                | \$0.00       | \$0.00                             | \$0.00     |
| 3        | Transportation                       | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                           | 0.00         | 0.00                           | 0.00                  | 0.00         | 0.00                               | 0.00       |
| 4        | Other                                | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                           | 0.00         | 0.00                           | 0.00                  | 0.00         | 0.00                               | 0.00       |
| 5        | Total operating revenues             | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                           | 0.00         | 0.00                           | 0.00                  | 0.00         | 0.00                               | 0.00       |
| 6        | Purchased gas cost                   | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                           | 0.00         | 0.00                           | 0.00                  | 0.00         | 0.00                               | 0.00       |
| 7        | Gross profit                         | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                           | 0.00         | 0.00                           | 0.00                  | 0.00         | 0.00                               | 0.00       |
| 8        | Operating expenses                   |               |              |                                |                       |                                |              |                                |                       |              |                                    |            |
| 9        | Operation                            | 40.00         | 0            | 40.00                          | 480.25                | (440.25)                       | 110.00       | 0                              | 110.00                | 2,359.91     | (2,249.91)                         | (2,249.91) |
| 10       | Maintenance                          | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                           | 0.00         | 0                              | 0.00                  | 0.00         | 0.00                               | 0.00       |
| 11       | Depreciation                         | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                           | 0.00         | 0                              | 0.00                  | 0.00         | 0.00                               | 0.00       |
| 12       | Taxes - other than income taxes      | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                           | 0.00         | 0                              | 0.00                  | 0.00         | 0.00                               | 0.00       |
| 13       | Shared Services - Billed             | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                           | 0.00         | 0                              | 0.00                  | 0.00         | 0.00                               | 0.00       |
| 14       | Provision for income taxes           | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                           | 0.00         | 0                              | 0.00                  | 0.00         | 0.00                               | 0.00       |
| 15       | Total operating expenses             | 40.00         | 0            | 40.00                          | 480.25                | (440.25)                       | 110.00       | 0                              | 110.00                | 2,359.91     | (2,249.91)                         | (2,249.91) |
| 16       | Operating income (loss)              | (40.00)       | 0            | (40.00)                        | (480.25)              | 440.25                         | (110.00)     | 0                              | (110.00)              | (2,359.91)   | 2,249.91                           | 2,249.91   |
| 17       | Other income                         |               |              |                                |                       |                                |              |                                |                       |              |                                    |            |
| 18       | Merchandise                          | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                           | 0.00         | 0                              | 0.00                  | 0.00         | 0.00                               | 0.00       |
| 19       | Interest income                      | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                           | 0.00         | 0                              | 0.00                  | 0.00         | 0.00                               | 0.00       |
| 20       | Other nonoperating income            | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                           | 0.00         | 0                              | 0.00                  | 0.00         | 0.00                               | 0.00       |
| 21       | Total other income (loss)            | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                           | 0.00         | 0                              | 0.00                  | 0.00         | 0.00                               | 0.00       |
| 22       | Income (loss) before interest charge | (40.00)       | 0            | (40.00)                        | (480.25)              | 440.25                         | (110.00)     | 0                              | (110.00)              | (2,359.91)   | 2,249.91                           | 2,249.91   |
| 23       | Interest charges                     | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                           | 0.00         | 0                              | 0.00                  | 0.00         | 0.00                               | 0.00       |
| 24       | Net income (loss)                    | (\$40.00)     | \$0          | (\$40.00)                      | (\$480.25)            | \$440.25                       | (\$110.00)   | \$0                            | (\$110.00)            | (\$2,359.91) | \$2,249.91                         | \$2,249.91 |

\* Atmos Energy Services budget not available.



ATMOS ENERGY CORPORATION  
COMBINING BALANCE SHEETS\*  
AS OF 01/31/98

| Line No.      | Description (a)   | ATMOS (b)        | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)    | Line No. |
|---------------|---|------------------|-------------------|--------------------------------|--------------------|----------|
| <b>ASSETS</b> |   |                  |                   |                                |                    |          |
| 1             | Property, plant and equipment                             |                  |                   |                                |                    | 1        |
| 2             | Utility plant   | \$739,559,190.14 | \$501,937,169.00  | \$0.00                         | \$1,241,496,359.14 | 2        |
| 3             | Nonutility plant  | 3,131,326.40     | 0.00              | 0.00                           | 3,131,326.40       | 3        |
| 4             | Construction work in progress                             | 55,049,312.95    | 6,235,410.00      | 0.00                           | 61,284,722.95      | 4        |
| 5             | Less accumulated depreciation and amortization            | 797,739,829.49   | 508,172,579.00    | 0.00                           | 1,305,912,408.49   | 5        |
| 6             | Net property, plant and equipment                         | 304,665,062.57   | 194,112,977.00    | 0.00                           | 498,778,039.57     | 6        |
| 7             | Investments in & advances to subsidiaries                 | 493,074,766.92   | 314,059,602.00    | 0.00                           | 807,134,368.92     | 7        |
| 8             | Current assets  | 3,900,881.01     | 4,452,327.00      | 0.00                           | 8,353,208.01       | 8        |
| 9             | Cash and temporary cash investments                       | (332,310.59)     | 3,652,651.00      | 0.00                           | 3,320,340.41       | 9        |
| 10            | Accounts receivable, less allowance for doubtful accounts | 88,868,335.91    | 63,416,135.00     | 0.00                           | 152,284,470.91     | 10       |
| 11            | Inventories   | 7,681,467.94     | 5,102,071.00      | 0.00                           | 12,783,538.94      | 11       |
| 12            | Gas stored underground                                    | 12,673,728.31    | 16,563,169.00     | 0.00                           | 29,236,897.31      | 12       |
| 13            | Other current assets                                      | 2,281,708.98     | 1,297,143.00      | 0.00                           | 3,578,851.98       | 13       |
| 14            | Intercompany accounts                                     | 75,731,773.76    | (66,375,860.80)   | 0.00                           | 9,355,912.96       | 14       |
| 15            | Total current assets                                      | 186,904,704.31   | 23,655,308.20     | 0.00                           | 210,560,012.51     | 15       |
| 16            | Deferred charges and other assets                         | 58,170,765.69    | 28,104,763.00     | 0.00                           | 86,275,528.69      | 16       |
|               | Total assets  | \$742,051,117.93 | \$370,272,000.20  | \$0.00                         | \$1,112,323,118.13 |          |

\*This balance sheet combines Energas, Trans La, Western Kentucky & Greerley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

ATMOS ENERGY CORPORATION  
COMBINING BALANCE SHEETS\*  
AS OF 01/31/98

| Line No.                                    | Description (a)                                   | ATMOS (b)        | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)    | Line No. |
|---|---|------------------|-------------------|--------------------------------|--------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |   |                  |                   |                                |                    |          |
| 1   | Shareholders' equity                              |                  |                   |                                |                    | 1        |
| 2   | Common stock                                      | \$82,940.36      | \$66,601.11       | \$0.00                         | \$149,541.47       | 2        |
| 3   | Common stock subscribed                           | 0.00             | 0.00              | 0.00                           | 0.00               | 3        |
| 4   | Additional paid-in capital                        | 125,455,920.61   | 132,664,593.89    | 0.00                           | 258,120,514.50     | 4        |
| 5   | Retained earnings                                 | 56,707,128.79    | 19,156,512.20     | 0.00                           | 75,863,640.99      | 5        |
| 6   | Total shareholders' equity                        | 182,245,989.76   | 151,887,707.20    | 0.00                           | 334,133,696.96     | 6        |
| 7   | Long-term debt (including current maturities) (1) | 157,303,308.00   | 135,000,000.00    | 0.00                           | 292,303,308.00     | 7        |
| 8   | Total capitalization                              | 339,549,297.76   | 286,887,707.20    | 0.00                           | 626,437,004.96     | 8        |
| 9   | Current liabilities                               |                  |                   |                                |                    | 9        |
| 10  | Notes payable                                     | 195,600,000.00   | 0.00              | 0.00                           | 195,600,000.00     | 10       |
| 11  | Accounts payable                                  | 66,662,966.39    | 19,037,914.00     | 0.00                           | 85,700,880.39      | 11       |
| 12  | Accrued taxes                                     | 4,095,781.81     | 4,937,289.00      | 0.00                           | 9,033,070.81       | 12       |
| 13  | Income taxes payable                              | 511,630.64       | 874,456.00        | 0.00                           | 1,386,086.64       | 13       |
| 14  | Dividends declared                                | 0.00             | 0.00              | 0.00                           | 0.00               | 14       |
| 15  | Customers' deposits                               | 8,485,506.48     | 5,715,971.00      | 0.00                           | 14,201,477.48      | 15       |
| 16  | Other current liabilities                         | 30,015,729.60    | 13,649,556.00     | 0.00                           | 43,665,285.60      | 16       |
| 17  | Intercompany accounts                             | 0.00             | 1,117,791.00      | 0.00                           | 1,117,791.00       | 17       |
| 18  | Total current liabilities                         | 305,371,634.92   | 45,332,977.00     | 0.00                           | 350,704,611.92     | 18       |
| 19  | Deferred federal income taxes                     | 55,894,379.30    | 25,210,082.00     | 0.00                           | 81,104,461.30      | 19       |
| 20  | Deferred credits                                  | 41,235,805.95    | 12,841,234.00     | 0.00                           | 54,077,039.95      | 20       |
| 21  | Total liabilities and shareholders' equity        | \$747,051,117.93 | \$370,272,000.20  | \$0.00                         | \$1,117,323,118.13 | 21       |

\*This balance sheet combines Energas, Trans La, Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

ATMOS ENERGY CORPORATION  
COMBINING STATEMENTS OF INCOME\*  
FOR THE MONTH ENDED JANUARY 31, 1998

| Line No. | Description (a)                       | ATMOS (b)       | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)  | Line No. |
|----------|---------------------------------------|-----------------|-------------------|--------------------------------|------------------|----------|
| 1        | Operating revenues                    |                 |                   |                                |                  | 1        |
| 2        | Gas                                   | \$51,506,761.32 | \$50,848,201.00   | \$0.00                         | \$102,354,962.32 | 2        |
| 3        | Transportation                        | 1,443,783.63    | 1,283,795.00      | 0.00                           | 2,727,578.63     | 3        |
|          | Other                                 | 0.00            | 0.00              | 0.00                           | 0.00             |          |
| 4        | Total operating revenues              | 52,950,544.95   | 52,131,996.00     | 0.00                           | 105,082,540.95   | 4        |
| 5        | Purchased gas cost                    | 29,774,983.87   | 31,527,890.00     | 0.00                           | 61,302,873.87    | 5        |
| 6        | Gross profit                          | 23,175,561.08   | 20,604,106.00     | 0.00                           | 43,779,667.08    | 6        |
|          | Operating expenses                    |                 |                   |                                |                  |          |
| 7        | Operation                             | 6,869,845.58    | 3,551,690.80      | 0.00                           | 10,421,536.38    | 7        |
| 8        | Maintenance                           | 372,650.02      | 400,926.00        | 0.00                           | 773,576.02       | 8        |
| 9        | Depreciation                          | 2,083,581.44    | 1,526,856.00      | 0.00                           | 3,610,437.44     | 9        |
| 10       | Taxes - other than income taxes       | 2,213,780.98    | 851,567.00        | 0.00                           | 3,065,347.98     | 10       |
| 11       | Provision for income taxes            | 3,481,000.00    | 5,005,536.00      | 0.00                           | 8,486,536.00     | 11       |
| 12       | Total operating expenses              | 15,020,858.02   | 11,336,575.80     | 0.00                           | 26,357,433.82    | 12       |
| 13       | Operating income (loss)               | 8,154,703.06    | 9,267,530.20      | 0.00                           | 17,422,233.26    | 13       |
|          | Other income                          |                 |                   |                                |                  |          |
| 14       | Merchandise                           | 45,091.74       | (4,918.00)        | 0.00                           | 40,173.74        | 14       |
| 15       | Interest income                       | 18,893.80       | 99,068.00         | 0.00                           | 117,961.80       | 15       |
| 16       | Other nonoperating income             | (17,266.17)     | (6,930.00)        | 0.00                           | (24,196.17)      | 16       |
| 17       | Total other income (loss)             | 46,719.37       | 87,220.00         | 0.00                           | 133,939.37       | 17       |
| 18       | Income (loss) before interest charges | 8,201,422.43    | 9,354,750.20      | 0.00                           | 17,556,172.63    | 18       |
| 19       | Interest charges                      | 2,506,345.99    | 1,098,577.00      | 0.00                           | 3,604,922.99     | 19       |
| 20       | Net income (loss)                     | \$5,695,076.44  | \$8,256,173.20    | \$0.00                         | \$13,951,249.64  | 20       |

\*This statement of income combines Energas, Trans La, Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

ATMOS ENERGY CORPORATION  
 COMBINING STATEMENTS OF INCOME\*  
 FOR FOUR MONTHS ENDED JANUARY 31, 1998

| Line No. | Description (a)                       | ATMOS (b)        | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)  | Line No. |
|----------|---------------------------------------|------------------|-------------------|--------------------------------|------------------|----------|
| 1        | Operating revenues                    |                  |                   |                                |                  | 1        |
| 2        | Gas                                   | \$207,326,253.80 | 162,330,210.00    | \$0.00                         | \$369,656,463.80 | 2        |
| 3        | Transportation                        | 4,937,356.09     | 5,223,556.00      | 0.00                           | 10,160,912.09    | 3        |
|          | Other                                 | 0.00             | 0.00              | 0.00                           | 0.00             |          |
| 4        | Total operating revenues              | 212,263,609.89   | 167,553,766.00    | 0.00                           | 379,817,375.89   | 4        |
| 5        | Purchased gas cost                    | 136,330,595.45   | 107,600,622.00    | 0.00                           | 243,931,217.45   | 5        |
| 6        | Gross profit                          | 75,933,014.44    | 59,953,144.00     | 0.00                           | 135,886,158.44   | 6        |
|          | Operating expenses                    |                  |                   |                                |                  |          |
| 7        | Operation                             | 24,875,836.33    | 17,971,775.22     | 0.00                           | 42,853,611.55    | 7        |
| 8        | Maintenance                           | 1,162,098.52     | 1,872,616.00      | 0.00                           | 3,034,714.52     | 8        |
| 9        | Depreciation                          | 8,329,381.74     | 6,116,762.00      | 0.00                           | 14,446,143.74    | 9        |
| 10       | Taxes - other than income taxes       | 6,905,751.88     | 4,115,192.00      | 0.00                           | 11,020,943.88    | 10       |
| 11       | Provision for income taxes            | 10,202,000.00    | 9,747,527.15      | 0.00                           | 19,949,527.15    | 11       |
| 12       | Total operating expenses              | 51,475,068.47    | 39,829,872.37     | 0.00                           | 91,304,940.84    | 12       |
| 13       | Operating income (loss)               | 24,457,945.97    | 20,123,271.63     | 0.00                           | 44,581,217.60    | 13       |
|          | Other income                          |                  |                   |                                |                  |          |
| 14       | Merchandise                           | 117,097.49       | (45,616.00)       | 0.00                           | 71,481.49        | 14       |
| 15       | Interest income                       | 71,359.92        | 461,287.00        | 0.00                           | 532,646.92       | 15       |
| 16       | Other nonoperating income             | (106,807.80)     | (28,973.00)       | 0.00                           | (135,780.80)     | 16       |
| 17       | Total other income (loss)             | 81,649.61        | 386,698.00        | 0.00                           | 468,347.61       | 17       |
| 18       | Income (loss) before interest charges | 24,539,595.58    | 20,509,969.63     | 0.00                           | 45,049,565.21    | 18       |
| 19       | Interest charges                      | 7,888,555.05     | 4,377,972.00      | 0.00                           | 12,266,527.05    | 19       |
| 20       | Net income (loss)                     | \$16,651,040.53  | \$16,131,997.63   | \$0.00                         | \$32,783,038.16  | 20       |

\*This statement of income combines Energas, Trans La, Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

**ATMOS ENERGY CORPORATION**  
**PROPERTY, PLANT AND EQUIPMENT**  
**AS OF JANUARY 31, 1998**

|  | Year to Date    |              |             |           | Balance 01/31/98 |
|--|-----------------|--------------|-------------|-----------|------------------|
|  | Balance 9/30/97 | Additions    | Retirements | Transfers |                  |
| <b>GAS PLANT</b>                         |                 |              |             |           |                  |
| Atmos                                    |                 |              |             |           |                  |
| Atmos General Office(2)                  | \$39,305,772.63 | \$0.00       | \$0.00      | \$655.12  | \$39,306,427.75  |
| Total Atmos                              | 39,305,772.63   | 0.00         | 0.00        | 655.12    | 39,306,427.75    |
| Energas                                  |                 |              |             |           |                  |
| Amarillo Transmission Div.(1)            | 3,209,615.20    | 0.00         | 0.00        | 0.00      | 3,209,615.20     |
| Amarillo City Plant Dist. Div.(3)        | 48,276,563.22   | 225,682.04   | 0.00        | 0.00      | 48,502,245.26    |
| Fritch & Sanford City Plt. Dist. Div.(4) | 953,581.61      | 0.00         | 0.00        | 0.00      | 953,581.61       |
| West Texas City Plant Dist. Div.(5)      | 158,615,097.05  | 828,719.36   | 0.00        | 0.00      | 159,443,816.41   |
| Dalhart City Plant Dist. Div.(6)         | 2,108,641.38    | 0.00         | 0.00        | 0.00      | 2,108,641.38     |
| West Texas Rural Irrigation Div.(8)      | 23,269,273.27   | 0.00         | 0.00        | 0.00      | 23,269,273.27    |
| Energas General Office(10)               | 2,437,569.38    | 0.00         | 0.00        | 0.00      | 2,437,569.38     |
| Fain-Amarillo Creek Transmission(11)     | 71,230.00       | 0.00         | 0.00        | 0.00      | 71,230.00        |
| Amarillo Rural Dist. Div.(13)            | 371,855.76      | 0.00         | 0.00        | 0.00      | 371,855.76       |
| Dalhart Rural Dist. Div.(17)             | 61,651.11       | 0.00         | 0.00        | 0.00      | 61,651.11        |
| Dalhart Rural Irrigation Div.(18)        | 333,690.52      | 0.00         | 0.00        | 0.00      | 333,690.52       |
| West Texas Rural Dist. Div.(21)          | 11,127,951.62   | 0.00         | 0.00        | 0.00      | 11,127,951.62    |
| Meter Shop Facilities & Meters(22)       | 0.00            | 0.00         | 0.00        | 0.00      | 0.00             |
| Total Energas                            | 250,836,720.12  | 1,054,401.40 | 0.00        | 0.00      | 251,891,121.52   |
| Trans La                                 |                 |              |             |           |                  |
| Trans La Dist. Div.(7)                   | 111,390,280.93  | 560,864.24   | 122,928.41  | 0.00      | 111,828,216.76   |
| Total Trans La                           | 111,390,280.93  | 560,864.24   | 122,928.41  | 0.00      | 111,828,216.76   |
| Western Kentucky Gas                     |                 |              |             |           |                  |
| Western Kentucky Gas Div.(9)             | 189,388,594.45  | 1,533,481.72 | 0.00        | 0.00      | 190,922,076.17   |
| Total Western Kentucky Gas               | 189,388,594.45  | 1,533,481.72 | 0.00        | 0.00      | 190,922,076.17   |

ATMOS ENERGY CORPORATION  
PROPERTY, PLANT AND EQUIPMENT  
AS OF JANUARY 31, 1998

|                                    | Year to Date              |                       |                     |                      |                           |
|------------------------------------|---------------------------|-----------------------|---------------------|----------------------|---------------------------|
|                                    | Balance 9/30/97           | Additions             | Retirements         | Transfers            | Balance 01/31/98          |
| <b>GAS PLANT</b>                   |                           |                       |                     |                      |                           |
| Greeley                            |                           |                       |                     |                      |                           |
| Meter Shop Facilities & Meters(24) | \$11,380,596.90           | \$0.00                | \$0.00              | \$0.00               | \$11,380,596.90           |
| Missouri Dist. Div.(29)            | 690,434.01                | 7,876.05              | 418.56              | 0.00                 | 697,891.50                |
| Denver Company Office(30)          | 1,797,536.72              | 0.00                  | 0.00                | 0.00                 | 1,797,536.72              |
| Greeley Dist. Div.(33)             | 23,770,593.23             | 789,781.32            | 29,651.67           | 0.00                 | 24,530,722.88             |
| Northwest Colorado Dist. Div.(34)  | 17,345,814.60             | (7,888.90)            | 467.12              | 0.00                 | 17,337,458.58             |
| Fremont County Dist. Div.(35)      | 23,294,862.37             | 3,073.65              | 46.86               | 0.00                 | 23,297,889.16             |
| Durango Dist. Div.(36)             | 15,387,957.07             | 0.00                  | 0.00                | 0.00                 | 15,387,957.07             |
| Central Colorado Dist. Div.(37)    | 0.00                      | 0.00                  | 0.00                | 0.00                 | 0.00                      |
| Cortez Dist. Div.(38)              | 0.00                      | 0.00                  | 0.00                | 0.00                 | 0.00                      |
| Southeast Colorado Dist. Div.(39)  | 0.00                      | 0.00                  | 0.00                | 0.00                 | 0.00                      |
| Kaw Valley Dist. Div.(82)          | 14,012,329.00             | 266,515.34            | 34,122.39           | 0.00                 | 14,244,721.95             |
| Central Kansas Dist. Div.(83)      | 8,127,974.64              | 0.00                  | 0.00                | 0.00                 | 8,127,974.64              |
| Cane Dist. Div.(84)                | 5,305,815.42              | 0.00                  | 0.00                | 0.00                 | 5,305,815.42              |
| Eastern Kansas Dist. Div.(85)      | 3,667,121.03              | 0.00                  | 0.00                | 0.00                 | 3,667,121.03              |
| Southwest Kansas Dist. Div.(86)    | 13,003,584.57             | 0.00                  | 0.00                | 0.00                 | 13,003,584.57             |
| Total Greeley Gas                  | 137,784,619.56            | 1,059,357.46          | 64,706.60           | 0.00                 | 138,779,270.42            |
| United Cities                      |                           |                       |                     |                      |                           |
| United Cities Dist. Divisions      | 495,033,830.05            | 0.00                  | 357,785.76          | (22,162.29)          | 494,653,882.00            |
| Total United Cities Gas            | 495,033,830.05            | 0.00                  | 357,785.76          | (22,162.29)          | 494,653,882.00            |
| <b>Total Gas Plant</b>             | <u>\$1,223,739,817.74</u> | <u>\$4,208,104.82</u> | <u>\$545,420.77</u> | <u>(\$21,507.17)</u> | <u>\$1,227,380,994.62</u> |

**ATMOS ENERGY CORPORATION  
PROPERTY, PLANT AND EQUIPMENT  
AS OF JANUARY 31, 1998**

|   | Year to Date              |                        |                       |                           |
|---|---------------------------|------------------------|-----------------------|---------------------------|
|   | Balance 9/30/97           | Additions              | Retirements           | Transfers                 |
| <b>OTHER GAS PLANT &amp;<br/>NON-UTILITY PROPERTY</b> |                           |                        |                       |                           |
| <b>Atmos</b>  |                           |                        |                       |                           |
| Atmos General Office                                  |                           |                        |                       |                           |
| Construction Work In Progress                         | \$31,465,556.99           | \$14,722,581.00        | \$0.00                | \$0.00                    |
| Non-utility Plant                                     | 1,132,200.02              | 1,012,663.01           | 460,023.56            | 0.00                      |
| <b>Total Atmos</b>                                    | <b>32,597,757.01</b>      | <b>15,735,244.01</b>   | <b>460,023.56</b>     | <b>0.00</b>               |
| <b>Energas</b>  |                           |                        |                       |                           |
| Construction Work In Progress                         | 1,379,247.81              | 2,556,084.66           | 0.00                  | 0.00                      |
| Non-utility Plant                                     | 517,520.24                | 0.00                   | 0.00                  | 0.00                      |
| <b>Total Energas</b>                                  | <b>1,896,768.05</b>       | <b>2,556,084.66</b>    | <b>0.00</b>           | <b>0.00</b>               |
| <b>Trans La</b>                                       |                           |                        |                       |                           |
| Construction Work In Progress                         | 340,764.90                | 1,311,760.79           | 0.00                  | 0.00                      |
| Acquisition Adj. - Trans La                           | 2,048,887.47              | 0.00                   | 0.00                  | 0.00                      |
| Non-utility Plant                                     | 215,890.91                | 0.00                   | 0.00                  | 0.00                      |
| <b>Total Trans La</b>                                 | <b>2,605,543.28</b>       | <b>1,311,760.79</b>    | <b>0.00</b>           | <b>0.00</b>               |
| <b>Western Kentucky Gas</b>                           |                           |                        |                       |                           |
| Construction Work In Progress                         | 779,599.09                | 2,316,701.94           | 0.00                  | 0.00                      |
| Acquisition Adj. - W.K.G.                             | 3,336,783.64              | 0.00                   | 0.00                  | 0.00                      |
| <b>Total Western Kentucky Gas</b>                     | <b>4,116,382.73</b>       | <b>2,316,701.94</b>    | <b>0.00</b>           | <b>0.00</b>               |
| <b>Greeley</b>  |                           |                        |                       |                           |
| Construction Work In Progress                         | (1,956,742.97)            | 2,133,758.74           | 0.00                  | 0.00                      |
| Acquisition Adj. - G.G.C. Prior                       | 1,446,406.41              | 0.00                   | 0.00                  | 0.00                      |
| Non-utility Plant                                     | 713,075.78                | 0.00                   | 0.00                  | 0.00                      |
| <b>Total Greeley Gas</b>                              | <b>202,739.22</b>         | <b>2,133,758.74</b>    | <b>0.00</b>           | <b>0.00</b>               |
| <b>United Cities</b>                                  |                           |                        |                       |                           |
| Construction Work In Progress                         | 631,379.28                | 6,135,715.65           | 0.00                  | (531,685.41)              |
| Acquisition Adj. - U.C.G.C. - Prior                   | 7,283,287.48              | 0.00                   | 0.00                  | 0.00                      |
| <b>Total United Cities Gas</b>                        | <b>7,914,666.76</b>       | <b>6,135,715.65</b>    | <b>0.00</b>           | <b>(531,685.41)</b>       |
| <b>Total Other Gas Plt &amp; Non-utility Prop</b>     | <b>49,333,857.05</b>      | <b>30,189,265.79</b>   | <b>460,023.56</b>     | <b>(531,685.41)</b>       |
| <b>Total Property, Plt. and Equipment</b>             | <b>\$1,273,073,674.79</b> | <b>\$34,397,370.61</b> | <b>\$1,005,444.33</b> | <b>(\$553,192.58)</b>     |
|   |                           |                        |                       | <b>\$1,305,912,408.49</b> |

ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF JANUARY 31, 1998

|  | Year to Date    |              |                |                  |
|--|-----------------|--------------|----------------|------------------|
|  | Balance 9/30/97 | Provision    | Adjustment     | Balance 01/31/98 |
| <b>GAS PLANT</b>                         |                 |              |                |                  |
| <b>Atmos</b>                             |                 |              |                |                  |
| Retirement work in progress              | \$4,900.00      | \$0.00       | \$0.00         | \$4,900.00       |
| Atmos General Office(2)                  | 15,625,575.32   | 938,126.43   | 0.00           | 16,563,701.75    |
| Total accum. prov. for depr. - Atmos     | 15,630,475.32   | 938,126.43   | 0.00           | 16,568,601.75    |
| <b>Energas</b>                           |                 |              |                |                  |
| Retirement work in progress              | 28,638.26       | 0.00         | (39,036.26)    | (10,398.00)      |
| Amarillo Transmission Div.(1)            | 2,302,858.65    | 23,056.48    | 0.00           | 2,325,915.13     |
| Amarillo City Plant Dist. Div.(3)        | 18,510,022.40   | 451,785.80   | 0.00           | 18,961,808.20    |
| Fritch & Sanford City Plt. Dist. Div.(4) | 384,725.27      | 7,235.80     | 0.00           | 391,961.07       |
| West Texas City Plant Dist. Div.(5)      | 61,038,208.57   | 1,833,724.48 | 0.00           | 62,871,933.05    |
| Dalhart City Plant Dist. Div.(6)         | 999,800.33      | 24,076.60    | 0.00           | 1,023,876.93     |
| West Texas Rural Irrigation Div.(8)      | 9,943,565.84    | 164,014.60   | 0.00           | 10,107,580.44    |
| Energas General Office(10)               | 1,135,624.24    | 125,179.96   | 0.00           | 1,260,804.20     |
| Fain-Amarillo Creek Transmission(11)     | 71,230.00       | 0.00         | 0.00           | 71,230.00        |
| Amarillo Rural Dist. Div.(13)            | 154,218.32      | 2,828.52     | 0.00           | 157,046.84       |
| Dalhart Rural Dist. Div.(17)             | 53,743.97       | 563.28       | 0.00           | 54,307.25        |
| Dalhart Rural Irrigation Div.(18)        | 262,696.11      | 3,408.04     | 0.00           | 266,104.15       |
| West Texas Rural Dist. Div.(21)          | 3,139,533.57    | 97,168.89    | 0.00           | 3,236,702.46     |
| Total accum. prov. for depr. - Energas   | 98,024,865.53   | 2,733,042.45 | (39,036.26)    | 100,718,871.72   |
| <b>Trans La(7)</b>                       |                 |              |                |                  |
| Retirement work in progress              | 0.00            | 0.00         | (5,383.16)     | (5,383.16)       |
| Trans La Dist. Div.                      | 31,633,759.74   | 1,403,582.31 | (173,487.02) * | 32,863,855.03    |
| Total accum. prov. for depr. - Trans La  | 31,633,759.74   | 1,403,582.31 | (178,870.18)   | 32,858,471.87    |
| <b>Western Kentucky Gas(9)</b>           |                 |              |                |                  |
| Retirement work in progress              | (938.81)        | 0.00         | (256,393.19)   | (257,332.00)     |
| Western Kentucky Gas Div.                | 85,835,926.91   | 2,269,776.76 | 0.00           | 88,105,703.67    |
| Total accum. prov. for depr. - WKG       | 85,834,988.10   | 2,269,776.76 | (256,393.19)   | 87,848,371.67    |



ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF JANUARY 31, 1998

|   | Year to Date            |                        |                         | Balance 01/31/98        |
|---|-------------------------|------------------------|-------------------------|-------------------------|
|   | Balance 9/30/97         | Provision              | Adjustment              |                         |
| <b>GAS PLANT</b>  |                         |                        |                         |                         |
| Greeley   |                         |                        |                         |                         |
| Retirement work in progress                                 | \$10,580.22             | \$0.00                 | \$1,996.99              | \$12,577.21             |
| Meter Shop Facilities & Meters(24)                          | 1,863,396.75            | 133,745.09             | 0.00                    | 1,997,141.84            |
| Missouri Dist. Div.(29)                                     | 171,052.82              | 7,466.07               | (836.49)                | 177,682.40              |
| Denver Company Office(30)                                   | 445,376.43              | 92,535.67              | 0.00                    | 537,912.10              |
| Greeley Dist. Div.(33)                                      | 8,401,512.44            | 318,169.65             | (42,530.20)             | 8,677,151.89            |
| Northwest Colorado Dist. Div.(34)                           | 5,398,662.61            | 231,337.85             | (556.47)                | 5,629,443.99            |
| Fremont County Dist. Div.(35)                               | 13,159,784.27           | 341,429.34             | (1,287.00)              | 13,499,926.61           |
| Durango Dist. Div.(36)                                      | 5,489,406.90            | 206,612.52             | 0.00                    | 5,696,019.42            |
| Central Colorado Dist. Div.(37)                             | 0.00                    | 0.00                   | 0.00                    | 0.00                    |
| Cortez Dist. Div.(38)                                       | 0.00                    | 0.00                   | 0.00                    | 0.00                    |
| Southeast Colorado Dist. Div.(39)                           | 0.00                    | 0.00                   | 0.00                    | 0.00                    |
| Kaw Valley Dist. Div.(82)                                   | 3,793,572.47            | 177,233.45             | (49,344.52)             | 3,921,461.40            |
| Central Kansas Dist. Div.(83)                               | 3,116,646.02            | 107,213.34             | 0.00                    | 3,223,859.36            |
| Cane Dist. Div.(84)   | 2,616,430.15            | 68,046.99              | 0.00                    | 2,684,477.14            |
| Eastern Kansas Dist. Div.(85)                               | 879,665.10              | 48,353.03              | 0.00                    | 928,018.13              |
| Southwest Kansas Dist. Div.(86)                             | 7,430,702.63            | 176,454.80             | 0.00                    | 7,607,157.43            |
| Total accum. prov. for depr. - GGC                          | 52,776,788.81           | 1,908,597.80           | (92,557.69)             | 54,592,828.92           |
| United Cities   |                         |                        |                         |                         |
| Retirement work in progress                                 | (\$6,748.17)            | \$0.00                 | \$264,080.17            | \$257,332.00            |
| United Cities Dist. Divisions                               | 184,836,303.91          | 3,466,393.68           | 0.00                    | 188,302,697.59          |
| Total United Cities Gas                                     | 184,829,555.74          | 3,466,393.68           | 264,080.17              | 188,560,029.59          |
| <b>Total accumulated prov. for depreciation.- Gas Plant</b> | <b>\$468,730,433.24</b> | <b>\$12,719,519.43</b> | <b>(\$302,777.15) *</b> | <b>\$481,147,175.52</b> |

ATMOS ENERGY CORPORATION  
 ACCUMULATED PROVISION  
 FOR DEPRECIATION AND AMORTIZATION  
 AS OF JANUARY 31, 1998

|   | Year to Date            |                        |                       |                         |
|---|-------------------------|------------------------|-----------------------|-------------------------|
|   | Balance 9/30/97         | Provision              | Adjustment            | Balance 01/31/98        |
| <b>NON-UTILITY PLANT IN SERVICE (CNG)</b>                                     |                         |                        |                       |                         |
| Texas   |                         |                        |                       |                         |
| Energas   | \$284,635.61            | \$17,250.64            | \$0.00                | \$301,886.25            |
| Total Texas   | <u>284,635.61</u>       | <u>17,250.64</u>       | <u>0.00</u>           | <u>301,886.25</u>       |
| Louisiana   |                         |                        |                       |                         |
| Trans La  | 118,740.55              | 7,196.40               | 0.00                  | 125,936.95              |
| Total Louisiana   | <u>118,740.55</u>       | <u>7,196.40</u>        | <u>0.00</u>           | <u>125,936.95</u>       |
| Greeley   |                         |                        |                       |                         |
| Greeley Gas   | 434,287.68              | 15,858.80              | 0.00                  | 450,146.48              |
| Total Greeley Gas   | <u>434,287.68</u>       | <u>15,858.80</u>       | <u>0.00</u>           | <u>450,146.48</u>       |
| Total accumulated provision for amort.<br>of non-utility plant in service     | <u>837,663.84</u>       | <u>40,305.84</u>       | <u>0.00</u>           | <u>877,969.68</u>       |
| <b>UTILITY PLANT ACQUISITION ADJUSTMENT</b>                                   |                         |                        |                       |                         |
| Louisiana   |                         |                        |                       |                         |
| Trans La  | 3,762,016.75            | (60,767.32)            | 0.00                  | 3,701,249.43            |
| Total Louisiana   | <u>3,762,016.75</u>     | <u>(60,767.32)</u>     | <u>0.00</u>           | <u>3,701,249.43</u>     |
| Kentucky  |                         |                        |                       |                         |
| W.K.G.  | 2,277,713.90            | 68,327.08              | 0.00                  | 2,346,040.98            |
| Total Kentucky  | <u>2,277,713.90</u>     | <u>68,327.08</u>       | <u>0.00</u>           | <u>2,346,040.98</u>     |
| Greeley   |                         |                        |                       |                         |
| G.G.C.  | 1,341,129.41            | 4,580.00               | 0.00                  | 1,345,709.41            |
| Total Greeley Gas   | <u>1,341,129.41</u>     | <u>4,580.00</u>        | <u>0.00</u>           | <u>1,345,709.41</u>     |
| United Cities   |                         |                        |                       |                         |
| Acquisition Adj. - U.C.G.C. Prior   | 1,528,772.50            | 55,551.50              | 0.00                  | 1,584,324.00            |
| Total United Cities Gas   | <u>1,528,772.50</u>     | <u>55,551.50</u>       | <u>0.00</u>           | <u>1,584,324.00</u>     |
| Total Accumulated Prov. for Amort. of Utility Plant<br>Acquisition Adjustment | <u>8,909,632.56</u>     | <u>67,691.26</u>       | <u>0.00</u>           | <u>8,977,323.82</u>     |
| Total accumulated provision for depreciation<br>& amortization                | <u>\$482,763,319.27</u> | <u>\$16,317,497.45</u> | <u>(\$302,777.15)</u> | <u>\$498,778,039.57</u> |

Total Depreciation Provision as per Balance Sheet  
 Less: Depreciation Provision charged to other accounts  
 Less: Depreciation Provision charged to other accounts (CNG)  
 Total Depreciation Expense as per Income Statement

\$16,317,497.45  
 7,947,809.87  
40,305.84  
\$8,329,381.74

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF JANUARY 31

01/05/98  
08:06 AM

| Reference | Page No. | Line No. | Acct. No. | Description   | 1998                  | 1997                  | As of September 30, 1997 |
|-----------|----------|----------|-----------|---|-----------------------|-----------------------|--------------------------|
|           |          |          |           | <b>NET PROPERTY, PLANT, AND EQUIPMENT</b>                           |                       |                       |                          |
|           |          |          |           | Atmos - Net Property, Plant and Equipment                           | 493,074,766.92        | 423,815,742.20        | 474,743,400.28           |
|           |          |          |           | United Cities Gas - Net Property Plant and Equipment                | 314,059,602.00        | 302,817,814.00        | 314,590,548.00           |
|           |          |          |           | Total Net Property, Plant and Equipment                             | <u>807,134,368.92</u> | <u>726,633,556.20</u> | <u>789,333,948.28</u>    |
| 59        | 6        |          |           |   |                       |                       |                          |
|           |          |          |           | <b>INVESTMENTS IN &amp; ADVANCES TO SUBSIDIARIES</b>                |                       |                       |                          |
|           |          |          |           | 1230 Investments In Associated Companies                            |                       |                       |                          |
|           |          |          |           | Atmos Energy Services, Inc.   | 1,000.00              | 1,000.00              | 1,000.00                 |
|           |          |          |           | Egasco, Inc.  | 1,000.00              | 1,000.00              | 1,000.00                 |
|           |          |          |           | Emermat, Inc.   | 1,000.00              | 1,000.00              | 1,000.00                 |
|           |          |          |           | Trans La Industrial Gas Company, Inc.                               | 2,293,047.89          | 2,293,047.89          | 2,293,047.89             |
|           |          |          |           | Western Kentucky Gas Resources                                      | 1,604,833.12          | 1,604,833.12          | 1,604,833.12             |
|           |          |          |           | Atmos - Total Investments in & Advances to Subsidiaries             | <u>3,900,881.01</u>   | <u>3,900,881.01</u>   | <u>3,900,881.01</u>      |
|           |          |          |           | United Cities Gas - Total Investments in & Advances to Subsidiaries | 4,452,327.00          | 4,452,327.00          | 4,452,327.00             |
|           |          |          |           | Total Investments in & Advances to Subsidiaries                     | <u>8,353,208.01</u>   | <u>8,353,208.01</u>   | <u>8,353,208.01</u>      |
| 59        | 7        |          |           |   |                       |                       |                          |
|           |          |          |           | <b>CASILAND TEMPORARY CASH INVESTMENTS</b>                          |                       |                       |                          |
|           |          |          |           | 1310 Cash in Banks  |                       |                       |                          |
|           |          |          |           | Cash - ACIS Refund  | (54,401.53)           | (29,905.73)           | (116,646.66)             |
|           |          |          |           | Cash - Auxiliary Accounts   | 360,998.26            | 1,467,457.15          | 540,590.76               |
|           |          |          |           | Cash - Concentration Account - ANB - 523                            | (5,382,298.06)        | (3,347,278.38)        | (2,639,517.39)           |
|           |          |          |           | Cash - Concentration Account - Nations Bank                         | 4,508,316.82          | 2,932,833.25          | 1,267,873.91             |
|           |          |          |           | Cash - Customer Refund  | (17,847.60)           | (108,481.31)          | (78,087.66)              |
|           |          |          |           | Cash - Other  | 28,751.93             | 29,448.52             | 29,112.43                |
|           |          |          |           | Cash - Fleet Bank   | 178,372.00            | 178,372.00            | 178,372.00               |
|           |          |          |           | Total Cash in Banks   | <u>(378,108.18)</u>   | <u>1,122,443.50</u>   | <u>(817,942.61)</u>      |
|           |          |          |           | 1350 Working Funds  | 45,797.59             | 62,065.00             | 52,355.00                |
|           |          |          |           | 1360 Temporary Cash Investments                                     |                       |                       |                          |
|           |          |          |           | Atmos - Total Cash and Temporary Cash Investments                   | 0.00                  | 0.00                  | 3,000,000.00             |
|           |          |          |           | United Cities Gas - Total Cash and Temporary Cash Investments       | (332,310.59)          | 1,184,310.50          | 2,234,412.39             |
|           |          |          |           | Total Cash and Temporary Cash Investments                           | <u>3,652,651.00</u>   | <u>5,272,927.00</u>   | <u>487,507.00</u>        |
| 59        | 8        |          |           |   | <u>3,320,340.41</u>   | <u>6,457,447.50</u>   | <u>2,721,919.39</u>      |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF JANUARY 31

03.03.98  
08.06 AM

| Reference                                  | Page | Line | Acct. | No. | Description                    | Date     | 1998      |  | 1997      |                                |
|--|------|------|-------|-----|--------------------------------|----------|-----------|--|-----------|--------------------------------|
|  |      |      |       |     |                                |          | No.       |  | No.       |                                |
|  |      |      |       |     |                                |          |           |  |           | As of<br>September 30,<br>1997 |
| <u>ACCOUNTS RECEIVABLE, LESS ALLOWANCE</u> |      |      |       |     |                                |          |           |  |           |                                |
| <u>FOR DOUBTFUL ACCOUNTS</u>               |      |      |       |     |                                |          |           |  |           |                                |
| 1410 Notes Receivable                      |      |      |       |     |                                |          |           |  |           |                                |
| (Main Extension Notes)                     |      |      |       |     |                                |          |           |  |           |                                |
|  |      |      |       |     |                                |          | 2,680.00  |  | 2,680.00  | 2,680.00                       |
|  |      |      |       |     | Tom King & Dr. Thomas Fields   | 09-26-97 |           |  |           |                                |
|  |      |      |       |     | Bowers, Michael and Melissa    | 03-19-98 | 1,785.00  |  | 1,785.00  | 1,785.00                       |
|  |      |      |       |     | Hayes Estates                  | 03-31-98 | 301.00    |  | 301.00    | 154.20                         |
|  |      |      |       |     | Murphy and Rochester, Inc.     | 09-01-98 | 16,510.00 |  | 16,510.00 | 16,510.00                      |
|  |      |      |       |     | Ida Road                       | 09-23-99 | 230.00    |  | 230.00    | 230.00                         |
|  |      |      |       |     | The Gardens Subdivision        | 05-11-02 | 1,060.00  |  | 1,060.00  | 1,060.00                       |
|  |      |      |       |     | Dwight W. Andrus, Jr.          | 10-28-02 | 4,480.00  |  | 4,480.00  | 4,480.00                       |
|  |      |      |       |     | Regency Development Co.        | 03-25-03 | 3,156.00  |  | 3,156.00  | 3,156.00                       |
|  |      |      |       |     | Herbert Construction Co., Inc. | 04-22-03 | 8,240.00  |  | 8,240.00  | 8,240.00                       |
|  |      |      |       |     | Oak Park Inc.                  | 07-26-03 | 1,630.00  |  | 1,630.00  | 1,630.00                       |
|  |      |      |       |     | Charles Bourgeois              | 08-29-03 | 1,470.00  |  | 1,470.00  | 1,470.00                       |
|  |      |      |       |     | Meyers, Tom                    | 09-01-03 | 462.00    |  | 462.00    | 462.00                         |
|  |      |      |       |     | Bailes, Julian                 | 09-06-03 | 1,318.00  |  | 1,318.00  | 1,318.00                       |
|  |      |      |       |     | Dupuis, Jason                  | 10-03-03 | 3,439.00  |  | 3,439.00  | 3,439.00                       |
|  |      |      |       |     | Chimacha Tribe of LA           | 11-29-03 | 4,415.00  |  | 4,415.00  | 4,415.00                       |
|  |      |      |       |     | Bell Meade Sub-Division        | 02-05-04 | 1,170.00  |  | 1,170.00  | 1,170.00                       |
|  |      |      |       |     | River Ridge Estates            | 04-02-04 | 1,933.00  |  | 1,933.00  | 1,933.00                       |
|  |      |      |       |     | Austin Village Phase II        | 04-25-04 | 11,360.00 |  | 11,360.00 | 11,360.00                      |
|  |      |      |       |     | Vermilion Bluff                | 04-25-04 | 2,680.00  |  | 2,680.00  | 2,680.00                       |
|  |      |      |       |     | Fernwood Sub. Ph VIII          | 05-03-04 | 3,210.00  |  | 3,210.00  | 3,210.00                       |
|  |      |      |       |     | Patin Place Subdivision        | 06-29-04 | 4,260.00  |  | 4,260.00  | 4,260.00                       |
|  |      |      |       |     | Oak Place Subdivision          | 09-25-04 | 9,010.00  |  | 9,010.00  | 9,010.00                       |
|  |      |      |       |     | Shenandoah Estates Ph VIII     | 11-07-04 | 7,970.00  |  | 7,970.00  | 7,970.00                       |
|  |      |      |       |     | Chinquapin Acres Ext. #1       | 01-13-05 | 2,228.00  |  | 2,228.00  | 2,228.00                       |
|  |      |      |       |     | Cambridge Drive Ext.           | 02-16-05 | 5,250.00  |  | 5,250.00  | 5,250.00                       |
|  |      |      |       |     | Beaulieu Estates               | 03-09-05 | 9,557.00  |  | 9,557.00  | 9,557.00                       |
|  |      |      |       |     | Sugar Ridge                    | 03-17-05 | 6,750.00  |  | 6,750.00  | 6,750.00                       |
|  |      |      |       |     | Silver Maple                   | 03-30-05 | 5,909.00  |  | 5,909.00  | 5,909.00                       |
|  |      |      |       |     | Ahern Acres                    | 05-02-05 | 990.00    |  | 990.00    | 990.00                         |
|  |      |      |       |     | Bayou Bend                     | 06-13-05 | 1,620.00  |  | 1,620.00  | 1,620.00                       |
|  |      |      |       |     | Ingram Subdivision             | 07-18-05 | 8,715.00  |  | 8,715.00  | 8,715.00                       |
|  |      |      |       |     | Magnolia Landing Ext.          | 07-26-05 | 15,041.00 |  | 15,041.00 | 15,041.00                      |
|  |      |      |       |     | Hideaway Acres #2 Ext.         | 07-28-05 | 475.00    |  | 475.00    | 475.00                         |
|  |      |      |       |     | Pin Oak Estates                | 09-08-05 | 5,681.00  |  | 5,681.00  | 5,681.00                       |
|  |      |      |       |     | Austin Village III             | 10-02-05 | 8,970.00  |  | 8,970.00  | 8,970.00                       |
|  |      |      |       |     | Fernwood Phase IV              | 10-12-05 | 4,675.00  |  | 4,675.00  | 4,675.00                       |
|  |      |      |       |     | Broussard Park Est. Phase #3   | 11-28-05 | 8,695.00  |  | 8,695.00  | 8,695.00                       |
|  |      |      |       |     | Summerfield Subdivision        | 01-15-06 | 7,500.00  |  | 7,500.00  | 7,500.00                       |
|  |      |      |       |     | Bear Creek Subdivision         | 03-19-06 | 8,030.00  |  | 8,030.00  | 8,030.00                       |
|  |      |      |       |     | Acadiana Plaza Subdivision     | 04-10-06 | 7,900.00  |  | 7,900.00  | 7,900.00                       |
|  |      |      |       |     | Summerset Place                | 04-24-06 | 2,640.00  |  | 2,640.00  | 2,640.00                       |
|  |      |      |       |     | Woodridge Subdivision Phase I  | 04-26-06 | 4,125.00  |  | 4,125.00  | 4,125.00                       |
|  |      |      |       |     | Kings Pointe Development       | 05-06-06 | 5,325.00  |  | 5,325.00  | 5,325.00                       |
|  |      |      |       |     | Austin Village Phase 4         | 05-06-06 | 8,990.00  |  | 8,990.00  | 8,990.00                       |
|  |      |      |       |     | New Center Commons             | 06-05-06 | 4,745.00  |  | 4,745.00  | 4,745.00                       |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF JANUARY 31

03/03/98  
08:06 AM

Reference

| Page No. | Line No. | Acct. No. | Description                          | 1998       | 1997       | As of September 30, 1997 |
|----------|----------|-----------|--------------------------------------|------------|------------|--------------------------|
|          | 07-10-06 |           | Beallieu Estates Subd. #1            | 5,970.00   | 5,970.00   | 5,970.00                 |
|          | 07-10-06 |           | Beallieu Estates Subd. #2            | 4,465.00   | 4,465.00   | 4,465.00                 |
|          | 07-11-06 |           | Enclave Development                  | 1,810.00   | 1,810.00   | 1,810.00                 |
|          | 07-18-06 |           | Ozene Road                           | 3,520.00   | 3,520.00   | 3,520.00                 |
|          | 07-31-06 |           | Sugarland Estates Phase A            | 4,130.00   | 4,130.00   | 4,130.00                 |
|          | 08-03-06 |           | The Oaks Subdivision                 | 8,900.00   | 8,900.00   | 8,900.00                 |
|          | 10-14-06 |           | Acadian Place Estates                | 1,507.00   | 1,507.00   | 1,507.00                 |
|          | 10-14-06 |           | St. Clair V Subdivision              | 10,044.00  | 10,044.00  | 10,044.00                |
|          | 10-14-06 |           | Jean Clair Subdivision               | 8,453.00   | 8,453.00   | 8,453.00                 |
|          | 10-23-06 |           | Judice Estates                       | 7,415.00   | 7,415.00   | 7,415.00                 |
|          | 11-14-06 |           | Twin Pines Mobile Home               | 12,950.00  | 12,950.00  | 12,950.00                |
|          | 01-28-07 |           | Brunswick Place                      | 3,235.00   | 0.00       | 3,235.00                 |
|          | 02-24-07 |           | Leontompe Tract H                    | 7,070.00   | 0.00       | 7,070.00                 |
|          | 02-24-07 |           | Leontompe Tract J, PHH               | 3,300.00   | 0.00       | 3,300.00                 |
|          | 04-14-07 |           | Copperfield South                    | 22,000.00  | 0.00       | 22,000.00                |
|          | 04-23-07 |           | Woodlake Subdivision                 | 3,295.00   | 0.00       | 3,295.00                 |
|          | 03-01-07 |           | Beallieu Place Subdivision - Phase 3 | 6,260.00   | 0.00       | 6,260.00                 |
|          | 05-06-07 |           | B.F. Miller Extension                | 4,350.00   | 0.00       | 4,350.00                 |
|          | 06-09-07 |           | Hackberry Place                      | 10,420.00  | 0.00       | 10,420.00                |
|          | 06-11-07 |           | E. Bayou Oaks                        | 10,630.00  | 0.00       | 10,630.00                |
|          | 09-03-07 |           | Kingpointe Phase 2                   | 12,120.00  | 0.00       | 12,120.00                |
|          | 09-22-08 |           | Amy Estates                          | 8,490.00   | 0.00       | 8,490.00                 |
|          | 11-14-07 |           | Summerfield Phase II                 | 5,077.00   | 0.00       | 5,077.00                 |
|          | 09-03-07 |           | Austin Village Phase 6               | 11,545.00  | 0.00       | 11,545.00                |
|          | 03-05-97 |           | Woodhaven Estates                    | 0.00       | 3,450.00   | 0.00                     |
|          | 10-03-03 |           | Collins, Daniel W.                   | 0.00       | 8,217.00   | 0.00                     |
|          | 06-22-04 |           | St. Clair Estates                    | 0.00       | 5,049.00   | 0.00                     |
|          | 02-06-05 |           | St. Clair Unit #2, Phase 2           | 0.00       | 7,256.00   | 0.00                     |
|          | 03-08-05 |           | Giverny Gardens                      | 0.00       | 1,610.00   | 0.00                     |
|          | 07-15-05 |           | Vienna Bend                          | 0.00       | 4,565.00   | 0.00                     |
|          | 07-31-05 |           | Sunrille Drive                       | 0.00       | 3,405.00   | 0.00                     |
|          | 12-19-07 |           | Fernwood Sub. Ph XII                 | 8,790.00   | 0.00       | 8,790.00                 |
|          | 11-13-07 |           | Sugar Ridge Subdivision              | 9,291.00   | 0.00       | 9,291.00                 |
|          |          |           | Total Notes Receivable               | 421,762.12 | 346,391.00 | 366,487.20               |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF JANUARY 31

01/01/98  
08:06 AM

Reference

| Page | Line | Acct. | Description                                    |  |                | 1998           | 1997           | As of         |
|------|------|-------|--|--|----------------|----------------|----------------|---------------|
| No.  | No.  | No.   |  |  |                |                |                | September 30, |
|      |      |       |  |  |                |                |                | 1997          |
|      | 1420 |       | Customer Accounts Receivable                   |  |                |                |                |               |
|      | 1420 | 1,2   | Gas Ledger                                     |  |                |                |                |               |
|      |      |       | General Office                                 |  |                |                |                |               |
|      |      |       | Unbilled revenue - Energas                     |  | 11,433,000.00  | 11,267,000.00  | 2,261,000.00   |               |
|      |      |       | Unbilled revenue - GGC                         |  | 6,706,000.00   | 6,220,000.00   | 1,409,000.00   |               |
|      |      |       | Unbilled revenue - Trans La                    |  | 1,510,000.00   | 3,892,000.00   | 889,000.00     |               |
|      |      |       | Unbilled revenue - WKG                         |  | 9,640,000.00   | 12,880,000.00  | 2,373,000.00   |               |
|      |      |       | PGA - Correcting Account - Energas             |  | (277,000.00)   | 402,000.00     | 623,000.00     |               |
|      |      |       | PGA - Correcting Account - GGC                 |  | 5,167,511.00   | 6,630,000.00   | 8,709,594.00   |               |
|      |      |       | PGA - Correcting Account - Trans La            |  | 463,000.00     | (1,159,000.00) | 225,000.00     |               |
|      |      |       | PGA - Correcting Account - WKG                 |  | (3,041,000.00) | 2,043,000.00   | 5,010,000.00   |               |
|      |      |       | Handbilled Industrial Accounts - Energas       |  | 284,086.61     | 544,708.14     | 137,781.35     |               |
|      |      |       | Handbilled Industrial Accounts - Trans La      |  | 140,904.31     | 447,168.16     | 90,031.55      |               |
|      |      |       | Handbilled Industrial Accounts - WKG           |  | 1,659,695.67   | 6,616,671.36   | 2,386,869.50   |               |
|      |      |       | Mech. Bill W. TX Dist/Int                      |  | 0.00           | (935.05)       | 0.00           |               |
|      |      |       | Energas Div - Amarillo System (City and Rural) |  | 4,001,315.89   | 4,800,143.06   | 746,816.67     |               |
|      |      |       | Dalhart City Plant System (City and Rural)     |  | 151,933.22     | 252,387.88     | 51,269.30      |               |
|      |      |       | Fritch & Sanford System                        |  | 122,381.55     | 161,118.19     | 11,311.17      |               |
|      |      |       | West Texas City Plant System (City and Rural)  |  | 18,924,672.49  | 24,410,204.06  | 12,102,455.58  |               |
|      |      |       | Greeley Gas Company Division                   |  | 11,904,690.03  | 10,006,966.54  | 2,257,484.51   |               |
|      |      |       | Trans La Division                              |  | 3,439,005.05   | 6,348,250.98   | 1,302,481.08   |               |
|      |      |       | Western Kentucky Gas Division                  |  | 15,100,952.37  | 8,590,439.55   | 516,088.24     |               |
|      |      |       | Total Gas Ledger Receivables                   |  | 87,331,108.21  | 104,694,122.87 | 41,002,182.95  |               |
|      | 1420 | 3     | Merchandise Ledger                             |  |                | 2,102,140.88   | 2,190,307.06   | 2,172,379.34  |
|      | 1420 | 4     | Service Ledger                                 |  |                | 332,152.23     | 253,438.78     | 270,935.33    |
|      | 1420 | 6     | Customer Surcharge - GGC                       |  |                | 9,914.86       | 30,073.05      | 11,088.80     |
|      |      |       | Total Customer Accounts Receivable             |  |                | 89,775,316.18  | 107,167,941.76 | 43,456,586.42 |
|      | 1430 |       | Other Accounts Receivable                      |  |                |                |                |               |
|      | 1430 | 1     | Miscellaneous                                  |  |                |                |                |               |
|      |      |       | Additional Billing                             |  |                |                |                |               |
|      |      |       | Additional Billing - WKG                       |  | 0.00           | 15,943.05      | (93,443.42)    |               |
|      |      |       | Eddins - Watcher Rent                          |  | (1,325.00)     | 0.00           | 0.00           |               |
|      |      |       | Clyde Plant Extraction - Koch                  |  | 7,184.45       | 22,069.62      | (1,488.09)     |               |
|      |      |       | Forran Outage                                  |  | 3,083.62       | 0.00           | 0.00           |               |
|      |      |       | KN - Tahoka Outage                             |  | 14.60          | 10,152.73      | 0.00           |               |
|      |      |       | GGC Auto Salvage A/R                           |  | (30.00)        | 41,432.98      | 0.00           |               |
|      |      |       | Greeley Outage                                 |  | (6,323.94)     | 0.00           | 0.00           |               |
|      |      |       | Breaux Bridge Outage                           |  | 4,077.14       | 0.00           | 0.00           |               |
|      |      |       | KN - Plainview Linecut                         |  | 48.70          | 0.00           | 528.22         |               |
|      |      |       | KN - Big Spring OVR/DOR                        |  | 1,227.04       | 0.00           | 0.00           |               |
|      |      |       | Monroe Outage                                  |  | 330.74         | 0.00           | 0.00           |               |
|      |      |       | Platteville Outage                             |  | 41,903.25      | 53,740.15      | 5,033.34       |               |
|      |      |       | Westar - Post Outage                           |  | 0.00           | 1,178.31       | 0.00           |               |
|      |      |       | Wimfield Outage                                |  | (169.19)       | 4,927.50       | 5,865.36       |               |
|      |      |       | CNG - Amarillo                                 |  | (172.82)       | 105.56         | (173.32)       |               |
|      |      |       | CNG - Canyon                                   |  | 447.90         | 1,671.31       | 510.08         |               |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF JANUARY 31

03/05/98  
08:06 AM

| Page No. | Line No. | Acct. No. | Description   | 1998           | 1997           | As of September 30, 1997 |
|----------|----------|-----------|---|----------------|----------------|--------------------------|
|          |          |           | CNG - Lafayette   | 0.00           | 127.86         | 0.00                     |
|          |          |           | Meter Salvage Receivable  | 2,775.00       | 6,665.50       | 8,056.10                 |
|          |          |           | Midwestern/Equitable Cash                                       | 13,045.94      | 0.00           | 12,926.26                |
|          |          |           | Miscellaneous   | 68,641.84      | (1,754.78)     | 83,624.16                |
|          |          |           | Steamboat Springs Incident (Reimbursable Expense)               | 0.00           | 179,722.33     | 12,126.80                |
|          |          |           | Total Miscellaneous Receivable                                  | 134,759.27     | 335,982.12     | 75,468.74                |
|          |          |           | 1430 2 0541 - Employees' Expense Advances(Incl. Bridge Loans)   | 138,238.83     | 42,794.23      | 81,131.23                |
|          |          |           | 1430 2 0600 - Merchandise Employees' Payroll Deductions         | 124,889.52     | 185,891.05     | 139,500.82               |
|          |          |           | 1430 7 - Trans La Miscellaneous                                 | 18,917.48      | 428,071.99     | 428,071.99               |
|          |          |           | State Dept. of Transportation                                   | 60.00          | 60.00          | 90.00                    |
|          |          |           | Acadia Parish Police Jury                                       | 5,472.49       | 36,127.47      | 8,440.79                 |
|          |          |           | LIG   |                |                |                          |
|          |          |           | Total Trans La Miscellaneous Receivables                        | 24,449.97      | 464,259.46     | 436,602.78               |
|          |          |           | 1430 9 0500 - WKG PAC   | 2,230.29       | 411.64         | 575.98                   |
|          |          |           | 1430 9 0700 - Westar - Chart Reading & Misc.                    | 4,469.02       | 4,888.30       | 3,838.09                 |
|          |          |           | Total Other Accounts Receivable                                 | 429,315.76     | 1,034,256.80   | 737,117.64               |
|          |          |           | 1440 Allowance for Doubtful Accounts                            | (1,758,038.15) | (1,246,288.98) | (966,451.32)             |
|          |          |           | Atmos - Total Receivable, Less Allowance                        | 88,868,335.91  | 107,302,270.58 | 43,593,739.94            |
|          |          |           | United Cities Gas - Total Receivable, Less Allowance            | 63,416,135.00  | 89,380,764.00  | 24,162,577.00            |
| 59       | 9        |           | Total Accounts Receivable, Less Allowance for Doubtful Accounts | 152,284,470.91 | 196,683,034.58 | 67,756,316.94            |
|          |          |           | INVENTORIES   |                |                |                          |
|          |          |           | 1540 Plant Materials and Supplies                               | 5,531,057.13   | 5,588,435.38   | 5,148,721.93             |
|          |          |           | 1550 Merchandise  | 153,360.83     | 176,982.78     | 160,233.09               |
|          |          |           | 1630 Stores Expense Undistributed                               | 1,997,049.98   | 1,538,456.66   | 1,785,741.60             |
|          |          |           | Atmos - Total Inventories                                       | 7,681,467.94   | 7,303,884.82   | 7,094,696.62             |
|          |          |           | United Cities Gas - Total Inventories                           | 5,102,071.00   | 5,212,258.00   | 4,115,542.00             |
| 59       | 10       |           | Total Inventories   | 12,783,538.94  | 12,516,142.82  | 11,210,238.62            |
|          |          |           | GAS STORED UNDERGROUND  |                |                |                          |
|          |          |           | Atmos - Total Gas Stored Underground, current                   | 12,673,728.31  | 8,891,079.64   | 14,683,860.36            |
|          |          |           | United Cities Gas - Total Gas Stored Underground, current       | 16,563,169.00  | 17,119,560.00  | 26,905,596.00            |
| 59       | 11       |           | Total Gas Stored Underground, current                           | 29,236,897.31  | 26,010,639.64  | 41,589,456.36            |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF JANUARY 31

03/03/98  
08:06 AM

| Reference | Page No. | Line No. | Acct. No. | Description  | 1998            | 1997            | As of September 30, 1997 |
|-----------|----------|----------|-----------|--|-----------------|-----------------|--------------------------|
|           |          |          |           | <b>OTHER CURRENT ASSETS</b>  |                 |                 |                          |
|           |          |          |           | 1340 Other Special Deposits  | 16,887.74       | 14,762.74       | 16,887.74                |
|           |          |          |           | Guaranty Deposits  | 16,887.74       | 14,762.74       | 16,887.74                |
|           |          |          |           | Total Other Special Deposits   | 16,887.74       | 14,762.74       | 16,887.74                |
|           |          |          |           | 1660 Prepayments   |                 |                 |                          |
|           |          |          |           | Prepaid Gas:   |                 |                 |                          |
|           |          |          |           | Alliance Prepaid Gas   | 82,643.27       | 0.00            | 1,172,398.13             |
|           |          |          |           | Term Alliance Prepaid Gas  | 192,804.34      | 0.00            | 16,816.84                |
|           |          |          |           | Cambridge Energy Research (Amort \$2,500/mo thru 01/98)                  | 0.00            | 0.00            | 5,000.00                 |
|           |          |          |           | Software Maintenance:  |                 |                 |                          |
|           |          |          |           | SCT Billing Software (Escalating amort to capital 02/97 thru 12/99)      | 642,351.09      | 507,038.59      | 750,601.09               |
|           |          |          |           | Oracle Database Maint (Escalating amort to IS clearing 02/97 thru 01/00) | 171,191.96      | 0.00            | 192,591.16               |
|           |          |          |           | Dues - AGA   | 25,956.46       | (19,785.86)     | 0.00                     |
|           |          |          |           | Dues - SGA   | 14,666.66       | 14,666.66       | 3,999.94                 |
|           |          |          |           | Franchise Tax - City   | 683.08          | 2,732.32        | 1,366.16                 |
|           |          |          |           | Franchise Tax - Texas  | 40,000.00       | 150,000.00      | 0.00                     |
|           |          |          |           | Gas - Excess Nominations   | 181,735.30      | 183,076.88      | 181,898.76               |
|           |          |          |           | Gross Receipts Tax - Texas   | (678,519.86)    | 0.00            | 0.00                     |
|           |          |          |           | Institute of Gas Technology (Amort \$2,108/mo thru 12/97)                | (2,108.00)      | (2,112.00)      | 6,324.00                 |
|           |          |          |           | Insurance - Prop., Gen. Liab., Auto, etc.                                | 847,185.07      | 849,900.70      | 358,470.88               |
|           |          |          |           | Insurance - Retirement Cost  | 385,165.61      | 397,368.21      | 559,450.12               |
|           |          |          |           | CPSC Assessment (Quarterly)  | 10,936.75       | 15,111.58       | 12,797.16                |
|           |          |          |           | KPSC Assessment (Amort \$13,368/mo thru 6/97)                            | 0.00            | 66,840.00       | 0.00                     |
|           |          |          |           | Occupational License   | (5,692.00)      | (4,792.00)      | 17,508.00                |
|           |          |          |           | Postage  | 36,229.53       | 19,194.67       | 96,346.64                |
|           |          |          |           | Prepaid Debt, Exp. - Nations (Amort \$5,000/mo thru 8/98)                | 34,999.97       | 20,416.65       | 54,999.97                |
|           |          |          |           | Rent - Gilliland Group (Oper Co)   | 284,592.01      | 284,592.01      | 284,592.01               |
|           |          |          |           | Total Prepayments  | 2,264,821.24    | 2,484,248.41    | 3,715,160.86             |
|           |          |          |           | Amnos - Total Other Current Assets                                       | 2,281,708.98    | 2,499,011.15    | 3,732,048.60             |
|           |          |          |           | United Cities Gas - Total Other Current Assets                           | 1,297,143.00    | 1,480,796.00    | 1,807,255.00             |
| 59        | 12       |          |           | Total Other Current Assets   | 3,578,851.98    | 3,979,807.15    | 5,539,303.60             |
|           |          |          |           | <b>INTERCOMPANY ACCOUNTS - NET</b>                                       |                 |                 |                          |
|           |          |          |           | 1460 Accounts Receivable from Assoc. Co.                                 |                 |                 |                          |
|           |          |          |           | Amnos Energy Services, Inc.  | 5,609.98        | 2,870.91        | 5,609.98                 |
|           |          |          |           | Egasco, Inc.   | 1,184,128.04    | 907,773.43      | 808,349.49               |
|           |          |          |           | Enermart, Inc.   | 22,649,251.11   | 7,801,721.14    | 21,120,195.01            |
|           |          |          |           | Enermart Trust   | (21,817,485.06) | (18,791,110.92) | (23,708,148.28)          |
|           |          |          |           | Trans La Industrial Gas Company, Inc.                                    | (2,744,730.35)  | (2,154,087.33)  | (2,738,776.04)           |
|           |          |          |           | United Cities Gas Company  | 71,424,687.80   | 0.00            | 66,906,326.59            |
|           |          |          |           | Western Kentucky Gas Resources   | (969,687.76)    | (939,800.31)    | (967,305.90)             |
|           |          |          |           | Amnos - Total Intercompany Accounts                                      | 75,731,773.76   | (13,172,633.08) | 61,426,250.85            |
|           |          |          |           | United Cities Gas - Total Intercompany Accounts                          | (66,375,860.80) | 2,469,504.00    | (58,606,626.59)          |
| 59        | 13       |          |           | Total Intercompany Accounts - Net  | 9,355,912.96    | (10,703,129.08) | 2,819,624.26             |
| 59        | 14       |          |           | Total Current Assets   | 210,560,012.51  | 224,943,942.61  | 131,656,859.17           |



ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF JANUARY 31

01/03/98  
08:06 AM

| Reference                                |             | Description  |   | 1998         | 1997         | As of<br>September 30,<br>1997 |
|--|-------------|--------------|---|--------------|--------------|--------------------------------|
| Page<br>No.                              | Line<br>No. | Acct.<br>No. | Description   |              |              |                                |
| <b>DEFERRED CHARGES AND OTHER ASSETS</b> |             |              |   |              |              |                                |
|  | 1280        |              | Gilliland Lease Deposits                                  | 737,624.05   | 737,624.05   | 737,624.05                     |
|  |             |              | Total Other Special Funds                                 | 737,624.05   | 737,624.05   | 737,624.05                     |
|  | 1240        |              | Other Investments   |              |              |                                |
|  |             |              | Club Memberships  | 8,301.00     | 8,301.00     | 8,301.00                       |
|  |             |              | Herrington Industrial Development                         | 250.00       | 250.00       | 250.00                         |
|  |             |              | Wisdom Industrial Development                             | 750.00       | 750.00       | 750.00                         |
|  |             |              | Worthington Industries Inc                                | 100.00       | 100.00       | 100.00                         |
|  |             |              | Total Other Investments                                   | 9,401.00     | 9,401.00     | 9,401.00                       |
|  | 1810        |              | Unamortized Debt Expense                                  |              |              |                                |
|  |             |              | John Hancock Notes (11.2% through 12/30/02)               | 40,435.18    | 48,659.26    | 43,176.54                      |
|  |             |              | John Hancock Notes (9.76% through 12/30/04)               | 87,933.32    | 102,795.32   | 92,887.32                      |
|  |             |              | Var. Annuity Life Ins. (9.57% through 9/30/06)            | 69,654.36    | 77,769.36    | 72,339.36                      |
|  |             |              | Var. Annuity Life Ins. (7.95% through 9/01/06)            | 34,384.07    | 38,390.03    | 35,719.39                      |
|  |             |              | Var. Annuity Life Ins. (8.07% through 10/01/06)           | 87,987.31    | 98,042.95    | 91,339.19                      |
|  |             |              | New York Life Ins. (8.26% through 10/01/14)               | 100,493.41   | 106,493.05   | 102,493.29                     |
|  |             |              | First Mortgage Bonds (9.4% through 2021)                  | 528,597.09   | 551,170.65   | 536,121.61                     |
|  |             |              | Total Unamortized Debt Expense                            | 949,484.74   | 1,023,320.62 | 974,096.70                     |
|  | 1840        |              | Clearing Accounts   |              |              |                                |
|  |             |              | Ditchers & Backhoes                                       | 219.35       | (9,870.05)   | 0.00                           |
|  |             |              | Information Services                                      | 66,956.37    | 0.00         | 0.00                           |
|  |             |              | Meter Shop  | (22,615.36)  | 449,230.94   | 0.00                           |
|  |             |              | Meter Loops   | 210.58       | (238,243.28) | 1,738.76                       |
|  |             |              | Payroll/Taxes   | 22,677.24    | (2,183.78)   | (25,448.08)                    |
|  |             |              | Vehicle System  | (232,348.21) | 109,714.09   | 0.00                           |
|  |             |              | Welders   | 70.13        | (7,431.78)   | 0.00                           |
|  |             |              | Fleet Administration                                      | (0.00)       | 0.00         | 0.00                           |
|  |             |              | Total Clearing Accounts                                   | (164,829.90) | 301,216.14   | (23,709.32)                    |
|  | 1860        |              | Miscellaneous Deferred Debits                             |              |              |                                |
|  |             |              | Advanced Payments to Employees                            | 158,014.05   | 49,751.03    | 218,603.61                     |
|  |             |              | Kennedy PBR   | 7,236.23     | 0.00         | 0.00                           |
|  |             |              | Car Allowance (Amort calendar year)                       | 165,450.00   | 161,975.00   | 47,907.00                      |
|  |             |              | Company Facilities:                                       |              |              |                                |
|  |             |              | Menroe Office   | 25,188.96    | 25,188.96    | 25,188.96                      |
|  |             |              | Naichtoches Service Center (Reimbursable Upon Completion) | (7,050.69)   | 4,635.73     | (7,435.32)                     |
|  |             |              | Paduah Remodeling (Reimbursable Upon Completion)          | 97,503.81    | 97,503.81    | 97,503.81                      |
|  |             |              | Steamboat Springs Office                                  | 0.00         | 3,208.15     | 0.00                           |
|  |             |              | Thibodaux Office  | 38,357.48    | 0.00         | 38,357.48                      |
|  |             |              | Colorado Pipeline Refunds                                 | 0.00         | 31,372.90    | 0.00                           |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF JANUARY 31

02/05/98  
08:06 AM

| Reference | Page No. | Line No. | Acct. No. | Description  | 1998           | 1997           | As of September 30, 1997 |
|-----------|----------|----------|-----------|--|----------------|----------------|--------------------------|
|           |          |          |           | Consulting   | 26,666.64      | 40,000.00      | 80,000.00                |
|           |          |          |           | Dunville Incident - KY   | 17,333.79      | 0.00           | 17,333.79                |
|           |          |          |           | Deferred Take or Pay - GGC   | 351,289.41     | 247,759.83     | 322,550.59               |
|           |          |          |           | Department Projects:   |                |                |                          |
|           |          |          |           | Texas Gas Rate Case  | 5,267.07       | 0.00           | 722.36                   |
|           |          |          |           | Add O&M Standards to ALMS  | 64,729.49      | 60,224.19      | 64,729.49                |
|           |          |          |           | Functional Standard Costing  | 24,101.43      | 24,101.43      | 24,101.43                |
|           |          |          |           | Gas Contract Management System   | 29,293.79      | 22,438.34      | 27,209.90                |
|           |          |          |           | Internet Requirements Project  | 0.00           | 3,850.00       | 0.00                     |
|           |          |          |           | KN Meter Tif-Retirement  | 0.00           | 832,692.33     | 0.00                     |
|           |          |          |           | Odessa Service Center Remodel  | 10,206.62      | 0.00           | 0.00                     |
|           |          |          |           | Remote Paycenter Project   | 25,785.59      | 1,606.67       | 25,785.59                |
|           |          |          |           | Rate System Modification   | 21,566.93      | 0.00           | 0.00                     |
|           |          |          |           | Quality Review - CIS Project   | 245,383.88     | 209,044.58     | 245,383.88               |
|           |          |          |           | DBS Installs A/P   | 0.00           | 77,435.49      | 0.00                     |
|           |          |          |           | Drilling Permits - Energas   | 0.00           | (1,300.00)     | 1,000.00                 |
|           |          |          |           | Escortain - Std. P.C. Training Cost                                    | 0.00           | 27,559.84      | 0.00                     |
|           |          |          |           | GGC ACH Cash Clearing  | (43,188.86)    | (5,230.75)     | (784.36)                 |
|           |          |          |           | GGC Cash Reconciliation  | 15,553.79      | 3,257.55       | 154.13                   |
|           |          |          |           | Lincoln Center Rent  | 221,602.94     | 0.00           | 171,776.49               |
|           |          |          |           | LPSC Settlement (Amort. Heating Sea., Fiscal 96 & 97)                  | 0.00           | 150,012.60     | 0.00                     |
|           |          |          |           | Misc. Charges to be Cleared Currently                                  | 372,981.10     | 5,010.17       | 74,834.22                |
|           |          |          |           | Other Work in Progress   | 101,232.79     | 109,221.63     | 102,306.21               |
|           |          |          |           | Pension Assets - Atmos   | (1,527,259.03) | (1,222,730.65) | (1,409,859.03)           |
|           |          |          |           | Pension Assets - WKG   | 11,301,719.94  | 11,318,527.94  | 11,294,519.94            |
|           |          |          |           | Pension Assets - GGC   | (519,250.00)   | (293,898.00)   | (450,970.00)             |
|           |          |          |           | Rate Cases:  |                |                |                          |
|           |          |          |           | Rate Case Exp - CO - Phase III (Amort \$1,225/mo. thru 12/98)          | 13,474.45      | 28,173.85      | 18,374.25                |
|           |          |          |           | Rate Case Exp - CO (1993)(Amort \$7,166/mo. 5/94 thru 4/97)            | 0.00           | 21,499.00      | 0.00                     |
|           |          |          |           | Rate Case 95-010 - WKG (Amort \$6,828.50/mo. 11/95 thru 10/98)         | 61,456.37      | 143,398.37     | 88,770.37                |
|           |          |          |           | Rate Case - West Texas (Amort \$1,534.58/mo. thru 11/99)               | 32,226.04      | 50,736.21      | 38,364.36                |
|           |          |          |           | Restricted Stock Grant Plan  | 5,574,744.99   | 949,919.64     | 3,117,164.34             |
|           |          |          |           | Retirement Cost (Rabbi Trusts and CVI)                                 | 22,322,401.76  | 18,001,083.49  | 21,209,828.66            |
|           |          |          |           | Trans La Lawuit & COG Investigation (Amort \$27,000/mo 3/94 thru 2001) | 1,151,572.73   | 1,475,572.73   | 1,259,572.73             |
|           |          |          |           | Trans La Post Settlement   | 170,387.56     | 121,156.29     | 153,746.06               |
|           |          |          |           | United Cities Acquisition: (1)   |                |                |                          |
|           |          |          |           | Acquisition Costs - Atmos  | 8,600,771.81   | 1,732,792.35   | 6,677,252.48             |
|           |          |          |           | Acquisition Costs - United Cities                                      | 14,216,140.00  | 0.00           | 13,869,229.87            |
|           |          |          |           | Conflict Costs   | 238,138.10     | 238,138.10     | 238,138.10               |
|           |          |          |           | Leadership Conference  | 234,773.26     | 0.00           | 0.00                     |
|           |          |          |           | Amor/UCC Integration   | 14,674,112.20  | 0.00           | 11,270,693.98            |
|           |          |          |           | Separation/Integration Costs   | 12,500,000.00  | 0.00           | 0.00                     |
|           |          |          |           | Business Unit Review Meetings  | 2,536.12       | 0.00           | 0.00                     |
|           |          |          |           | Sean - Delaney Retreat   | 0.00           | 0.00           | 0.00                     |
|           |          |          |           | Finance Team Meetings  | 0.00           | 0.00           | 0.00                     |
|           |          |          |           | Regulatory Summit  | 0.00           | 0.00           | 0.00                     |
|           |          |          |           | Five Year Plan Meetings  | 0.00           | 0.00           | 0.00                     |
|           |          |          |           | Marketing Initiative   | 38,773.24      | 0.00           | 0.00                     |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF JANUARY 31

01/01/98  
08:06 AM

| Reference | Page No. | Line No. | Acct. No. | Description   | 1998               | 1997               | As of September 30, 1997 |
|-----------|----------|----------|-----------|---|--------------------|--------------------|--------------------------|
|           |          |          |           | Shared Services Meetings                                      | 92,000.00          | 0.00               | 0.00                     |
|           |          |          |           | H R Study - Towers Perrin                                     | 0.00               | 0.00               | 0.00                     |
|           |          |          |           | General Reserve - Accrual                                     | (20,334,000.00)    | 0.00               | (20,334,000.00)          |
|           |          |          |           | Total Miscellaneous Deferred Debits                           | 70,859,225.80      | 34,765,688.80      | 48,638,037.37            |
|           |          |          |           | Atmos   | 72,386,905.69      | 36,837,250.61      | 67,331,469.80            |
|           |          |          |           | United Cities Gas Deferred Debit less Acquisition Costs above | 13,888,623.00      | 19,213,204.00      | 14,970,607.13            |
|           | 59       | 15       |           | Total Deferred Charges and Other Assets                       | 86,275,528.69      | 56,050,454.61      | 82,302,076.93            |
|           | 59       | 16       |           | TOTAL ASSETS  | \$1,112,323,118.13 | \$1,025,981,161.43 | \$1,011,624,092.39       |

(1) Total UCG Acquisition: \$ 30,303,244.73

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF JANUARY 31

08:06 AM

| Reference                   | Page | Line | Acct. | Description                                | 1998                  | 1997                  | As of<br>September 30,<br>1997 |
|-----------------------------|------|------|-------|--|-----------------------|-----------------------|--------------------------------|
| No.                         | No.  | No.  | No.   |  |                       |                       |                                |
| <b>SHAREHOLDERS' EQUITY</b> |      |      |       |  |                       |                       |                                |
|                             |      |      |       | Atmos - Total Shareholders' Equity         | 182,245,989.76        | 186,919,961.37        | 166,536,416.24                 |
|                             |      |      |       | United Cities - Total Shareholders' Equity | 151,887,707.20        | 141,329,428.00        | 133,755,714.49                 |
| 60                          | 5    |      |       | Total Shareholders' Equity                 | <u>334,133,696.96</u> | <u>328,249,389.37</u> | <u>302,292,130.73</u>          |
| <b>LONG-TERM DEBT</b>       |      |      |       |  |                       |                       |                                |
|                             |      |      |       | Atmos - Total Long Term Debt               | 157,303,308.00        | 165,303,308.00        | 162,303,308.00                 |
|                             |      |      |       | United Cities Gas - Total Long Term Debt   | 135,000,000.00        | 137,000,000.00        | 135,000,000.00                 |
| 60                          | 6    |      |       | Total Long-Term Debt                       | <u>292,303,308.00</u> | <u>302,303,308.00</u> | <u>297,303,308.00</u>          |
| <b>TOTAL CAPITALIZATION</b> |      |      |       |  |                       |                       |                                |
| 60                          | 7    |      |       |  | <u>626,437,004.96</u> | <u>630,552,697.37</u> | <u>599,595,438.73</u>          |
| <b>NOTES PAYABLE</b>        |      |      |       |  |                       |                       |                                |
|                             |      |      |       | Amarillo National Bank Master Note/Other   | 2,000,000.00          | 10,000,000.00         | 12,000,000.00                  |
|                             |      |      |       | Fuji Bank                                  | 0.00                  | 15,000,000.00         | 0.00                           |
|                             |      |      |       | Nations Bank                               | 175,000,000.00        | 0.00                  | 140,600,000.00                 |
|                             |      |      |       | PNC Bank of Pittsburgh                     | 10,000,000.00         | 0.00                  | 7,800,000.00                   |
|                             |      |      |       | 1st National Bank of Commerce              | 0.00                  | 10,000,000.00         | 0.00                           |
|                             |      |      |       | Summa Bank                                 | 8,600,000.00          | 3,500,000.00          | 0.00                           |
|                             |      |      |       | Atmos - Total Notes Payable                | <u>195,600,000.00</u> | <u>38,500,000.00</u>  | <u>160,400,000.00</u>          |
|                             |      |      |       | United Cities Gas - Total Notes Payable    | 0.00                  | 57,326,000.00         | 0.00                           |
| 60                          | 8    |      |       | Total Notes Payable                        | <u>195,600,000.00</u> | <u>95,826,000.00</u>  | <u>160,400,000.00</u>          |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF JANUARY 31

08:06 AM

| Reference               | Page | Line | Acct. | Description                                     | 1998          | 1997         | As of<br>September 30,<br>1997 |
|-------------------------|------|------|-------|---|---------------|--------------|--------------------------------|
|                         | No.  | No.  | No.   |   |               |              |                                |
| <b>ACCOUNTS PAYABLE</b> |      |      |       |   |               |              |                                |
|                         | 2320 |      |       | Accounts Payable                                | 183,427.10    | 183,238.28   | 179,431.50                     |
|                         |      |      |       | Accrued Annual Report Costs                     | 74,050.00     | 54,200.00    | 9,900.00                       |
|                         |      |      |       | Accrued Audit Fees                              | (3,334.99)    | (19,798.31)  | 111,487.85                     |
|                         |      |      |       | Accrued Employee Awards                         | 1,278,451.16  | 91,802.16    | 30,654.03                      |
|                         |      |      |       | Accrued Payroll Labor Distribution              | 527,955.87    | 527,955.87   | 527,955.87                     |
|                         |      |      |       | Accrued Vacation                                | 40,067,997.24 | 0.00         | 0.00                           |
|                         |      |      |       | Estimated Gas Cost                              | (295,410.55)  | 37,314.39    | 334,402.02                     |
|                         |      |      |       | Def Cy Cleared Currently                        |               |              |                                |
|                         |      |      |       | DSM Program                                     |               |              |                                |
|                         |      |      |       | DSM Program - KY                                | 133,333.36    | 155,984.09   | 250,000.00                     |
|                         |      |      |       | DSM Program - KY Payments                       | (77,370.07)   | (19,910.88)  | (217,687.77)                   |
|                         |      |      |       | Employees' AD & D Insurance                     | 4,466.30      | 6,081.38     | (123.00)                       |
|                         |      |      |       | Employees' College Donation Deductions          | 65.30         | 84.00        | 28.00                          |
|                         |      |      |       | Employees' Dependent Life Ins.                  | 1,614.04      | 2,068.00     | (21.00)                        |
|                         |      |      |       | Employees' Egaspac                              | 21.50         | 0.00         | 55.00                          |
|                         |      |      |       | Employees' WKG Pac                              | 1.84          | 0.00         | 377.25                         |
|                         |      |      |       | Employees' Trans La PAC                         | 9.69          | 0.00         | 0.00                           |
|                         |      |      |       | Employees' Credit Union                         | 0.00          | 0.00         | 0.00                           |
|                         |      |      |       | Employees' Long-Term Disability Insurance       | 0.00          | 0.00         | 64,398.70                      |
|                         |      |      |       | Employees' Medical/Dental Insurance:            | 6,146.61      | (56,622.24)  | (27,513.07)                    |
|                         |      |      |       | Medical/Dental Liability                        |               |              |                                |
|                         |      |      |       | Medical/Dental Premiums/Claims Clearing         | 1,671,472.43  | 1,302,969.61 | 1,428,983.46                   |
|                         |      |      |       | Employees' Supplemental Life Insurance          | 261,829.51    | 375,426.78   | 289,638.31                     |
|                         |      |      |       | Employees' United Way                           | 11,993.05     | 15,888.05    | (2,184.92)                     |
|                         |      |      |       | Employees' Universal Life Ins.                  | 2,387.87      | 1,873.06     | 1,725.18                       |
|                         |      |      |       | Employees' U.S. Savings Bonds Deductions        | (1,202.88)    | 10,900.96    | (104.25)                       |
|                         |      |      |       | Employer's Amnity Expense                       | 7,794.72      | 7,030.47     | 6,410.06                       |
|                         |      |      |       | Employer's ESOP Contributions                   | 0.00          | (135.62)     | 0.00                           |
|                         |      |      |       | Employer's ESOP Other Expense                   | (4,185.62)    | 249,938.37   | 87,652.07                      |
|                         |      |      |       | Employer's ESOP Withholding                     | 11,841.56     | 18,876.38    | 13,957.66                      |
|                         |      |      |       | Employee's Group Life Ins.                      | (262.65)      | (117.19)     | 138,345.58                     |
|                         |      |      |       | KN Master Mtr Transfer                          | 37,289.12     | 31,454.30    | 47.87                          |
|                         |      |      |       | Mailed Refunds                                  | 200,000.00    | 300,000.00   | 300,000.00                     |
|                         |      |      |       | Miscellaneous Employee Insurance Accruals - GGC | (5,113.53)    | 3,949.94     | 3,600.00                       |
|                         |      |      |       | Miscellaneous Contingent Liabilities            | 38.19         | 184.96       | (1,200.28)                     |
|                         |      |      |       | Net Payroll Payable                             | 2,295.88      | 0.00         | 509,331.40                     |
|                         |      |      |       | Purchase Order Clearing                         | (777,454.03)  | 284,304.48   | 2,129,272.93                   |
|                         |      |      |       | Contract Retainage                              | 156,214.84    | 267,268.37   | 234,018.06                     |
|                         |      |      |       | Unclaimed Pipeline Refund                       | 6,562.36      | 0.00         | 12,266.53                      |
|                         |      |      |       | Unclaimed Pipeline Refund                       | 70,240.50     | 84,461.33    | 108,850.30                     |
|                         |      |      |       | Vouchers Payable                                | 0.00          | 1,164.87     | 0.00                           |
|                         |      |      |       | Total Accrued Payables                          | 2,979,635.19  | 669,986.25   | 6,859,380.12                   |
|                         |      |      |       |   | 46,532,826.91 | 4,619,842.11 | 13,383,375.86                  |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF JANUARY 31

08:06 AM

| Reference | Page | Line | Acct. | Description                          | 1998           | 1997          | As of<br>September 30,<br>1997 |
|-----------|------|------|-------|--------------------------------------|----------------|---------------|--------------------------------|
| No.       | No.  | No.  | No.   |                                      |                |               |                                |
|           |      |      |       | Gas Purchased - Accounts Payable     |                |               |                                |
|           |      |      |       | Acadiana Natural Gas, Co.            | 0.00           | 469,464.39    | 58,363.45                      |
|           |      |      |       | AMOCO                                | 0.00           | 349,457.30    | 135,000.00                     |
|           |      |      |       | Brenco Gas Transmission, Inc.        | (6,959.25)     | 4,774.50      | 895.25                         |
|           |      |      |       | City of Odessa - Purchase            | 0.00           | (90,315.60)   | 5,000.00                       |
|           |      |      |       | CMS Marketing Services               | 390,600.00     | 0.00          | 0.00                           |
|           |      |      |       | Coastal Gas Marketing                | 1,653,156.00   | 2,093,099.13  | 154,000.00                     |
|           |      |      |       | Colorado Interstate Gas Company      | 1,875.93       | 274,739.74    | 132,731.89                     |
|           |      |      |       | Colorado Natural Gas                 | 0.69           | 304,741.03    | 78,344.67                      |
|           |      |      |       | Costilla Petroleum Corp.             | 0.00           | 35,719.20     | 22,658.40                      |
|           |      |      |       | Crescent Oil & Gas Company           | 0.00           | 19,869.25     | 17,241.95                      |
|           |      |      |       | Delhi                                | 0.00           | 2,283,222.06  | 0.00                           |
|           |      |      |       | Engage Energy                        | (1,653,156.00) | 0.00          | 0.00                           |
|           |      |      |       | Euron                                | 0.00           | 163.03        | 0.00                           |
|           |      |      |       | Exchange Gas                         | (497,404.60)   | (617,989.49)  | (404,739.03)                   |
|           |      |      |       | Gas Payable - LA Imbalance           | 45,626.10      | 46,295.43     | 45,714.17                      |
|           |      |      |       | Hugoton                              | 21,414.17      | 57,500.30     | 8,264.75                       |
|           |      |      |       | Innovative Gas Services              | 0.00           | 229,338.00    | 0.00                           |
|           |      |      |       | Interenergy Resource Corp.           | (935,022.14)   | 775,103.09    | 122,552.36                     |
|           |      |      |       | K N Gas Supply Services              | 6,063.00       | 184,662.67    | 85,337.69                      |
|           |      |      |       | Kansas Pipeline Partners             | 100.00         | 57,938.70     | 3,280.57                       |
|           |      |      |       | Kimball Energy Corp.                 | (0.11)         | 1,055,882.63  | 49,695.82                      |
|           |      |      |       | KN Energy                            | 27.67          | (36,848.51)   | 28,439.97                      |
|           |      |      |       | KN Marketing                         | (1,356,406.00) | 14,869,311.44 | 1,207,958.30                   |
|           |      |      |       | KPL Gas Services                     | 22,275.61      | 213,879.27    | 22,275.61                      |
|           |      |      |       | LG & E Natural Plains Energy         | 85,261.94      | 5,282,187.53  | 554,227.95                     |
|           |      |      |       | Local Gas Production                 | 14,535.59      | 114,221.18    | 159,402.62                     |
|           |      |      |       | Local Gas Purchases - Fremont County | 4,907.23       | 865,405.22    | 274,824.95                     |
|           |      |      |       | Louisiana Interstate Gas Corp.       | 300,083.92     | 3,652,985.61  | 343,409.77                     |
|           |      |      |       | Louisiana Land/Exploration Company   | 0.00           | 824,171.89    | 0.00                           |
|           |      |      |       | Mid-Louisiana Gathering              | 0.00           | 4,452.20      | 466.02                         |
|           |      |      |       | Moffat Pipeline Corp.                | 191.97         | 24,397.89     | 9,811.97                       |
|           |      |      |       | National Gas Services                | (2,019.00)     | 0.00          | 0.00                           |
|           |      |      |       | Natural Gas Clearinghouse            | 1,097,455.79   | 8,718,250.57  | 692,739.63                     |
|           |      |      |       | Natural Gas Clearinghouse            | 0.00           | 0.00          | (234,603.04)                   |
|           |      |      |       | Noble Gas Marketing                  | 0.00           | (1,299.95)    | 0.00                           |
|           |      |      |       | Noram Energy Services                | 0.00           | 602,138.33    | 0.00                           |
|           |      |      |       | Noram Gas Transm Corp                | 131,400.55     | 15,247.56     | 7,000.23                       |
|           |      |      |       | Northwest Pipeline Corp.             | 0.00           | (0.04)        | 0.00                           |
|           |      |      |       | Other Payables                       | 1,119,084.78   | 928,562.56    | 1,322,632.19                   |
|           |      |      |       | Oxy U.S.A., Inc.                     | 0.00           | 1,310.80      | 101.50                         |
|           |      |      |       | Panenergy Trading/Market             | 1,543,067.21   | 2,102,640.78  | 174,795.17                     |
|           |      |      |       | Paltua Oil and Gas Corp              | 933,644.50     | 0.00          | 0.00                           |
|           |      |      |       | Permian Energy Services              | 200.00         | 272,827.87    | 101,585.66                     |
|           |      |      |       | Peoples Natural Gas                  | (14,432.85)    | 39,514.92     | (5,307.85)                     |
|           |      |      |       | Pioneer Natural Resources Co.        | 4,986,712.67   | 6,098,551.52  | 848,830.50                     |
|           |      |      |       | Pipeline Refunds - GGC               | 768,472.19     | 238,000.29    | 470,641.21                     |
|           |      |      |       | Pipeline Refunds - Trans La (LIG)    | 8,006,391.64   | 0.00          | 9,789,532.64                   |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF JANUARY 31

08:06 AM

Reference

| Page No. | Line No. | Acct. No. | Description                                      | 1998          | 1997          | As of September 30, 1997 |
|----------|----------|-----------|--|---------------|---------------|--------------------------|
|          |          |           | Public Service                                   | (723,917.83)  | 1,850,159.74  | 363,065.98               |
|          |          |           | Schneider & Company, Inc.                        | 0.00          | 47,683.48     | 0.00                     |
|          |          |           | Sonit Marketing                                  | 6,639.03      | 18,051.16     | 7,375.55                 |
|          |          |           | Specified Energy Services                        | 0.00          | (756.30)      | 0.00                     |
|          |          |           | Tennessee Gas Pipeline                           | (1,840.28)    | 649,122.10    | 259,695.35               |
|          |          |           | Texasco Natural Gas Inc.                         | 730,793.44    | 0.00          | 1,698,769.24             |
|          |          |           | Texasco, Inc.                                    | 100.00        | 1,298,112.60  | 785,502.00               |
|          |          |           | Texas Gas Transmission                           | 0.00          | 1,956,816.48  | 1,242,989.87             |
|          |          |           | Transportation Bank Gas                          | 297,983.88    | 340,865.65    | 782,886.61               |
|          |          |           | Trunkline Gas Company                            | 12,829.84     | 81,883.35     | 2,321.16                 |
|          |          |           | Turcaloosa Pipeline Company                      | 3.88          | 7,686.38      | 7,836.04                 |
|          |          |           | Union Pacific Fuels                              | (935,122.90)  | 1,798,902.90  | 2,136,910.37             |
|          |          |           | United Gas Services                              | 9,688.52      | 337,600.91    | 61,386.95                |
|          |          |           | Vastar Gas                                       | 0.00          | 1,300,843.81  | 0.00                     |
|          |          |           | Westar Gas Marketing                             | (4.14)        | 401,505.96    | 91,647.28                |
|          |          |           | Williams Energy Services                         | (365,548.55)  | 3,516,596.35  | 129,674.70               |
|          |          |           | Williams Natural Gas Company                     | 492,680.73    | 171,750.49    | 330,024.51               |
|          |          |           | WKG Supplier Imbalance                           | 27,525.36     | 31,384.68     | 29,718.34                |
|          |          |           | Woodward Marketing                               | 583,593.57    | 0.00          | 2,125,826.36             |
|          |          |           | Total Gas Purchased Payable                      | 16,804,514.75 | 66,172,384.03 | 26,338,735.27            |
|          |          |           | 2410 Tax Collections Payable                     |               |               |                          |
|          |          |           | Astor Sales Tax                                  | (4,449.77)    | (4,449.77)    | (4,449.77)               |
|          |          |           | Astor Franchise Tax                              | 33,812.79     | 33,812.79     | 33,812.79                |
|          |          |           | City Franchise Fees - Louisiana                  | 103,211.40    | 0.00          | 0.00                     |
|          |          |           | City Sales Tax - Canon City                      | (1,598.72)    | 7,969.33      | 330.84                   |
|          |          |           | City Sales Tax - Durango                         | 581.66        | 5,779.42      | 2,614.46                 |
|          |          |           | City Sales Tax - Mount Crested Butte             | 1,049.73      | 3,071.85      | 1,536.18                 |
|          |          |           | City Sales Tax - Steamboat Springs               | 4,899.94      | 23,957.68     | 9,684.81                 |
|          |          |           | City Sales/Use Tax                               | 103.61        | 65,605.76     | 15,295.05                |
|          |          |           | City Sales/Use Tax - Cortez                      | 566.98        | 8,218.41      | 2,708.80                 |
|          |          |           | City Sales/Use Tax - Greeley                     | (4,409.86)    | 61,045.15     | 13,958.94                |
|          |          |           | City Sales/Use Tax - Gunnison                    | (26.81)       | 53.73         | 107.24                   |
|          |          |           | City Sales/Use Tax - Lamar                       | 34.44         | 12,023.97     | 2,273.62                 |
|          |          |           | City & Parish Sales Tax - Louisiana              | (8.94)        | 14.68         | (9.65)                   |
|          |          |           | County City/Use Tax - Prowers                    | 224.94        | 196.07        | 210.99                   |
|          |          |           | County Sales/Use Tax                             | (4,258.02)    | (6,033.52)    | 10,277.10                |
|          |          |           | County Use Tax - Fremont                         | 786.43        | 389.54        | 499.93                   |
|          |          |           | Employees' Federal Income Tax Withheld           | 345,270.97    | 389,864.45    | 754,344.31               |
|          |          |           | Employees' FICA Tax                              | 59,202.89     | 196,469.79    | 235,029.75               |
|          |          |           | Employees' Local Tax Withheld - KY               | 14,012.89     | 14,845.18     | 29,424.88                |
|          |          |           | Employees' State Income Tax Withheld - Colorado  | 15,070.54     | 13,866.73     | 15,877.08                |
|          |          |           | Employees' State Income Tax Withheld - Kansas    | 6,146.85      | 7,566.33      | 3,007.67                 |
|          |          |           | Employees' State Income Tax Withheld - Kentucky  | 69,413.80     | 54,502.99     | 93,394.37                |
|          |          |           | Employees' State Income Tax Withheld - Louisiana | 10,579.64     | 11,149.44     | 12,678.35                |
|          |          |           | Employees' State Income Tax Withheld - Missouri  | 163.47        | 0.00          | 509.41                   |
|          |          |           | Franchise Tax Collected - Colorado               | 202,535.03    | 94,819.17     | 161,783.77               |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF JANUARY 31

08:06 AM

| Reference            | Page | Line | Acct. | No. | No. | Description                                | 1998                 | 1997                  | As of<br>September 30,<br>1997 |
|----------------------|------|------|-------|-----|-----|--|----------------------|-----------------------|--------------------------------|
|                      |      |      |       |     |     | Franchise Tax Collected - Kansas           | 111,032.69           | 109,390.62            | 47,495.98                      |
|                      |      |      |       |     |     | Franchise Tax Collected - Kentucky         | 90,029.19            | 69,177.55             | 44,798.56                      |
|                      |      |      |       |     |     | Franchise Tax Collected - Louisiana        | 1,741.20             | 191,998.33            | 74,426.73                      |
|                      |      |      |       |     |     | Franchise Tax Collected - Missouri         | 1,441.50             | 1,604.54              | 6,301.08                       |
|                      |      |      |       |     |     | Local Tax - Colorado                       | 143.75               | 155.25                | 149.50                         |
|                      |      |      |       |     |     | Occupational Tax Collections               | 92,852.63            | (11,318.28)           | 21,763.20                      |
|                      |      |      |       |     |     | State Sales Tax - Colorado                 | 451,595.52           | 219,431.51            | 85,037.13                      |
|                      |      |      |       |     |     | State Sales Tax - Kentucky                 | 290,280.59           | 298,564.37            | 123,327.75                     |
|                      |      |      |       |     |     | State Sales Tax - Louisiana                | 19,171.29            | 24,384.82             | 17,311.95                      |
|                      |      |      |       |     |     | State Sales Tax - Texas                    | 504,107.04           | 418,272.03            | (69,631.80)                    |
|                      |      |      |       |     |     | State Use Tax - Kansas                     | 962.19               | 469.57                | 638.66                         |
|                      |      |      |       |     |     | Utility School Tax (Remit monthly)         | 909,201.26           | 872,636.99            | 47,730.41                      |
|                      |      |      |       |     |     | <b>Total Tax Collections Payable</b>       | <b>3,325,624.73</b>  | <b>3,189,466.47</b>   | <b>1,794,270.05</b>            |
|                      |      |      |       |     |     | Atmos - Total Accounts Payable             | 66,662,966.39        | 73,981,692.61         | 41,316,381.18                  |
|                      |      |      |       |     |     | United Cities Gas - Total Accounts Payable | 19,037,914.00        | 41,561,326.00         | 14,933,663.54                  |
| 60                   | 9    |      |       |     |     | <b>Total Accounts Payable</b>              | <b>85,700,880.39</b> | <b>115,543,018.61</b> | <b>56,250,044.72</b>           |
| <b>ACCRUED TAXES</b> |      |      |       |     |     |  |                      |                       |                                |
|                      |      |      |       |     |     | 2360 Accrued Taxes - Other                 | 2,309,822.15         | 1,910,503.86          | 4,992,989.56                   |
|                      |      |      |       |     |     | Ad Valorem                                 | 45.50                | 108.00                | 104.00                         |
|                      |      |      |       |     |     | Employer's Denver City Tax                 | 371,307.23           | 196,469.79            | 235,029.75                     |
|                      |      |      |       |     |     | Employer's FICA Tax                        | (10,294.63)          | (10,465.67)           | (8,448.90)                     |
|                      |      |      |       |     |     | Federal Motor Fuel Tax-CNG                 | 692,645.46           | 917,065.59            | 408,345.05                     |
|                      |      |      |       |     |     | Franchise - City                           | 5,369.06             | 2,634.88              | (3,183.38)                     |
|                      |      |      |       |     |     | Louisiana State Supervision & Inspection   | 7,408.27             | (3,331.57)            | 6,363.31                       |
|                      |      |      |       |     |     | Parish & City Use Tax - Louisiana          | (27,892.15)          | 5,662.08              | (7,737.26)                     |
|                      |      |      |       |     |     | Severance Tax                              | 0.00                 | 48,000.00             | 0.00                           |
|                      |      |      |       |     |     | State Franchise Tax - Louisiana Corp       | 562,957.68           | 602,116.52            | 462,957.68                     |
|                      |      |      |       |     |     | State Franchise Tax - Texas                | 61,670.96            | 280,754.03            | 41,357.44                      |
|                      |      |      |       |     |     | State Gross Receipts - Texas               | 5,943.34             | 5,771.85              | 2,784.31                       |
|                      |      |      |       |     |     | State Transportation Tax - Texas           | 2,504.26             | 890.80                | 2,995.15                       |
|                      |      |      |       |     |     | State Use Tax - Louisiana                  | 51,713.32            | 55,803.00             | 696.83                         |
|                      |      |      |       |     |     | Unemployment Tax - Federal                 | 2,945.04             | 2,261.72              | 149.25                         |
|                      |      |      |       |     |     | Unemployment Tax - State - Colorado        | 45.50                | 0.00                  | 0.00                           |
|                      |      |      |       |     |     | Unemployment Tax - State - Tennessee       | 4,120.30             | 4,873.08              | (13.12)                        |
|                      |      |      |       |     |     | Unemployment Tax - State - Kentucky        | 1,670.63             | 2,058.05              | (4.67)                         |
|                      |      |      |       |     |     | Unemployment Tax - State - Louisiana       | 23,368.23            | 25,390.16             | 616.47                         |
|                      |      |      |       |     |     | Unemployment Tax - State - Texas           | 30,431.66            | 9,171.07              | 76,522.75                      |
|                      |      |      |       |     |     | Use Tax (City & State) - Texas             | 4,095,781.81         | 4,055,739.24          | 6,211,524.22                   |
|                      |      |      |       |     |     | Atmos - Total Accrued Taxes                | 4,937,289.00         | 4,498,034.00          | 5,488,677.46                   |
|                      |      |      |       |     |     | United Cities Gas - Total Accrued Taxes    | 9,033,070.81         | 8,553,773.24          | 11,700,201.68                  |
| 60                   | 10   |      |       |     |     | <b>Total Accrued Taxes</b>                 | <b>13,970,359.81</b> | <b>13,051,807.24</b>  | <b>17,188,878.92</b>           |



ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF JANUARY 31

08:06 AM

| Reference                        | Page | Line | Acct. | Description                                    | 1998           | 1997          | As of<br>September 30,<br>1997 |
|----------------------------------|------|------|-------|--|----------------|---------------|--------------------------------|
| No.                              | No.  | No.  | No.   |  |                |               |                                |
| <b>INCOME TAXES PAYABLE</b>      |      |      |       |  |                |               |                                |
|                                  |      |      |       | 2360 Accrued Income Taxes                      | 2,152,601.12   | 3,638,144.05  | (6,384,148.36)                 |
|                                  |      |      |       | Accrued Income Taxes - Federal                 | (1,640,950.48) | 646,584.43    | (2,236,201.00)                 |
|                                  |      |      |       | Accrued Income Taxes - State                   | 511,650.64     | 4,284,728.48  | (8,620,349.36)                 |
|                                  |      |      |       | Annex - Total Income Taxes Payable             | 874,456.00     | 3,211,222.00  | (9,714,291.17)                 |
|                                  |      |      |       | United Cities Gas - Total Income Taxes Payable | 1,386,106.64   | 7,495,950.48  | (18,334,640.53)                |
|                                  | 60   | 11   |       | Total Income Taxes Payable                     |                |               |                                |
| <b>CUSTOMERS' DEPOSITS</b>       |      |      |       |  |                |               |                                |
|                                  |      |      |       | 2350 Customers' Deposits                       | 2,998,892.49   | 3,386,821.76  | 3,256,848.10                   |
|                                  |      |      |       | Customers' Deposits - Colorado                 | 1,647,637.93   | 2,173,292.05  | 1,792,539.06                   |
|                                  |      |      |       | Customers' Deposits - Kentucky                 | 1,427,715.05   | 1,711,649.55  | 1,472,377.99                   |
|                                  |      |      |       | Customers' Deposits - Louisiana                | 2,411,261.01   | 2,997,919.26  | 2,765,269.87                   |
|                                  |      |      |       | Customers' Deposits - Texas                    | 8,485,506.48   | 10,269,682.62 | 9,287,035.02                   |
|                                  |      |      |       | Annex - Total Customers' Deposits              | 5,715,971.00   | 7,031,347.00  | 5,751,958.00                   |
|                                  |      |      |       | United Cities Gas - Total Customers' Deposits  | 14,201,477.48  | 17,301,029.62 | 15,038,993.02                  |
|                                  | 60   | 13   |       | Total Customers' Deposits                      |                |               |                                |
| <b>OTHER CURRENT LIABILITIES</b> |      |      |       |  |                |               |                                |
|                                  |      |      |       | 2370 Interest Accrued                          | 417.83         | 7,296.58      | 1,251.00                       |
|                                  |      |      |       | Commitment Fee                                 | 453,232.58     | 454,886.59    | 481,751.04                     |
|                                  |      |      |       | Customers' Deposits - Colorado                 | 87,741.31      | 90,371.77     | 63,697.94                      |
|                                  |      |      |       | Customers' Deposits - Kentucky                 | 64,792.32      | 69,921.07     | 44,735.02                      |
|                                  |      |      |       | Customers' Deposits - Louisiana                | 128,071.90     | 134,114.88    | 96,217.80                      |
|                                  |      |      |       | Customers' Deposits - Texas                    | 2,721,410.87   | 2,719,038.78  | 3,007,982.43                   |
|                                  |      |      |       | Long-Term Debt                                 | 183,520.27     | 6,154.90      | 34,568.61                      |
|                                  |      |      |       | Notes Payable                                  |                |               |                                |
|                                  |      |      |       | Total Interest Accrued                         | 3,639,187.08   | 3,481,784.57  | 3,730,203.84                   |
|                                  |      |      |       | 2420 Misc. Current & Accrued Liabilities       | 12,500,000.00  | 0.00          | 17,000,000.00                  |
|                                  |      |      |       | Separation/Integration Costs                   | (79,934.86)    | (49,509.58)   | (79,934.86)                    |
|                                  |      |      |       | Capacity Release Credits                       | 6,154,638.65   | 3,246,669.64  | 5,246,416.08                   |
|                                  |      |      |       | FAS 106 - OPEB                                 | 408,358.15     | 678,047.00    | 1,450,000.00                   |
|                                  |      |      |       | Performance Plan                               | 593,340.00     | 544,140.39    | 0.00                           |
|                                  |      |      |       | UPFI Exchange                                  | 1,590,450.00   | 0.00          | 0.00                           |
|                                  |      |      |       | UPFI Exchange #2                               | 3,579,690.58   | 6,056,797.06  | 2,737,496.56                   |
|                                  |      |      |       | Texas Gas Storage                              |                |               |                                |
|                                  |      |      |       | Total Misc. Current & Accrued Liabilities      | 24,746,542.52  | 10,475,744.51 | 26,353,979.78                  |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF JANUARY 31

08:06 AM

| Reference                                     | Page | Line | Acct. | Description  | 1998            | 1997           | As of<br>September 30,<br>1997 |
|---|------|------|-------|--|-----------------|----------------|--------------------------------|
| No.   | No.  | No.  | No.   |  |                 |                |                                |
|   | 2620 |      |       | Self Insurance Reserve                                 |                 |                |                                |
|   |      |      |       | General Liability                                      | 1,700,000.00    | 1,500,000.00   | 1,000,000.00                   |
|   |      |      |       | Gen. Liab. (Each \$50M Claim Amortized over 12 months) | (1,270,000.00)  | 27,553.75      | 0.00                           |
|   |      |      |       | Workers Compensation                                   | 1,200,000.00    | 1,240,000.00   | 1,200,000.00                   |
|   |      |      |       | Total Self Insurance Reserve                           | 1,630,000.00    | 2,767,553.75   | 2,200,000.00                   |
|   |      |      |       | Amos - Total Other Current Liabilities                 | 30,015,729.60   | 16,725,082.83  | 32,284,183.62                  |
| 60  | 14   |      |       | United Cities Gas - Total Other Current Liabilities    | 13,649,556.00   | 14,971,904.00  | 19,297,929.41                  |
|   |      |      |       | Total Other Current Liabilities                        | 43,665,285.60   | 31,696,986.83  | 51,582,113.03                  |
| 60  | 15   |      |       | Intercompany Accounts - United Cities Gas              | 1,117,791.00    | 934,984.00     | 276,937.00                     |
| 60  | 16   |      |       | Total Current Liabilities                              | 3,50,704,611.92 | 277,351,742.78 | 277,113,668.92                 |
|   |      |      |       | 282 Deferred Federal Income Taxes                      | 49,428,921.01   | 36,638,382.47  | 48,721,572.57                  |
|   |      |      |       | 283 Deferred State Income Taxes                        | 6,465,438.29    | 3,397,617.55   | 6,372,806.73                   |
|   |      |      |       | Amos - Deferred Income Taxes                           | 55,894,379.30   | 40,036,000.02  | 55,094,379.30                  |
|   |      |      |       | United Cities Gas - Deferred Income Taxes              | 25,210,082.00   | 25,502,442.00  | 26,234,437.68                  |
| 60  | 17   |      |       | Total Deferred Income Taxes                            | 81,104,461.30   | 65,538,442.02  | 81,328,816.98                  |
| <b>DEFERRED CREDITS AND OTHER LIABILITIES</b> |      |      |       |  |                 |                |                                |
|   | 2520 |      |       | Customer Advances for Construction                     | 9,083,104.00    | 8,554,388.67   | 8,776,173.29                   |
|   |      |      |       | 2530 Other Deferred Credits                            |                 |                |                                |
|   |      |      |       | Advance from UP Alliance                               | 0.00            | 225,000.00     | 0.00                           |
|   |      |      |       | Directors' Fees  | 119,951.82      | 85,350.00      | 107,850.00                     |
|   |      |      |       | Outside Directors' Retirement Plan                     | 166,979.02      | 51,111.64      | 134,289.92                     |
|   |      |      |       | FAS 106 - OPEB   | 6,444,615.61    | 6,111,970.61   | 6,171,915.61                   |
|   |      |      |       | FAS 109 - Regulatory Liability / Protected             | 2,291,234.63    | 2,291,234.63   | 2,291,234.63                   |
|   |      |      |       | KN Master Mr Transfer                                  | 0.00            | 200,000.00     | 200,000.00                     |
|   |      |      |       | LPSC Settlement (Amort. Heating Sys., Fiscal 96 & 97)  | 0.00            | 150,012.60     | 0.00                           |
|   |      |      |       | Protected Excess Deferred Tax - GGC                    | 221,780.62      | 221,780.62     | 221,780.62                     |
|   |      |      |       | Regulatory Liability - ITC                             | 392,454.15      | 392,454.15     | 392,454.15                     |
|   |      |      |       | Rent Amortization - Lafayette Office                   | 115,286.46      | 174,414.72     | 160,346.89                     |
|   |      |      |       | Rent Amortization - Midway Bldg.                       | 0.00            | 86,238.29      | 0.00                           |
|   |      |      |       | Rent Amortization - Three Lincoln Centre               | 0.00            | (128,963.70)   | 0.00                           |
|   |      |      |       | Retirement Cost  | 21,588,898.83   | 19,259,309.22  | 20,590,905.84                  |
|   |      |      |       | Total Other Deferred Credits                           | 31,341,201.14   | 29,119,912.78  | 30,270,977.66                  |
|   | 2550 |      |       | Deferred Credits - Accrued I.T.C.                      | 811,500.81      | 811,500.81     | 811,500.81                     |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF JANUARY 31

08:06 AM

| Reference   |             |  | 1998                      | 1997                      | As of<br>September 30,<br>1997 |
|-------------|-------------|--|---------------------------|---------------------------|--------------------------------|
| Page<br>No. | Line<br>No. | Account<br>Description                                     |                           |                           |                                |
|             |             | Atmos - Total Deferred Credits and Other Liab.             | 41,235,805.95             | 38,485,802.26             | 39,858,651.76                  |
|             |             | United Cities Gas - Total Deferred Credits and Other Liab. | 12,841,234.00             | 14,052,477.00             | 13,729,516.00                  |
| 60          | 18          | Total Deferred Credits and Other Liab.                     | <u>54,077,039.95</u>      | <u>52,538,279.26</u>      | <u>53,588,167.76</u>           |
| 60          | 19          | TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY                 | <u>\$1,112,322,118.13</u> | <u>\$1,025,981,161.43</u> | <u>\$1,011,626,092.39</u>      |

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATED OPERATING REVENUE AND STATISTICS  
FOR THE MONTH AND YEAR TO DATE ENDED 01/31/98

| Line No. | Description (a)   | Current Month |            | Year to Date |            |                       |
|----------|---|---------------|------------|--------------|------------|-----------------------|
|          |   | Actual (b)    | Budget (c) | Actual (e)   | Budget (f) | Prior Year Actual (g) |
| 1        | Degree Days   | 698           | 911        | 2,353        | 2,427      | 2,369                 |
| 2        | Meters in service (1)                                     |               |            |              |            |                       |
| 3        | Residential   | 889,771       | N/A        | 882,933      | N/A        | 868,202               |
| 4        | Commercial  | 95,994        |            | 95,009       |            | 93,348                |
| 5        | Industrial  | 1,877         |            | 1,921        |            | 1,921                 |
| 6        | Public Authority & Other                                  | 4,862         |            | 4,825        |            | 4,771                 |
| 7        | Agricultural  | 15,067        |            | 15,177       |            | 17,293                |
|          | Total meters in service                                   | 1,007,571     | N/A        | 992,865      | N/A        | 985,535               |
| 8        | Utility Sales Customers - Regulated (1)                   |               |            |              |            |                       |
| 9        | Residential   | 874,187       | N/A        | 864,243      | N/A        | 851,099               |
| 10       | Commercial  | 93,944        |            | 92,205       |            | 90,601                |
| 11       | Industrial  | 1,541         |            | 1,467        |            | 1,385                 |
| 12       | Public Authority & Other                                  | 3,623         |            | 3,573        |            | 3,508                 |
| 13       | Agricultural  | 298           |            | 300          |            | 309                   |
|          | Total Regulated Sales Customers                           | 973,593       | N/A        | 961,787      | N/A        | 946,902               |
| 14       | Utility Sales Customers - Non Regulated (1)               |               |            |              |            |                       |
| 15       | Industrial  | 194           |            | 191          |            | 185                   |
| 16       | Agricultural  | 6,338         |            | 6,469        |            | 6,674                 |
|          | Total Non Regulated Sales Customers                       | 6,532         | N/A        | 6,660        | N/A        | 6,859                 |
| 17       | Total Sales Customers (1)                                 | 980,125       | N/A        | 968,447      | N/A        | 953,761               |
| 18       | Transportation Customers (1) (2)                          | 684           | N/A        | 627          | N/A        | 510                   |
| 19       | Total Utility Customers (1) (2)                           | 980,809       | N/A        | 969,074      | N/A        | 954,271               |
| 20       | Utility Gas Volumes Sold - Regulated (mcf as metered)     |               |            |              |            |                       |
| 21       | Residential   | 13,158,834    | N/A        | 13,860,095   | N/A        | 33,972,227            |
| 22       | Commercial  | 5,835,495     |            | 6,344,316    |            | 16,651,563            |
| 23       | Industrial  | 2,548,355     |            | 3,056,324    |            | 11,255,952            |
| 24       | Public Authority & Other                                  | 906,880       |            | 991,738      |            | 2,464,623             |
| 25       | Agricultural  | 4,839         |            | 6,607        |            | 76,219                |
| 26       | Unbilled  | (404,578)     |            | 8,022,048    |            | 9,451,918             |
|          | Total Regulated Gas Volumes                               | 22,049,825    | NA         | 69,968,644   | NA         | 73,872,502            |
| 27       | Utility Gas Volumes Sold - Non Regulated (mcf as metered) |               |            |              |            |                       |
| 28       | Industrial  | 495,717       | N/A        | 2,181,391    | N/A        | 2,203,059             |
| 29       | Agricultural  | 28,963        |            | 657,136      |            | 1,206,125             |
|          | Total Non Regulated Gas Volumes                           | 524,680       | NA         | 2,838,527    | NA         | 3,409,184             |
| 30       | Total Gas Volumes Sold                                    | 22,574,505    | N/A        | 72,807,171   | N/A        | 77,282,286            |
| 31       | Transport volumes (mcf as metered) (2)                    | 5,714,612     | N/A        | 20,055,878   | N/A        | 16,618,547            |
| 32       | Total Operating Volumes (2)                               | 28,289,117    | N/A        | 92,863,049   | N/A        | 93,900,833            |

N/A = Not Available

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATED OPERATING REVENUE AND STATISTICS  
FOR THE MONTH AND YEAR TO DATE ENDED 01/31/98

| Line No. | Description (a)                           | Current Month    |                |                       | Year to Date      |                |                       |
|----------|---|------------------|----------------|-----------------------|-------------------|----------------|-----------------------|
|          |   | Actual (b)       | Budget (c)     | Prior Year Actual (d) | Actual (e)        | Budget (f)     | Prior Year Actual (g) |
| 1        | Utility Gas Sales Revenue - Regulated     |                  |                |                       |                   |                |                       |
| 2        | Residential                               | \$ 71,648,755.56 | N/A            | \$ 82,238,592.42      | \$ 197,316,307.58 | N/A            | \$ 194,589,205.77     |
| 3        | Commercial                                | 30,705,163.50    |                | 35,884,708.73         | 88,008,643.36     |                | 86,997,538.90         |
| 4        | Industrial                                | 10,951,362.93    |                | 14,716,785.53         | 42,603,460.41     |                | 46,635,706.61         |
| 5        | Public Authority & Other                  | 3,869,612.40     |                | 4,984,729.20          | 10,965,729.04     |                | 12,045,445.72         |
| 6        | Agricultural                              | 24,565.73        |                | 29,540.66             | 341,028.19        |                | 255,850.28            |
| 7        | Unbilled                                  | (16,264,466.00)  |                | 16,524,217.00         | 27,148,776.00     |                | 65,427,678.00         |
|          | Total Regulated Gas Sales Revenue         | 100,934,994.12   | N/A            | 154,378,573.54        | 366,383,944.58    | N/A            | 405,951,425.28        |
| 8        | Utility Gas Sales Revenue - Non Regulated |                  |                |                       |                   |                |                       |
| 9        | Industrial                                | 1,518,965.55     | N/A            | 1,859,126.27          | 7,005,990.67      | N/A            | 6,595,636.37          |
| 10       | Agricultural                              | 136,034.56       |                | 521,147.81            | 2,588,495.39      |                | 3,301,560.92          |
|          | Total Non Regulated Gas Sales Revenue     | 1,655,000.11     | N/A            | 2,380,274.08          | 9,594,486.06      | N/A            | 9,897,197.29          |
| 11       | Total Utility Gas Sales Revenue           | 102,589,994.23   | 129,717,000.00 | 156,758,847.62        | 375,978,430.64    | 367,442,000.00 | 415,848,622.57        |
| 12       | Other Gas Revenue                         | 1,434,282.55     | 895,000.00     | 599,503.59            | 3,276,386.00      | 2,444,000.00   | 2,085,317.53          |
| 13       | Total Utility Gas Revenue                 | 104,024,276.78   | 130,612,000.00 | 157,358,351.21        | 379,254,816.64    | 369,886,000.00 | 417,933,940.10        |
| 14       | Transportation Revenue (2)                | 2,575,580.00     | 1,696,000.00   | 1,765,515.60          | 9,410,777.86      | 6,410,000.00   | 6,864,901.12          |
| 15       | Other Operating Revenue                   | 0.00             | 0.00           | 0.00                  | 0.00              | 0.00           | 0.00                  |
| 16       | Total Utility Operating Revenue (2)       | 106,599,856.78   | 132,308,000.00 | 159,123,866.81        | 388,665,594.50    | 376,296,000.00 | 424,798,841.22        |
| 17       | Utility Purchased Gas Cost                |                  |                |                       |                   |                |                       |
| 18       | Regulated                                 | \$ 61,301,008.87 | N/A            | \$ 111,429,101.58     | \$ 243,931,352.45 | N/A            | \$ 281,240,286.57     |
| 19       | Non Regulated                             | 1,512,218.71     | N/A            | 2,351,335.54          | 8,271,792.85      | N/A            | 8,209,720.67          |
|          | Eliminations                              | (162,066.02)     | N/A            | (284,177.86)          | (779,096.41)      | N/A            | (936,498.92)          |
| 20       | Total Purchased Gas Cost                  | 62,651,161.56    | 84,210,000.00  | 113,496,259.26        | 251,424,048.89    | 238,908,000.00 | 288,513,508.32        |
| 21       | Gas Sales Margin - Regulated (3)          | \$ 39,633,985.25 | N/A            | \$ 42,949,471.96      | \$ 122,452,592.13 | N/A            | \$ 124,711,138.71     |
| 22       | Gas Sales Margin - Non Regulated (4)      | 142,781.40       | N/A            | 28,938.54             | 1,322,693.21      | N/A            | 1,687,476.62          |
| 23       | Gas Sales Margin - Total (5)              | 39,938,832.67    | 45,507,000.00  | 43,262,888.36         | 124,554,381.75    | 128,534,000.00 | 127,335,114.25        |
| 24       | Margin per MCF Sold - Regulated (6)       | \$ 1.80          | N/A            | \$ 1.66               | \$ 1.75           | N/A            | \$ 1.69               |
| 25       | Margin per MCF Sold - Non Regulated (6)   | 0.27             | N/A            | 0.04                  | 0.47              | N/A            | 0.49                  |
| 26       | Margin per MCF Sold - Total (6)           | 1.77             | N/A            | 1.62                  | 1.71              | N/A            | 1.65                  |

N/A = Not Available

- (1) The current month reflects the actual for the respective period as per the Meter Inventory Mgmt System, year to date reflects the average for the respective period.
- (2) Reflects intercompany eliminations.
- (3) Regulated gas sales revenue minus regulated gas costs.
- (4) Non regulated gas sales revenue minus non regulated gas costs.
- (5) Total gas sales revenue minus total gas costs.
- (6) Gas sales margin divided by gas sales volumes as metered.

WESTERN KENTUCKY GAS UTILITY BUSINESS UNIT  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 01/31/98

| Line No.  | Description (a)                        | Current Month |            |                       | Year to Date |            |                       |
|---|--|---------------|------------|-----------------------|--------------|------------|-----------------------|
|   |  | Actual (b)    | Budget (c) | Prior Year Actual (d) | Actual (e)   | Budget (f) | Prior Year Actual (g) |
| 1   | Degree Days                            | 686           | 1,006      | 1,000                 | 2,399        | 2,619      | 2,613                 |
| Meters in service (1)                                     |  |               |            |                       |              |            |                       |
| 2   | Residential                            | 156,181       | N/A        | 153,858               | 155,698      | N/A        | 153,337               |
| 3   | Commercial                             | 18,087        |            | 17,720                | 18,008       |            | 17,615                |
| 4   | Industrial                             | 399           |            | 466                   | 442          |            | 417                   |
| 5   | Public Authority & Other               | 1,593         |            | 1,558                 | 1,584        |            | 1,551                 |
| 6   | Agricultural                           | 0             |            | 0                     | 0            |            | 0                     |
| 7   | Total meters in service                | 176,260       | N/A        | 173,602               | 175,732      | N/A        | 172,920               |
| Utility Sales Customers - Regulated (1)                   |  |               |            |                       |              |            |                       |
| 8   | Residential                            | 153,684       | N/A        | 151,907               | 151,496      | N/A        | 149,478               |
| 9   | Commercial                             | 17,751        |            | 17,431                | 17,386       |            | 17,040                |
| 10  | Industrial                             | 435           |            | 323                   | 331          |            | 323                   |
| 11  | Public Authority & Other               | 1,592         |            | 1,551                 | 1,573        |            | 1,543                 |
| 12  | Agricultural                           | 0             |            | 0                     | 0            |            | 0                     |
| 13  | Total Regulated Sales Customers        | 173,462       | N/A        | 171,212               | 170,785      | N/A        | 168,384               |
| Utility Sales Customers - Non Regulated (1)               |  |               |            |                       |              |            |                       |
| 14  | Industrial                             | 0             | 0          | 0                     | 0            | 0          | 0                     |
| 15  | Agricultural                           | 0             | 0          | 0                     | 0            | 0          | 0                     |
| 16  | Total Non Regulated Sales Customers    | 0             | 0          | 0                     | 0            | 0          | 0                     |
| 17  | Total Sales Customers (1)              | 173,462       | N/A        | 171,212               | 170,785      | N/A        | 168,384               |
| 18  | Transportation Customers (1)(2)        | 80            | N/A        | 45                    | 79           | N/A        | 47                    |
| 19  | Total Utility Customers (1)(2)         | 173,542       | N/A        | 171,257               | 170,864      | N/A        | 168,431               |
| Utility Gas Volumes Sold - Regulated (mcf as metered)     |  |               |            |                       |              |            |                       |
| 20  | Residential                            | 2,258,955     | N/A        | 2,431,319             | 5,783,829    | N/A        | 5,843,262             |
| 21  | Commercial                             | 936,383       |            | 1,033,747             | 2,517,344    |            | 2,658,728             |
| 22  | Industrial                             | 602,692       |            | 904,388               | 1,833,460    |            | 2,974,001             |
| 23  | Public Authority & Other               | 281,751       |            | 279,357               | 695,835      |            | 679,225               |
| 24  | Agricultural                           | 0             |            | 0                     | 0            |            | 0                     |
| 25  | Unbilled                               | 194,130       |            | 758,194               | 1,662,642    |            | 2,443,037             |
| 26  | Total Regulated Gas Volumes            | 4,273,911     | N/A        | 5,407,005             | 12,493,110   | N/A        | 14,598,253            |
| Utility Gas Volumes Sold - Non Regulated (mcf as metered) |  |               |            |                       |              |            |                       |
| 27  | Industrial                             | 0             | 0          | 0                     | 0            | 0          | 0                     |
| 28  | Agricultural                           | 0             | 0          | 0                     | 0            | 0          | 0                     |
| 29  | Total Non Regulated Gas Volumes        | 0             | 0          | 0                     | 0            | 0          | 0                     |
| 30  | Total Gas Volumes Sold                 | 4,273,911     | N/A        | 5,407,005             | 12,493,110   | N/A        | 14,598,253            |
| 31  | Transport volumes (mcf as metered) (2) | 2,953,397     | N/A        | 2,304,509             | 9,511,823    | N/A        | 7,448,977             |
| 32  | Total Operating Volumes (2)            | 7,227,308     | N/A        | 7,711,514             | 22,004,933   | N/A        | 22,047,230            |

(97)

N/A = Not Available

WESTERN KENTUCKY GAS UTILITY BUSINESS UNIT  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 01/31/98

| Line No. | Description (a)                           | Current Month        |                      |                       | Year to Date         |                      |                       |
|----------|---|----------------------|----------------------|-----------------------|----------------------|----------------------|-----------------------|
|          |   | Actual (b)           | Budget (c)           | Prior Year Actual (d) | Actual (e)           | Budget (f)           | Prior Year Actual (g) |
| 1        | Utility Gas Sales Revenue - Regulated     |                      |                      |                       |                      |                      |                       |
| 2        | Residential                               | \$ 13,225,708.50     | N/A                  | \$ 12,843,426.44      | \$ 36,354,642.76     | N/A                  | \$ 30,470,602.75      |
| 3        | Commercial                                | 5,218,229.77         |                      | 5,254,947.12          | 14,911,166.31        |                      | 12,964,076.15         |
| 4        | Industrial                                | 2,814,721.53         |                      | 4,029,268.24          | 8,709,192.21         |                      | 11,747,547.80         |
| 5        | Public Authority & Other                  | 1,508,461.44         |                      | 1,351,690.72          | 3,931,052.39         |                      | 3,142,577.25          |
| 6        | Agricultural                              | 0.00                 |                      | 0.00                  | 0.00                 |                      | 0.00                  |
| 7        | Unbilled                                  | (10,588,399.00)      |                      | 2,803,000.00          | (784,000.00)         |                      | 12,408,000.00         |
|          | Total Regulated Gas Sales Revenue         | <u>12,178,722.24</u> | <u>22,849,000.00</u> | <u>26,282,332.52</u>  | <u>63,122,053.67</u> | <u>57,953,000.00</u> | <u>70,732,803.95</u>  |
| 8        | Utility Gas Sales Revenue - Non Regulated |                      |                      |                       |                      |                      |                       |
| 9        | Industrial                                | 0.00                 | 0.00                 | 0.00                  | 0.00                 | 0.00                 | 0.00                  |
| 10       | Agricultural                              | 0.00                 | 0.00                 | 0.00                  | 0.00                 | 0.00                 | 0.00                  |
|          | Total Non Regulated Gas Sales Revenue     | <u>0.00</u>          | <u>0.00</u>          | <u>0.00</u>           | <u>0.00</u>          | <u>0.00</u>          | <u>0.00</u>           |
| 11       | Total Utility Gas Sales Revenue           | <u>12,178,722.24</u> | <u>22,849,000.00</u> | <u>26,282,332.52</u>  | <u>63,122,053.67</u> | <u>57,953,000.00</u> | <u>70,732,803.95</u>  |
| 12       | Other Gas Revenue                         | 291,734.40           | 124,000.00           | 77,670.81             | 539,984.92           | 311,000.00           | 334,384.93            |
| 13       | Total Utility Gas Revenue                 | <u>12,470,456.64</u> | <u>22,973,000.00</u> | <u>26,360,003.33</u>  | <u>63,662,038.59</u> | <u>58,264,000.00</u> | <u>71,067,188.88</u>  |
| 14       | Transportation Revenue (2)                | 1,055,727.51         | 700,000.00           | 626,927.35            | 3,274,916.09         | 2,800,000.00         | 2,293,419.11          |
| 15       | Other Operating Revenue                   | 0.00                 | 0.00                 | 0.00                  | 0.00                 | 0.00                 | 0.00                  |
| 16       | Total Utility Operating Revenue (2)       | <u>13,526,184.15</u> | <u>23,673,000.00</u> | <u>26,986,930.68</u>  | <u>66,936,954.68</u> | <u>61,064,000.00</u> | <u>73,360,607.99</u>  |
| 17       | Utility Purchased Gas Cost                |                      |                      |                       |                      |                      |                       |
| 18       | Regulated                                 | \$ 7,793,622.28      | \$ 15,223,000.00     | \$ 21,049,818.71      | \$ 47,091,377.23     | \$ 40,538,000.00     | \$ 55,959,265.01      |
| 19       | Non Regulated                             | 0.00                 | 0.00                 | 0.00                  | 0.00                 | 0.00                 | 0.00                  |
| 20       | Eliminations                              | 0.00                 | 0.00                 | 0.00                  | 0.00                 | 0.00                 | 0.00                  |
|          | Total Purchased Gas Cost                  | <u>7,793,622.28</u>  | <u>15,223,000.00</u> | <u>21,049,818.71</u>  | <u>47,091,377.23</u> | <u>40,538,000.00</u> | <u>55,959,265.01</u>  |
| 21       | Gas Sales Margin - Regulated (3)          | \$ 4,385,099.96      | \$ 7,626,000.00      | \$ 5,232,513.81       | \$ 16,030,676.44     | \$ 17,415,000.00     | \$ 14,773,538.94      |
| 22       | Gas Sales Margin - Non Regulated (4)      |                      |                      |                       |                      |                      |                       |
| 23       | Gas Sales Margin - Total (5)              | <u>4,385,099.96</u>  | <u>7,626,000.00</u>  | <u>5,232,513.81</u>   | <u>16,030,676.44</u> | <u>17,415,000.00</u> | <u>14,773,538.94</u>  |
| 24       | Margin per MCF Sold - Regulated (6)       | \$ 1.03              | N/A                  | \$ 0.97               | \$ 1.28              | N/A                  | \$ 1.01               |
| 25       | Margin per MCF Sold - Non Regulated (6)   |                      |                      |                       |                      |                      |                       |
| 26       | Margin per MCF Sold - Total (6)           | <u>1.03</u>          | <u>N/A</u>           | <u>0.97</u>           | <u>1.28</u>          | <u>N/A</u>           | <u>1.01</u>           |

N/A = Not Available

(1) The current month reflects the actual for the respective period as per the Meter Inventory Mgmt System, year to date reflects the average for the respective period.  
 (2) Reflects intercompany eliminations.  
 (3) Regulated gas sales revenue minus regulated gas costs.  
 (4) Non regulated gas sales revenue minus non regulated gas costs.  
 (5) Total gas sales revenue minus total gas costs.  
 (6) Gas sales margin divided by gas sales volumes as metered.

ATLLOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED OPERATION EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 01/31/98

| Line No.                                | Description (a)                           | Current Month |              | Year to Date          |              | Twelve Months Ended |              |
|---|---|---------------|--------------|-----------------------|--------------|---------------------|--------------|
|   |   | Actual (b)    | Budget * (c) | Prior Year Actual (d) | Budget * (f) | Actual (g)          | Actual (h)   |
| <b>Manufactured Gas Production Exp.</b> |   |               |              |                       |              |                     |              |
| 1                                       | 717 Liquefied Petroleum Gas Expenses      | \$0.00        | \$0          | \$0.00                | \$0          | \$0.00              | \$0.00       |
| 2                                       | 723 Fuel for L-P Gas Process              | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00         |
| 3                                       | 728 L-P Gas - Raw Materials               | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00         |
| 4                                       | 735 Misc. Production Expenses             | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00         |
| 5                                       | 736 Rents                                 | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00         |
| 6                                       | Total Manufactured Gas Prod. Expense      | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00         |
| <b>Natural Gas Production Expenses</b>  |   |               |              |                       |              |                     |              |
| 7                                       | 750 Operation Supervision and Engineering | 109.97        | 0            | 302.60                | 0            | 1,527.33            | 2,442.20     |
| 8                                       | 751 Production Maps & Records             | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00         |
| 9                                       | 752 Gas Wells Expenses                    | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00         |
| 10                                      | 753 Field Lines Expenses                  | 639.64        | 0            | 526.90                | 0            | 4,808.69            | 9,274.66     |
| 11                                      | 754 Field Compressor Station Expenses     | 4,460.15      | 0            | 6,622.77              | 0            | 17,428.43           | 58,719.83    |
| 12                                      | 755 Field Compressor Station Fuel Exp.    | 11,933.79     | 0            | 0.00                  | 0            | 0.00                | 135,011.37   |
| 13                                      | 756 Field Meas. & Reg. Station Expenses   | 10,076.09     | 0            | 5,642.25              | 0            | 27,915.25           | 77,807.71    |
| 14                                      | 757 Purification Expenses                 | 1,717.95      | 0            | 3,988.72              | 0            | 8,741.75            | 20,046.26    |
| 15                                      | 758 Gas Well Royalties                    | 0.00          | 0            | 0.00                  | 0            | 0.00                | 100.00       |
| 16                                      | 759 Operating Expenses - Other            | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00         |
| 17                                      | 760 Rents                                 | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00         |
| 18                                      | 798 Other Exploration Exp.                | 0.00          | 0            | 94.34                 | 0            | 377.35              | 1,037.74     |
| 19                                      | Total Natural Gas Prod. Expenses          | 28,937.59     | 0            | 17,177.67             | 0            | 60,798.81           | 304,439.77   |
| <b>Production Extraction</b>            |   |               |              |                       |              |                     |              |
| 20                                      | 770 Operation Supervision and Engineering | 56.58         | 0            | 0.00                  | 0            | 0.00                | 859.27       |
| 21                                      | 771 Operation Labor                       | 1,803.90      | 0            | 1,332.28              | 0            | 7,873.41            | 16,623.04    |
| 22                                      | 772 Gas Shrinkage                         | 25,725.11     | 0            | 10,467.57             | 0            | 39,169.21           | 89,552.71    |
| 23                                      | 773 Fuel                                  | 1,045.23      | 0            | 927.07                | 0            | 2,982.75            | 9,650.34     |
| 24                                      | 774 Power                                 | 1,395.12      | 0            | 1,439.24              | 0            | 6,364.11            | 17,572.93    |
| 25                                      | 777 Gas Production By Others              | 0.00          | 0            | 202.45                | 0            | 597.17              | 460.41       |
| 26                                      | 781 Variation in Product Inv.             | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00         |
| 27                                      | Total Prod. Extraction Expenses           | \$29,525.96   | \$0          | \$14,968.61           | \$0          | \$56,986.65         | \$134,698.70 |
| <b>Other Gas Supply Expenses</b>        |   |               |              |                       |              |                     |              |
| 1                                       | 7990 1 Transf. to Purch. Gas Accts. - Cr. | \$0.00        | \$0          | \$0.00                | \$0          | \$0.00              | \$0.00       |
| 2                                       | 807 Purchased Gas Expenses                | 9,585.78      | 0            | 8,796.14              | 0            | 35,171.94           | 96,807.67    |
| 3                                       | 808 Gas Withdrawn from Storage - Dr.      | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00         |

\* Budget information not available by account and includes UCCO.



ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED OPERATION EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 01/31/98

| Line No.                                      | Description (a)                          | Current Month |              | Year to Date |              | Twelve Months Ended   |            |
|---|--|---------------|--------------|--------------|--------------|-----------------------|------------|
|   |  | Actual (b)    | Budget * (c) | Actual (c)   | Budget * (f) | Prior Year Actual (e) | Actual (b) |
| 4   | Gas Delivered to Storage - Cr.           | 0.00          | 0            | 0.00         | 0            | 0.00                  | 0.00       |
| 5   | Gas Used for Other Util. Oper. - Cr.     | 0.00          | 0            | 0.00         | 0            | 0.00                  | 0.00       |
| 6   | Total Other Gas Supply Expenses          | 9,585.78      | 0            | 26,232.37    | 0            | 35,171.94             | 98,807.67  |
| <b>Underground Storage Operation Expenses</b> |  |               |              |              |              |                       |            |
| 7   | Oper. Supervision-Engineering            | (1,446.63)    | 0            | (2,623.77)   | 0            | 4,980.54              | (5,218.60) |
| 8   | Wells Expense                            | 5,581.78      | 0            | 19,996.67    | 0            | 21,286.60             | 74,614.03  |
| 9   | Lines Expense                            | 3,897.12      | 0            | 14,755.11    | 0            | 12,309.11             | 38,860.83  |
| 10  | Comp. Station Expenses                   | 3,214.53      | 0            | 18,875.04    | 0            | 34,952.32             | 73,532.84  |
| 11  | Comp. Station Fuel & Power               | 1,163.47      | 0            | 2,092.92     | 0            | 10,333.28             | 16,407.06  |
| 12  | Mesa. Reg. Station Expenses              | 4,419.34      | 0            | 8,112.97     | 0            | 7,303.70              | 21,577.50  |
| 13  | Purification Expenses                    | 7,818.75      | 0            | 14,267.55    | 0            | 11,776.23             | 27,563.45  |
| 14  | Other Expenses                           | 244.28        | 0            | 1,464.91     | 0            | 1,944.83              | 4,973.20   |
| 15  | Storage Well Royalties                   | 8,319.36      | 0            | 14,937.76    | 0            | 14,013.09             | 38,421.86  |
| 16  | Rents                                    | 0.00          | 0            | 0.00         | 0            | 5,186.68              | 10,373.36  |
| 17  | Total Underground Storage Operation Exp. | 33,214.20     | 0            | 91,899.16    | 0            | 124,086.38            | 301,125.53 |
| <b>Transmission Operation Expenses</b>        |  |               |              |              |              |                       |            |
| 18  | Oper. Supervision-Engineering            | 1,119.00      | 0            | 2,891.35     | 0            | 12,681.06             | 14,265.73  |
| 19  | System Control-Load Dispatch             | 0.00          | 0            | 459.00       | 0            | 7,127.71              | 10,775.33  |
| 20  | Communications System Expenses           | 0.00          | 0            | 0.00         | 0            | 0.00                  | 0.00       |
| 21  | Comp. Station Labor and Exp.             | 6,947.46      | 0            | 19,912.26    | 0            | 23,142.31             | 61,237.76  |
| 22  | Gas for Comp. Station Fuel               | 17,279.02     | 0            | 79,941.73    | 0            | 51,247.26             | 185,673.62 |
| 23  | Other Fuel and Pow. for Comp. Station    | 0.00          | 0            | 0.00         | 0            | 0.00                  | 0.00       |
| 24  | Mains Expense                            | 40,848.76     | 0            | 103,457.03   | 0            | 90,084.32             | 263,003.59 |
| 25  | Measuring and Reg. Sta. Exp.             | 14,979.97     | 0            | 44,941.43    | 0            | 63,938.65             | 149,131.97 |
| 26  | Trans. and Comp. of Gas by Oth.          | 0.00          | 0            | 0.00         | 0            | 0.00                  | 0.00       |
| 27  | Other Expenses                           | 0.00          | 0            | 29.76        | 0            | 1,731.52              | 2,944.12   |
| 28  | Rents                                    | 0.00          | 0            | 0.00         | 0            | 0.00                  | 0.00       |
| 29  | 8600 8 Building Service                  | 0.00          | 0            | 0.00         | 0            | 0.00                  | 0.00       |
| 30  | Total Transmission Operation Expenses    | 81,174.21     | 0            | 251,652.56   | 0            | 329,952.83            | 687,032.12 |

\* Budget information not available by account and includes UCC.

**ATMOS ENERGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED OPERATION EXPENSES**  
**FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 01/31/98**

| Line No.   | Description (a)                               | Current Month |              |                       | Year to Date   |              |                       | Twelve Months Ended |          |
|--|---|---------------|--------------|-----------------------|----------------|--------------|-----------------------|---------------------|----------|
|  |   | Actual (b)    | Budget * (c) | Prior Year Actual (d) | Actual (e)     | Budget * (f) | Prior Year Actual (g) | Actual (h)          | Line No. |
| <b>Distribution Operation Expenses</b>           |   |               |              |                       |                |              |                       |                     |          |
| 1  | 870 Supervision & Engineering                 | \$337,321.64  | \$0          | \$493,467.81          | \$2,901,275.79 | \$0          | \$2,014,154.27        | \$7,081,935.53      | 1        |
| 2  | 8710 0 Distribution Load Dispatching          | 30,883.00     | 0            | 46,211.23             | 146,571.32     | 0            | 199,529.18            | 499,392.01          | 2        |
| 3  | 8710 3 Obedient Expense                       | 38,127.97     | 0            | 33,682.05             | 121,571.86     | 0            | 131,324.92            | 337,860.51          | 3        |
| 4  | 872 Comp. Station Labor & Expenses            | 0.00          | 0            | 0.00                  | 0.00           | 0            | 0.00                  | 0.00                | 4        |
| 5  | 873 Comp. Station Fuel and Power              | 0.00          | 0            | 0.00                  | 0.00           | 0            | 0.00                  | 0.00                | 5        |
| 6  | 874 Maint. & Serv. Exp. Gen.                  | 722,841.33    | 0            | 562,329.38            | 1,991,725.35   | 0            | 2,033,064.14          | 6,126,474.59        | 6        |
| 7  | 875 Meas. & Reg. Sta. Exp. Gen.               | 64,525.94     | 0            | 54,002.03             | 198,810.06     | 0            | 241,080.75            | 631,834.92          | 7        |
| 8  | 876 Meas. & Reg. Sta. Exp. Ind.               | 30,465.04     | 0            | 32,795.06             | 96,449.33      | 0            | 138,690.67            | 352,831.65          | 8        |
| 9  | 877 Meas. & Reg. Sta. Exp. City Gate          | 31,540.47     | 0            | 37,420.55             | 94,996.54      | 0            | 125,680.87            | 318,667.62          | 9        |
| 10   | 878 Meter & House Regulator Exp.              | 745,525.73    | 0            | 537,285.92            | 2,192,815.71   | 0            | 2,177,836.98          | 6,371,363.27        | 10       |
| 11   | 8790 0 Customer Installation Expenses         | 407,882.42    | 0            | 306,827.41            | 1,194,698.52   | 0            | 1,238,004.51          | 3,526,462.08        | 11       |
| 12   | 8790 1 Customer Installation Exp. - Fict Com. | 201.55        | 0            | 0.00                  | 1,176.10       | 0            | 661.57                | 1,269.87            | 12       |
| 13   | 8790 8 Irrigation Operating Fee Lines         | 121.58        | 0            | 325.45                | 504.79         | 0            | 868.31                | (2,722.43)          | 13       |
| 14   | 8790 9 Customer Service - Gas Light & Orills  | 2,881.69      | 0            | (0.94)                | (7,618.91)     | 0            | (18,354.54)           | 2,698.71            | 14       |
| 15   | 8800 0 Other Expenses                         | 123,768.43    | 0            | 32,205.96             | 176,633.11     | 0            | 104,297.92            | 388,388.58          | 15       |
| 16   | 8800 1 Distribution Maps & Records            | 13,417.50     | 0            | 9,480.98              | 40,353.45      | 0            | 39,114.18             | 120,076.25          | 16       |
| 17   | 8810 0 Rents                                  | 691,588.73    | 0            | 382,389.37            | 1,827,922.11   | 0            | 1,526,351.24          | 4,878,078.38        | 17       |
| 18   | 8810 8 Building Service                       | 39,179.48     | 0            | 42,348.20             | 150,048.22     | 0            | 167,381.91            | 500,878.62          | 18       |
| 19   | Total Distribution Operation Expenses         | 3,280,772.50  | 0            | 2,370,770.66          | 11,128,043.35  | 0            | 10,071,686.88         | 31,155,490.16       | 19       |
| <b>Customer Accounts Expenses</b>                |   |               |              |                       |                |              |                       |                     |          |
| 20   | 901 Supervision                               | 78,060.44     | 0            | 124,724.13            | 273,980.30     | 0            | 478,604.26            | 1,130,381.18        | 20       |
| 21   | 902 Meter Reading Expenses                    | 476,979.42    | 0            | 336,124.66            | 1,390,263.77   | 0            | 1,413,053.92          | 4,238,653.90        | 21       |
| 22   | 903 Cust. Records & Call. Expenses            | 831,379.34    | 0            | 1,140,849.00          | 3,232,742.25   | 0            | 4,112,953.96          | 11,383,808.92       | 22       |
| 23   | 904 Uncollectible Accounts                    | 380,383.81    | 0            | (41,104.26)           | 765,420.91     | 0            | 499,762.05            | 2,268,463.72        | 23       |
| 24   | 905 Miscellaneous Expenses                    | 18,648.22     | 0            | 41,201.85             | 93,746.80      | 0            | 126,410.50            | 336,725.50          | 24       |
| 25   | Total Customer Accounts Expenses              | 1,785,451.23  | 0            | 1,601,795.38          | 5,756,154.03   | 0            | 6,630,784.69          | 19,338,033.22       | 25       |
| <b>Customer Service and Information Expenses</b> |   |               |              |                       |                |              |                       |                     |          |
| 26   | 909 Supervision                               | 56,298.74     | 0            | 54,136.42             | 201,319.11     | 0            | 217,652.64            | 646,886.02          | 26       |
| 27   | 910 Customer Assistance Expenses              | 272,002.64    | 0            | 339,572.14            | 786,235.29     | 0            | 939,709.44            | 2,172,947.52        | 27       |
| 28   | 911 Inform. Instruct. & Ad Expenses           | 28,322.89     | 0            | 8,218.19              | 163,913.33     | 0            | 91,845.92             | 486,643.06          | 28       |
| 29   | 912 Misc. Customer Serv. & Info. Exp.         | 0.00          | 0            | 865.45                | 3,174.22       | 0            | 3,391.23              | 8,499.05            | 29       |
| 30   | Total Customer Service & Info. Exp.           | \$356,624.27  | \$0          | \$402,792.20          | \$1,154,841.95 | \$0          | \$1,272,599.23        | \$3,314,975.65      | 30       |

\* Budget information not available by account and includes UCCO.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED OPERATION EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 01/31/98

| Line No.   | Description (a)                        | Current Month   |              | Year to Date          |              | Twelve Months Ended |                       |
|--|--|-----------------|--------------|-----------------------|--------------|---------------------|-----------------------|
|  |  | Actual (b)      | Budget * (c) | Prior Year Actual (d) | Budget * (f) | Actual (h)          | Prior Year Actual (g) |
| <b>Sales Promotion Expenses</b>                        |  |                 |              |                       |              |                     |                       |
| 1  | 915 Supervision                        | \$20,888.44     | \$0          | \$16,243.82           | \$0          | \$54,348.34         | \$185,747.55          |
| 2  | 916 Demonstrating & Selling Expenses   | 30,438.71       | 0            | 30,829.10             | 0            | 132,207.69          | 366,589.47            |
| 3  | 917 Advertising Expenses               | 1,478.25        | 0            | 813.00                | 0            | 937.95              | 3,240.08              |
| 4  | 918 Miscellaneous Sales Expenses       | 0.00            | 0            | 0.00                  | 0            | 3,280.36            | 5,408.56              |
| 5  | Total Sales Promotion Expenses         | 52,805.40       | 0            | 47,885.92             | 0            | 190,794.34          | 560,985.66            |
| <b>Administrative &amp; General Operation Expenses</b> |  |                 |              |                       |              |                     |                       |
| 6  | 920 Salaries                           | 831,297.33      | 0            | 765,559.11            | 0            | 3,020,061.14        | 9,408,329.76          |
| 7  | 921 Office Supplies and Expenses       | 391,115.88      | 0            | 422,268.91            | 0            | 1,651,305.48        | 28,875,988.75         |
| 8  | 922 Admin. Exp. Transf.-Cr.            | (1,237,641.40)  | 0            | (830,000.00)          | 0            | (3,320,000.00)      | (13,338,331.89)       |
| 9  | 923 Outside Services Employed          | 383,066.05      | 0            | 301,836.94            | 0            | 1,433,837.37        | 3,061,948.52          |
| 10   | 924 Property Insurance                 | 9,022.90        | 0            | 12,505.60             | 0            | 45,857.34           | 123,999.40            |
| 11   | 925 0 Injuries and Damages             | 247,268.65      | 0            | 240,336.39            | 0            | 983,353.32          | 2,299,149.90          |
| 12   | 925 9 Workmen's Comp. Ins.-Cr.         | (20,876.80)     | 0            | (31,579.96)           | 0            | (115,692.58)        | (196,240.91)          |
| 13   | 926 0 Employee Welfare Expenses - Db   | 1,833,463.14    | 0            | 1,765,905.62          | 0            | 6,754,830.45        | 19,968,310.26         |
| 14   | 926 1 Pensions                         | (641,380.00)    | 0            | (507,520.00)          | 0            | 167,671.62          | (139,176.00)          |
| 15   | 926 7 Emp. Welfare Exp. - Cr.          | (441,004.13)    | 0            | (1,714,712.51)        | 0            | (1,473,094.23)      | (4,822,537.16)        |
| 16   | 926 9 Pensions - Cr.                   | (14,698.08)     | 0            | (58,639.99)           | 0            | (46,261.22)         | (180,448.81)          |
| 17   | 927 Franchise Requirements             | 0.00            | 0            | 844.45                | 0            | 5,600.35            | 18,269.95             |
| 18   | 928 Regulatory Commission Exp.         | 9,733.03        | 0            | 16,011.34             | 0            | 74,025.47           | 138,946.72            |
| 19   | 929 Duplicate Charges-Cr.              | (12,713.55)     | 0            | (18,193.48)           | 0            | (43,938.37)         | (84,155.30)           |
| 20   | 930 1 General Advertising Expenses     | 0.00            | 0            | 0.00                  | 0            | 0.00                | 0.00                  |
| 21   | 930 2 Miscellaneous General Expenses   | 185,547.05      | 0            | 207,305.29            | 0            | 720,977.29          | 2,606,104.98          |
| 22   | 931 0 Rents                            | 196,298.68      | 0            | 193,588.45            | 0            | 775,868.07          | 2,339,438.57          |
| 23   | 931 8 Building Service                 | 0.00            | 0            | 0.00                  | 0            | 0.00                | 0.00                  |
| 24   | Total Admin. & Gen. Operation Expenses | 1,722,698.75    | 0            | 2,727,018.06          | 0            | 10,218,009.22       | 50,079,616.74         |
| 25   | Total Operation Expense                | \$7,360,289.69  | \$12,522,000 | \$7,493,930.10        | \$30,963,000 | \$28,910,870.97     | \$105,995,203.22      |
| 26   | UCO Operation Expense                  | 4,439,336.80    | 0.00         | 5,706,285.00          | 0.00         | 22,463,375.00       | 64,174,887.04         |
| 27   | Consolidated Operation Expense         | \$11,819,626.69 | \$12,522,000 | \$13,200,215.10       | \$30,963,000 | \$51,373,445.97     | \$170,170,092.26      |

(1) The total A & G capitalized year to date is \$3,524,000, remainder is offset by UCO Operation Expense (line 26)

\* Budget information not available by account and includes UCO.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED MAINTENANCE EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 01/31/98

| Line No.                                  | Description (a)                           | Current Month |              | Year to Date          |              | Twelve Months Ended |                       |
|---|---|---------------|--------------|-----------------------|--------------|---------------------|-----------------------|
|   |   | Actual (b)    | Budget * (c) | Prior Year Actual (d) | Budget * (f) | Actual (b)          | Prior Year Actual (e) |
| <b>Manufactured Gas Prod. Maint. Exp.</b> |   |               |              |                       |              |                     |                       |
| 1   | 740 Maint. Supervision and Engineering    | \$0.00        | \$0          | \$0.00                | \$0          | \$0.00              | \$0.00                |
| 2   | 741 Structures and Improvements           | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00                  |
| 3   | 742 Production Equipment                  | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00                  |
| 4   | Total Manufactured Gas Prod. Maint. Exp.  | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00                  |
| <b>Natural Gas Production Maint. Exp.</b> |   |               |              |                       |              |                     |                       |
| 5   | 761 Maint. Supervision and Engineering    | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00                  |
| 6   | 762 Structures and Improvements           | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00                  |
| 7   | 763 Maint. of Producing Gas Wells         | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00                  |
| 8   | 764 Field Lines                           | 1,322.84      | 0            | 636.22                | 0            | 2,790.12            | 5,533.53              |
| 9   | 765 Field Compressor Station Equipment    | 1,035.77      | 0            | 182.41                | 0            | 1,125.04            | 11,471.63             |
| 10  | 766 Field Meas. and Reg. Station Equip.   | 28.73         | 0            | 0.00                  | 0            | 171.40              | 3,127.83              |
| 11  | 767 Purification Equip.                   | 826.83        | 0            | 1,691.81              | 0            | 2,792.49            | 14,635.68             |
| 12  | 769 Other Equip.                          | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00                  |
| 13  | 7990 2 Transf. to Purch. Gas Accts. - Cr. | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00                  |
| 14  | Total Natural Gas Prod. Maint. Exp.       | 3,214.17      | 0            | 2,510.44              | 0            | 6,879.05            | 34,768.67             |
| <b>Production Extraction</b>              |   |               |              |                       |              |                     |                       |
| 15  | 784 Maint. Supervision-Engineering        | 47.16         | 0            | 106.68                | 0            | 372.60              | 1,184.42              |
| 16  | 785 Extraction & Refining Equip.          | 725.83        | 0            | 1,114.10              | 0            | 2,247.51            | 8,297.11              |
| 17  | 787 Maint. Oil Pipe Lines                 | 0.00          | 0            | 0.00                  | 0            | 0.00                | 0.00                  |
| 18  | Total Production Extraction               | \$772.99      | \$0          | \$1,220.78            | \$0          | \$2,620.11          | \$9,481.53            |

\* Budget information not available by account and includes UCG.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED MAINTENANCE EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 01/31/98

| Line No.  | Description (a)                                | Current Month |             | Year to Date          |             | Twelve Months Ended   |                |
|---|--|---------------|-------------|-----------------------|-------------|-----------------------|----------------|
|   |  | Actual (b)    | Budget* (c) | Prior Year Actual (d) | Budget* (e) | Prior Year Actual (f) | Actual (g)     |
| <b>Underground Storage Maintenance Expenses</b> |  |               |             |                       |             |                       |                |
| 1   | 830 Supervision-Engineering                    | \$0.00        | \$0         | \$0.00                | \$0         | \$0.00                | \$0.00         |
| 2   | 831 Structures & Improvements                  | 267.91        | 0           | 150.92                | 0           | 173.78                | 7,000.98       |
| 3   | 832 Reservoirs & Wells                         | 60.28         | 0           | 0.00                  | 0           | 64.33                 | 1,186.97       |
| 4   | 833 Line Maintenance                           | 0.00          | 0           | 0.00                  | 0           | 0.00                  | 0.00           |
| 5   | 834 Compressor Station Equipment               | 386.58        | 0           | 449.45                | 0           | 2,978.22              | 3,761.31       |
| 6   | 835 Meas. & Reg. Station Equipment             | 35.71         | 0           | 115.56                | 0           | 572.35                | 3,694.06       |
| 7   | 836 Purification Equipment                     | (65.46)       | 0           | 12.63                 | 0           | 148.53                | 4,794.43       |
| 8   | 837 Other Equipment                            | 0.00          | 0           | 0.00                  | 0           | 0.00                  | 0.00           |
| 9   | Total Underground Storage Maintenance Expenses | 685.02        | 0           | 728.56                | 0           | 3,937.21              | 20,437.95      |
| <b>Transmission Maintenance Expenses</b>        |  |               |             |                       |             |                       |                |
| 10  | 861 Supervision-Engineering                    | 114.60        | 0           | 314.46                | 0           | 1,047.83              | 2,970.13       |
| 11  | 862 Structures & Improvements                  | 102.72        | 0           | 1,892.36              | 0           | 2,427.47              | 2,427.47       |
| 12  | 863 Maintenance of Mains                       | 5,226.12      | 0           | 2,800.39              | 0           | 10,333.35             | 40,447.53      |
| 13  | 864 Compressor Station Equipment               | 388.38        | 0           | 328.66                | 0           | 1,718.80              | 2,485.14       |
| 14  | 865 Meas. & Reg. Station Equipment             | 2,325.21      | 0           | 6,215.37              | 0           | 16,085.41             | 36,148.83      |
| 15  | 866 Communications Equipment                   | 0.00          | 0           | 0.00                  | 0           | 0.00                  | 0.00           |
| 16  | 867 Other Equipment                            | 139.77        | 0           | 565.42                | 0           | 996.93                | 3,759.60       |
| 17  | Total Transmission Maintenance Expenses        | 8,297.00      | 0           | 11,551.24             | 0           | 32,267.44             | 88,238.70      |
| <b>Distribution Maintenance Expenses</b>        |  |               |             |                       |             |                       |                |
| 18  | 885 Supervision-Engineering                    | 81,122.54     | 0           | 88,799.67             | 0           | 359,625.45            | 999,636.19     |
| 19  | 886 Structures & Improvements                  | 3,805.29      | 0           | 11,472.94             | 0           | 37,772.17             | 99,220.75      |
| 20  | 887 Maintenance of Mains                       | 128,800.72    | 0           | 128,178.89            | 0           | 449,739.38            | 1,250,348.30   |
| 21  | 888 Compressor Station Equipment               | 0.00          | 0           | 0.00                  | 0           | 0.00                  | 0.00           |
| 22  | 889 Meas. & Reg. Station Equipment-Gen.        | 12,900.87     | 0           | 16,465.34             | 0           | 54,139.46             | 161,420.45     |
| 23  | 890 Meas. & Reg. Station Equipment-Ind.        | 8,383.91      | 0           | 11,010.65             | 0           | 41,896.21             | 119,363.53     |
| 24  | 891 Meas. & Reg. Station Equipment-C. Gate     | 4,831.96      | 0           | 5,846.12              | 0           | 21,711.87             | 78,166.24      |
| 25  | 892 Maintenance of Services                    | 28,575.98     | 0           | 16,499.80             | 0           | 98,919.55             | 317,124.34     |
| 26  | 893 Maintenance of Meter & House Regulator     | 83,177.93     | 0           | 29,848.20             | 0           | 104,297.54            | 1,022,382.93   |
| 27  | 894 Other Equipment                            | 5,624.19      | 0           | 3,707.79              | 0           | 18,449.60             | 56,093.49      |
| 28  | Total Distribution Maintenance Expenses        | \$337,223.30  | \$0         | \$311,829.40          | \$0         | \$1,186,548.23        | \$4,103,756.22 |

\* Budget information not available by account and includes UCO.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED MAINTENANCE EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 01/31/98

| Line No.   | Description (a)                         | Current Month |              |                       | Year to Date   |                |                       | Twelve Months Ended |          |
|--|---|---------------|--------------|-----------------------|----------------|----------------|-----------------------|---------------------|----------|
|  |   | Actual (b)    | Budget * (c) | Prior Year Actual (d) | Actual (e)     | Budget * (f)   | Prior Year Actual (g) | Actual (h)          | Line No. |
| <b>Administrative &amp; General Maintenance Expenses</b> |   |               |              |                       |                |                |                       |                     |          |
| 1  | 912 Maintenance of General Plant        | \$2,457.45    | \$0          | \$0.00                | \$9,751.41     | \$0            | \$85.52               | \$36,537.78         | 1        |
| 2  | Total Adm. & Gen. Maintenance Expenses  | 2,457.45      | 0            | 0.00                  | 9,751.41       | 0              | 85.52                 | 36,537.78           | 2        |
| 3  | Total Maintenance Expenses              | \$372,650.02  | \$897,000    | \$327,840.42          | \$1,162,098.52 | \$3,588,000    | \$1,236,705.71        | \$4,295,220.85      | 3        |
| 4  | UCO Maintenance Expenses                | 453,463.00    | 0            | 567,486.00            | 2,145,078.00   | 0.00           | 2,246,809.00          | 7,503,855.33        | 4        |
| 5  | Total Consolidated Maintenance Expenses | \$826,113.02  | \$897,000.00 | \$895,326.42          | \$3,307,176.52 | \$3,588,000.00 | \$3,483,514.71        | \$11,797,076.18     | 5        |

\* Budget information not available by account and includes UCO.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
STATEMENTS OF LONG-TERM DEBT  
AS OF 01/31/98

| Line No. | Description (a)   | Date (b) | Original Issue    |                        | 1998                 |                        | 1997                 |    | Line No. |
|----------|---|----------|-------------------|------------------------|----------------------|------------------------|----------------------|----|----------|
|          |   |          | Amount (c)        | Current Maturities (d) | Outstanding Debt (e) | Current Maturities (f) | Outstanding Debt (g) |    |          |
| 1        | 11.2% John Hancock Note, due 12-30-02   | 12-23-87 | \$ 20,000,000.00  | \$ 2,000,000.00        | \$ 10,000,000.00     | \$ 2,000,000.00        | \$ 12,000,000.00     | 1  |          |
| 2        | 9.76% John Hancock Note, due 12-30-04   | 10-11-89 | 30,000,000.00     | 3,000,000.00           | 21,000,000.00        | 3,000,000.00           | 24,000,000.00        | 2  |          |
| 3        | 9.57% Variable Annuity Life, due 09-30-06   | 09-30-91 | 20,000,000.00     | 2,000,000.00           | 18,000,000.00        | 2,000,000.00           | 20,000,000.00        | 3  |          |
| 4        | 7.95% Variable Annuity Life, due 08-31-06   | 08-31-92 | 10,000,000.00     | 1,000,000.00           | 9,000,000.00         | 1,000,000.00           | 10,000,000.00        | 4  |          |
| 5        | 10% Michael D. Fredericks, due 12-31-11   | 12-31-91 | 1,151,654.00      | 0.00                   | 1,151,654.00         | 0.00                   | 1,151,654.00         | 5  |          |
| 6        | 10% Kingdom Foundation, due 12-31-11  | 12-31-91 | 1,151,654.00      | 0.00                   | 1,151,654.00         | 0.00                   | 1,151,654.00         | 6  |          |
| 7        | 8.07% Variable Annuity Life, due 10-31-06   | 11-14-94 | 20,000,000.00     | 1,000,000.00           | 20,000,000.00        | 0.00                   | 20,000,000.00        | 7  |          |
| 8        | 8.26% New York Life, due 10-31-14   | 11-14-94 | 20,000,000.00     | 0.00                   | 20,000,000.00        | 0.00                   | 20,000,000.00        | 8  |          |
| 9        | 6.09% NationsBank of Texas, due 11-25-98  | 11-26-96 | 40,000,000.00     | 0.00                   | 40,000,000.00        | 0.00                   | 40,000,000.00        | 9  |          |
| 10       | United Cities Gas Company   |          | 154,752,506.00    | 8,488,489.00           | 154,619,459.00       | 7,687,042.00           | 161,405,435.00       | 10 |          |
|          | First Mortgage Bonds  |          | 317,055,814.00    | 17,488,489.00          | 294,922,767.00       | 15,687,042.00          | 309,708,743.00       |    |          |
| 11       | 9.4% Series J, due 05-01-21   | 04-01-91 | 17,000,000.00     | 0.00                   | 17,000,000.00        | 0.00                   | 17,000,000.00        | 11 |          |
| 12       | Total Long-Term Debt  |          | \$ 334,055,814.00 | \$ 17,488,489.00       | \$ 311,922,767.00    | \$ 15,687,042.00       | \$ 326,708,743.00    | 12 |          |
| 13       | Annualized Weighted Average Cost of Long-Term Debt (Including Amort. of Debt Expense) |          |                   |                        |                      |                        | 8.19%                | 13 |          |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 LABOR STATISTICS BY COMPANY  
 FOR THE MONTH AND YEAR TO DATE ENDED 1/31/98

|   | Month          |                | Year to Date    |                 |
|---|----------------|----------------|-----------------|-----------------|
|   | Actual         | Prior Year     | Actual          | Prior Year      |
| <b>Labor Costs Distribution (000's):</b>  |                |                |                 |                 |
| Shared Services                           | \$1,233        | \$1,063        | \$4,522         | \$4,214         |
| Energas                                   | 1,394          | 1,669          | 5,733           | 6,506           |
| Greeley Gas                               | 800            | 929            | 3,449           | 3,697           |
| Trans La                                  | 434            | 480            | 1,770           | 1,900           |
| UCG                                       | 1,688          | 2,437          | 8,386           | 10,295          |
| UCG - Non Regulated                       | 357            | 350            | 1,250           | 1,154           |
| WKG                                       | 924            | 1,154          | 3,820           | 4,432           |
| <b>Total Labor Costs Distribution</b>     | <b>\$6,830</b> | <b>\$8,082</b> | <b>\$28,930</b> | <b>\$32,198</b> |
| <b>Percentage Labor Capitalized</b>       |                |                |                 |                 |
| Shared Services                           |                |                | 18%             | 6%              |
| Energas                                   |                |                | 27%             | 23%             |
| Greeley Gas                               |                |                | 37%             | 31%             |
| Trans La                                  |                |                | 33%             | 27%             |
| UCG                                       |                |                | 29%             | 28%             |
| UCG - Non Regulated                       |                |                | 4%              | .5%             |
| WKG                                       |                |                | 32%             | 24%             |
| <b>Total Percentage Labor Capitalized</b> |                |                | <b>27%</b>      | <b>23%</b>      |
| <b>Average Labor Costs Per Employee:</b>  |                |                |                 |                 |
| Shared Services                           | \$4,618        | \$4,683        | \$4,686         | \$4,575         |
| Energas                                   | 2,805          | 2,805          | 2,786           | 2,705           |
| Greeley Gas                               | 3,419          | 3,506          | 3,530           | 3,494           |
| Trans La                                  | 2,874          | 2,840          | 2,921           | 2,832           |
| UCG                                       | 2,290          | 2,282          | 2,524           | 2,394           |
| UCG - Non Regulated                       | 2,318          | 2,448          | 1,975           | 2,021           |
| WKG                                       | 2,870          | 3,094          | 2,909           | 2,965           |
| <b>Average Labor Costs Per Employee</b>   | <b>\$2,892</b> | <b>\$2,846</b> | <b>\$2,930</b>  | <b>\$2,819</b>  |

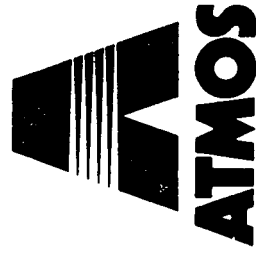


# Atmos Energy Corporation

## FINANCIAL STATEMENTS

FEBRUARY, 1998

*Note: These Financial Statements and the Supplemental information contained herein are confidential. Any unauthorized distribution of all or part of these statements is in violation of company policy.*



**ATMOS ENERGY CORPORATION AND SUBSIDIARIES**  
**FINANCIAL STATEMENTS - TABLE OF CONTENTS**  
**AS OF FEBRUARY 28, 1998**

Description

**MANAGEMENT SUMMARY**

Highlights  
 Financial Ratios and Key Statistics  
 Balance Sheets  
 Consolidated Income Statements  
 Operating Revenues and Volumes

**FLASH REPORTS**

Net Income  
 Operation and Maintenance Expenses  
 Interest Expense  
 Billed Shared Services  
 Capital Expenditures

**I. CONSOLIDATED FINANCIAL STATEMENTS**

Consolidated Balance Sheets -  
 Assets ..... 1  
 Liabilities and Shareholders' Equity ..... 2  
 Consolidated Statements of Income ..... 3  
 Consolidating Balance Sheet -  
 Assets ..... 4  
 Liabilities and Shareholders' Equity ..... 5  
 Eliminations to Consolidating Balance Sheet ..... 6  
 Consolidating Balance Sheet -  
 -Non Regulated Assets ..... 7  
 -Non Regulated Liabilities ..... 8

**II. CONSOLIDATING - UTILITY/NON-UTILITY**

Consolidated Income Statement -  
 Utility/Non-Utility ..... 9-10  
 Eliminations -Income Statement ..... 11  
 Consolidating Income Statement - Regulated ..... 12-13  
 Consolidating Income Statement - Non-Regulated ..... 14-15  
 Consolidating Income Statement - Non-Utility ..... 16-17  
 Shared Services Billing (Summary) ..... 18-19  
 Shared Services Billing (Detail) ..... 20-25  
 Analysis of Shared Services - Actual vs. Budget (Summary) ..... 26-27  
 Analysis of Shared Services - Actual vs. Budget (Detail) ..... 28-35

**III. INCOME STATEMENTS**

Utility -  
 Utility Business Units ..... 36-37  
 Energas Business Units ..... 38-39  
 Energas ..... 40  
 Iggasco ..... 41  
 Emermat ..... 42  
 Greeley Business Unit ..... 43  
 Trans La Business Units ..... 44-45  
 Trans La ..... 46  
 TLIG ..... 47  
 United Cities Business Unit ..... 48  
 WKG Business Units ..... 49-50  
 WKG ..... 51  
 WKGR ..... 52

Non-Utility -

Atmos Energy Services ..... 53  
 Propane ..... 54  
 Leasing ..... 55  
 Rental ..... 56  
 Utility Services ..... 57  
 Storage ..... 58

**IV. COMBINING FINANCIAL STATEMENTS - ATMOS/UCG REGULATED**

Combining Balance Sheets -  
 Assets ..... 59  
 Liabilities and Shareholders' Equity ..... 60  
 Combining Statements of Income ..... 61-62  
 Property, Plant and Equipment ..... 63-69  
 Combining Balance Sheet Detail ..... 70-86

**V. STATISTICS**

Operating Revenue and Statistics ..... 87-98  
 Consolidated Operation and Maintenance Expense ..... 99-105  
 Statement of Long-term Debt ..... 106  
 Labor Statistics by Company ..... 107

**Atmos Energy Corporation**  
**Management Summary**

**February 28, 1998**



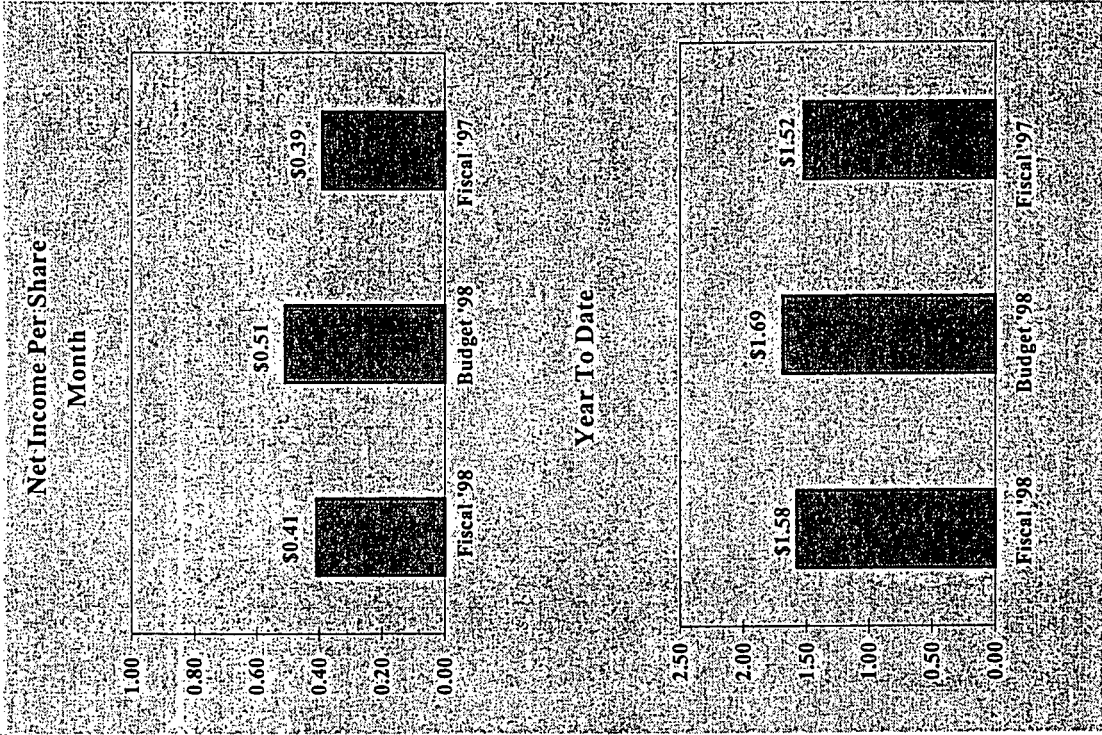
**ATMOS**

---

This report is confidential. Any unauthorized distribution of all or part of this report is in violation of company policy. This report contains information that is unaudited by the company's outside audit firm.

# Atmos Energy Corporation Highlights

|                                    | Actual   | Budget   | Prior Year |
|------------------------------------|----------|----------|------------|
| <b>Net Income (Loss) Per Share</b> |          |          |            |
| Month                              | \$0.41   | \$0.51   | \$0.39     |
| Year To Date                       | 1.58     | 1.69     | 1.52       |
| 12 Months Ended                    | 0.89     | 1.51     | 1.38       |
| <b>Net Income (Loss) (000's)</b>   |          |          |            |
| Month                              | \$12,330 | \$15,144 | \$11,356   |
| Year To Date                       | 46,816   | 50,412   | 44,541     |
| 12 Months Ended                    | 26,113   | 44,646   | 40,284     |
| <b>Dividend Per Share</b>          | \$1.06   |          | \$1.00     |
| <b>Stock Price (Fiscal Y-T-D)</b>  |          |          |            |
| High                               | 30 1/2   |          | 24 3/4     |
| Low                                | 24 5/16  |          | 22         |
| Close                              | 28 11/16 |          | 24 1/2     |
| Volume (000's)                     | 3,566    |          | 2,329      |
| <b>Return on Average Equity</b>    | 7.22%    |          | 10.44%     |
| <b>Book Value Per Share</b>        |          |          |            |
| End of Month                       | \$12.22  | \$12.52  | \$12.14    |
| <b>Degree Days</b>                 |          |          |            |
| Month                              | 575      | 633      | 90.8%      |
| Year To Date                       | 2,928    | 3,018    | 97.0%      |
| 12 Months Ended                    | 4,172    | 4,083    |            |



# Atmos Energy Corporation

## Financial Ratios - Industry Comparison

|  | Atmos  |      | 33 Natural Gas Utility Distribution Companies |                      |       |        |
|--|--------|------|---|----------------------|-------|--------|
|  | Amount | Rank | Maximum                                       | Minimum              | Mean  | Median |
| Price/Earnings Ratio                             | 32.2X  | 1    | 32.2X   | 12.5X <sup>(1)</sup> | 17.3X | 15.7X  |
| Yield (Dividend/Market Price)                    | 3.7%   | 29   | 6.4% <sup>(7)</sup>                           | 0.0% <sup>(1)</sup>  | 4.5%  | 4.5%   |
| Market Price/Book Value                          | 2.3X   | 1    | 2.3X  | 1.42X <sup>(2)</sup> | 1.89X | 1.87X  |
| Equity/Total Capitalization (Incl. S/T Debt)     | 43%    | 29   | 66% <sup>(6)</sup>                            | 35% <sup>(1)</sup>   | 51%   | 52%    |
| Return on Average Equity                         | 7.22%  | 32   | 15.0% <sup>(6)</sup>                          | 7.1% <sup>(10)</sup> | 11.3% | 11.4%  |
| Payout Ratio (Dividend/EPS)                      | 119%   | 3    | 163% <sup>(7)</sup>                           | 48% <sup>(4)</sup>   | 80%   | 75%    |
| Book Yield (Dividend/Book Value)                 | 8.7%   | 18   | 11.5% <sup>(11)</sup>                         | 0.0% <sup>(1)</sup>  | 8.5%  | 8.8%   |
| Before Tax Interest Coverage                     | 2.04X  | 32   | 7.08X <sup>(6)</sup>                          | 1.94X <sup>(7)</sup> | 3.31X | 3.21X  |
| Total Capitalization (Incl. S/T Debt) (millions) | \$847X | 6    | \$2,574 <sup>(3)</sup>                        | \$15 <sup>(11)</sup> |       |        |

Footnotes:

- <sup>(1)</sup> Southern Union Company
- <sup>(2)</sup> Providence Energy Corporation
- <sup>(3)</sup> Pacific Enterprises
- <sup>(4)</sup> Mobile Gas Service Corporation
- <sup>(5)</sup> Berkshire Gas Company
- <sup>(6)</sup> North Carolina Natural Gas Company
- <sup>(7)</sup> Delta Natural Gas Company
- <sup>(8)</sup> Roanoke Gas Company
- <sup>(9)</sup> Fall River Gas Company
- <sup>(10)</sup> Indiana Energy
- <sup>(11)</sup> Corning Natural Gas Company

Source: Edward Jones, Natural Gas Industry, Monthly Financial & Common Stock Information February 28, 1998. Includes selected companies with at least 90% of their operating revenues from the natural gas distribution business. The information for the 34 natural gas distribution utilities is based primarily on the period ended December 31, 1997 and stock prices as of February 28, 1998.

## Key Statistics

|                        | Energas   |           | GGC       |           | Trans La  |     | UCG      |  | WKG |  | Non-Utility |  | Shared Services |  | Peer Group Average |          |
|------------------------|-----------|-----------|-----------|-----------|-----------|-----|----------|--|-----|--|-------------|--|-----------------|--|--------------------|----------|
|                        |           |           |           |           |           |     |          |  |     |  |             |  |                 |  |                    |          |
| Meters Per Employee:   |           |           |           |           |           |     |          |  |     |  |             |  |                 |  |                    |          |
| 02/28/98               | 783       | 490       | 540       | 574       | 623       | -   | 493      |  |     |  |             |  |                 |  |                    |          |
| 02/28/97               | 502       | 423       | 475       | 292       | 467       | -   | 358      |  |     |  |             |  |                 |  |                    | 331      |
| Net Plant Per Meter:   |           |           |           |           |           |     |          |  |     |  |             |  |                 |  |                    |          |
| 02/28/98               | \$ 471    | \$ 735    | \$ 973    | \$ 974    | \$ 604    | -   | \$861    |  |     |  |             |  |                 |  |                    | \$1,175  |
| 02/28/97               | \$ 438    | \$ 691    | \$ 932    | \$ 969    | \$ 568    | -   | \$783    |  |     |  |             |  |                 |  |                    |          |
| O&M Expense Per Meter: |           |           |           |           |           |     |          |  |     |  |             |  |                 |  |                    |          |
| 02/28/98               | \$ 101.26 | \$ 162.05 | \$ 144.69 | \$ 187.77 | \$ 133.33 | -   | \$177.84 |  |     |  |             |  |                 |  |                    | \$247.00 |
| 02/28/97               | \$ 113.87 | \$ 162.61 | \$ 143.12 | \$ 197.69 | \$ 135.80 | -   | \$181.57 |  |     |  |             |  |                 |  |                    |          |
| Employees:             |           |           |           |           |           |     |          |  |     |  |             |  |                 |  |                    |          |
| 02/28/98               | 402       | 235       | 150       | 561       | 283       | 175 | 301      |  |     |  |             |  |                 |  |                    |          |
| 02/28/97               | 592       | 265       | 169       | 1,071     | 372       | 150 | 224      |  |     |  |             |  |                 |  |                    |          |

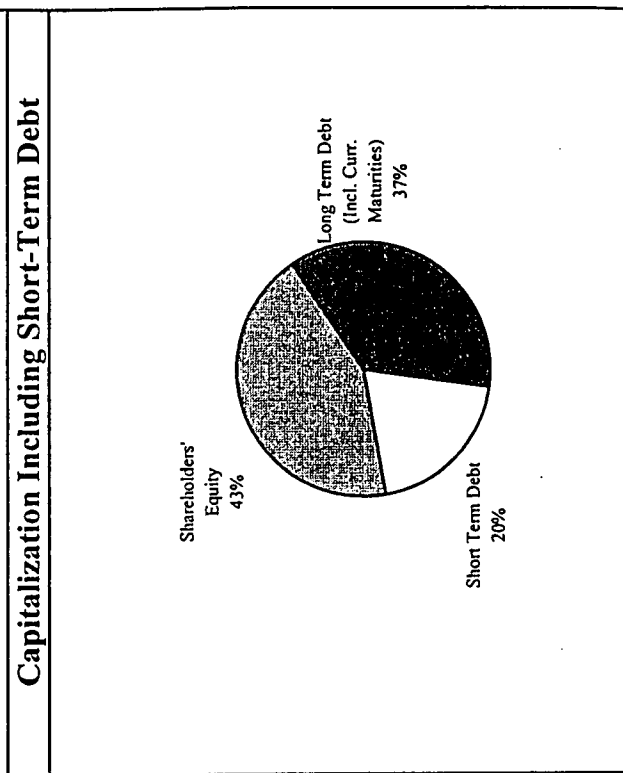
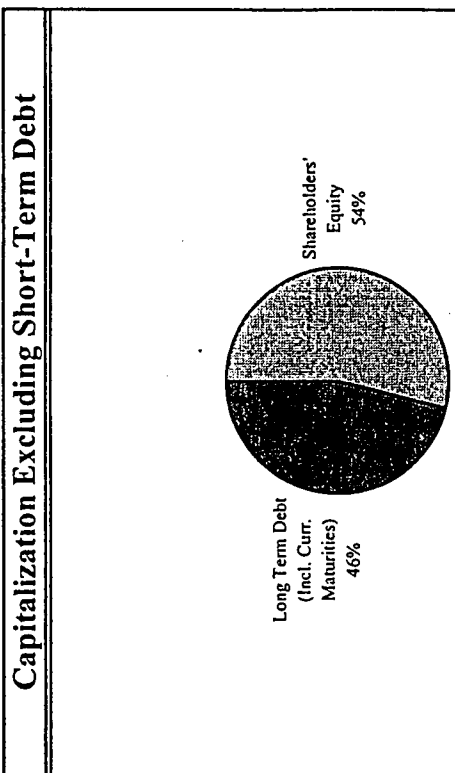
# Consolidated Balance Sheets February 28, 1998

February 28,

| (000's)                                 | 1998               | 1997               |
|---|--------------------|--------------------|
| <b>ASSETS:</b>                          |                    |                    |
| Property Plant & Equipment:             |                    |                    |
| Gross Property, Plant and Equipment     | \$1,374,847        | \$1,254,649        |
| Accumulated Depreciation & Amortization | <u>505,871</u>     | <u>464,466</u>     |
| <b>Net P, P and E</b>                   | 868,976            | 790,183            |
| Current Assets:                         |                    |                    |
| Cash and Cash Equivalents               | 6,171              | 11,851             |
| Accounts Receivable                     | 139,394            | 178,819            |
| Inventories                             | 13,692             | 13,821             |
| Gas Stored Underground                  | 28,199             | 26,067             |
| Other Current Assets                    | <u>3,931</u>       | <u>3,627</u>       |
| <b>Total Current Assets</b>             | 191,387            | 234,185            |
| Deferred Charges & Other Assets         | <u>113,878</u>     | <u>68,154</u>      |
| <b>Total Assets</b>                     | <b>\$1,174,241</b> | <b>\$1,092,522</b> |

## LIABILITIES AND SHAREHOLDERS' EQUITY:

|   |                    |                    |
|---|--------------------|--------------------|
| <b>Shareholders' Equity</b>                         | <b>\$366,071</b>   | <b>\$356,845</b>   |
| Long Term Debt (Including Current Maturities)       | <u>311,766</u>     | <u>325,601</u>     |
| <b>Total Capitalization</b>                         | <b>677,837</b>     | <b>682,446</b>     |
| Current Liabilities:                                |                    |                    |
| Notes Payable                                       | 169,050            | 89,584             |
| Accounts Payable                                    | 79,380             | 101,154            |
| Accrued Taxes                                       | 11,160             | 9,282              |
| Income Taxes Payable                                | 16,404             | 20,371             |
| Dividends Declared                                  | 7,938              | 7,413              |
| Customers' Deposits                                 | 13,915             | 17,374             |
| Other Current Liabilities                           | <u>53,615</u>      | <u>35,245</u>      |
| <b>Total Current Liabilities</b>                    | 351,462            | 280,423            |
| Deferred Federal Income Taxes                       | 87,543             | 73,411             |
| Deferred Credits & Other Liabilities                | <u>57,399</u>      | <u>56,242</u>      |
| <b>Total Liabilities</b>                            | <b>\$808,170</b>   | <b>\$735,677</b>   |
| <b>Total Liabilities &amp; Shareholders' Equity</b> | <b>\$1,174,241</b> | <b>\$1,092,522</b> |



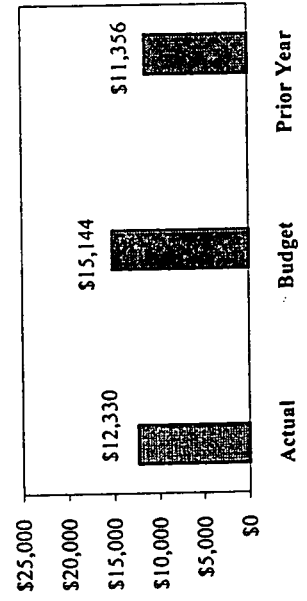
# Consolidated Statements of Income

February 28, 1998

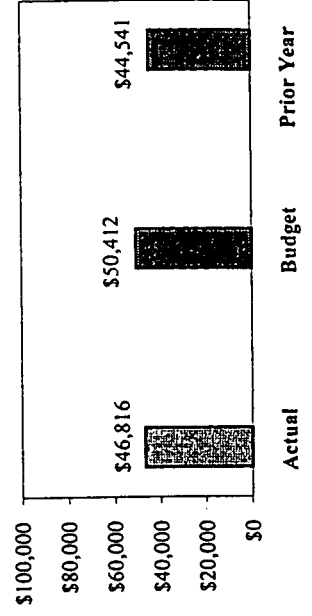
(000's)

|                                 | Month           |                 |                 | Year-to-Date     |                  |                  |
|---------------------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|
|                                 | Actual          | Budget          | Prior Year      | Actual           | Budget           | Prior Year       |
| Operating Revenues              | \$89,584        | \$125,297       | \$114,491       | \$497,733        | \$526,209        | \$561,614        |
| Purchased Gas Cost              | 48,657          | 78,986          | 72,942          | 310,837          | 331,976          | 374,501          |
| <b>Gross Profit</b>             | <b>\$40,927</b> | <b>\$46,311</b> | <b>\$41,549</b> | <b>\$186,896</b> | <b>\$194,233</b> | <b>\$187,113</b> |
| Operating Expenses              |                 |                 |                 |                  |                  |                  |
| Operation                       | 10,723          | 12,189          | 12,626          | 58,584           | 63,154           | 63,999           |
| Maintenance                     | 678             | 897             | 1,239           | 3,985            | 4,485            | 4,722            |
| Depreciation & Amortization     | 3,948           | 3,986           | 3,834           | 19,813           | 19,932           | 19,178           |
| Taxes - Other than Inc. Tax     | 3,190           | 3,140           | 3,502           | 14,563           | 13,805           | 15,409           |
| Provision for Inc. Taxes        | 7,452           | 9,271           | 6,887           | 28,588           | 30,672           | 26,755           |
| <b>Total Operating Expenses</b> | <b>25,991</b>   | <b>29,483</b>   | <b>28,088</b>   | <b>125,533</b>   | <b>132,048</b>   | <b>130,063</b>   |
| Operating Income                | 14,936          | 16,828          | 13,461          | 61,363           | 62,185           | 57,050           |
| Other Income (Expense)          | 104             | 1,145           | 670             | 1,291            | 2,915            | 1,929            |
| Interest Charges                | 2,710           | 2,829           | 2,775           | 15,838           | 14,688           | 14,438           |
| <b>Net Income</b>               | <b>\$12,330</b> | <b>\$15,144</b> | <b>\$11,356</b> | <b>\$46,816</b>  | <b>\$50,412</b>  | <b>\$44,541</b>  |

**Month**



**Year to Date**



## Net Income

## Utility Operating Revenues and Volumes February 28, 1998

| Volumes Handled (MMcf)(as metered)      | Month           |          |                  | Year-to-Date     |          |                  |
|---|-----------------|----------|------------------|------------------|----------|------------------|
|   | Actual          | Budget * | Prior Year       | Actual           | Budget * | Prior Year       |
|   |                 |          |                  |                  |          |                  |
| <b>Gas Sales</b>                        |                 |          |                  |                  |          |                  |
| Residential                             | 10,232          |          | 10,802           | 49,601           |          | 51,126           |
| Commercial                              | 4,812           |          | 5,048            | 23,048           |          | 24,325           |
| Public Authority and Other              | 694             |          | 754              | 3,448            |          | 3,634            |
| <b>Total Weather Sensitive Sales</b>    | <b>15,738</b>   |          | <b>16,604</b>    | <b>76,097</b>    |          | <b>79,085</b>    |
| <b>Industrial</b>                       | <b>2,459</b>    |          | <b>3,100</b>     | <b>14,169</b>    |          | <b>16,618</b>    |
| Agricultural                            | 67              |          | 171              | 805              |          | 1,454            |
| <b>Total Gas Sales Volumes</b>          | <b>18,264</b>   |          | <b>19,875</b>    | <b>91,071</b>    |          | <b>97,157</b>    |
| Transportation                          | 4,118           |          | 4,165            | 24,174           |          | 20,784           |
| <b>Total Gas Volumes Handled (MMcf)</b> | <b>22,382</b>   |          | <b>24,040</b>    | <b>115,245</b>   |          | <b>117,941</b>   |
| <b>Operating Revenues (000's)</b>       |                 |          |                  |                  |          |                  |
| <b>Gas Sales Revenues</b>               |                 |          |                  |                  |          |                  |
| Residential                             | 48,119          |          | 61,886           | 264,254          |          | 300,558          |
| Commercial                              | 21,586          |          | 27,531           | 116,892          |          | 132,694          |
| Public Authority and Other              | 2,077           |          | 3,315            | 13,738           |          | 18,193           |
| <b>Total Weather Sensitive Sales</b>    | <b>71,782</b>   |          | <b>92,732</b>    | <b>394,884</b>   |          | <b>451,445</b>   |
| <b>Industrial</b>                       | <b>9,327</b>    |          | <b>13,764</b>    | <b>59,274</b>    |          | <b>67,342</b>    |
| Agricultural                            | 327             |          | 520              | 3,256            |          | 4,077            |
| <b>Total Gas Sales Revenues</b>         | <b>81,436</b>   |          | <b>107,016</b>   | <b>457,414</b>   |          | <b>522,864</b>   |
| <b>Other Gas Revenues</b>               | <b>1,209</b>    |          | <b>666</b>       | <b>4,486</b>     |          | <b>2,752</b>     |
| Transportation                          | 1,747           |          | 1,653            | 11,158           |          | 8,518            |
| <b>Total Operating Revenues</b>         | <b>\$84,392</b> |          | <b>\$109,335</b> | <b>\$473,058</b> |          | <b>\$534,134</b> |
|   |                 |          |                  | <b>\$493,981</b> |          | <b>\$534,134</b> |

\* Budget information other than total operating revenues not available



**NET INCOME BY BUSINESS UNIT**

Atmos Energy Corporation  
Net Income

For the Month and Year to Date Ended February 28, 1998

|                             | Month                     |              |             | Year-to-Date              |                |             | Actual<br>Over (Under)<br>Prior Year |             |
|-----------------------------|---------------------------|--------------|-------------|---------------------------|----------------|-------------|--------------------------------------|-------------|
|                             | Current<br>Year<br>Actual | Actual       |             | Current<br>Year<br>Actual | Actual         |             |                                      |             |
|                             |                           | Over (Under) | Budget      |                           | Over (Under)   | Budget      |                                      |             |
| Energas                     | 3,367,094                 | 2,074,000    | 1,293,094   | 9,682,699                 | 8,985,000      | 697,699     | 8,294,820                            | 1,387,879   |
| Energas                     | (286,856)                 | (147,000,00) | (139,856)   | (791,793)                 | (1,084,000,00) | 292,207     | (617,699)                            | (174,094)   |
| GGC                         | 1,130,157                 | 1,358,000    | (227,843)   | 4,871,340                 | 4,562,000      | 309,340     | 5,931,864                            | (1,060,524) |
| TransLa                     | 1,586,526                 | 1,212,000    | 374,526     | 3,575,331                 | 4,351,000      | (775,669)   | 3,306,749                            | 268,582     |
| TLIG                        | 19,625                    | 27,000       | (7,375)     | 121,355                   | 123,000        | (1,645)     | (50,109)                             | 171,464     |
| UCGC                        | 4,798,200                 | 6,056,000    | (1,257,800) | 20,930,198                | 20,739,000     | 191,198     | 19,548,098                           | 1,382,100   |
| WKGR                        | 1,313,937                 | 3,139,000    | (1,825,063) | 5,924,599                 | 8,164,000      | (2,239,401) | 4,675,813                            | 1,248,786   |
|                             | (9)                       | 3,000        | (3,009)     | (181)                     | 15,000         | (15,181)    | (8,417)                              | 8,236       |
| Total Utility               | 11,928,674                | 13,722,000   | (1,793,326) | 44,313,548                | 45,855,000     | (1,541,452) | 41,081,119                           | 3,232,429   |
| Rental                      | (54,049)                  | 72,000       | (126,049)   | 203,817                   | 331,000        | (127,183)   | 398,062                              | (194,245)   |
| Utility Services-Woodward   | 77,652                    | 583,000      | (505,348)   | 282,290                   | 1,145,000      | (862,710)   | 714,967                              | (432,677)   |
| Leasing                     | 26,522                    | 25,000       | 1,522       | 136,908                   | 113,000        | 23,908      | 112,144                              | 24,764      |
| Propane                     | 292,018                   | 711,000      | (418,982)   | 1,547,670                 | 2,822,000      | (1,274,330) | 1,900,940                            | (353,270)   |
| Total Energy                | 342,143                   | 1,391,000    | (1,048,857) | 2,170,685                 | 4,411,000,00   | (2,240,315) | 3,126,113                            | (955,428)   |
| UCG Storage                 | 59,203                    | 31,000       | 28,203      | 337,459                   | 146,000        | 191,459     | 287,118                              | 50,341      |
| Atmos Energy Service        | (50)                      | 0            | (50)        | (160)                     | 0              | (160)       | (2,465)                              | 0           |
| Total Non-Utility           | 401,296                   | 1,422,000    | (1,020,704) | 2,507,984                 | 4,557,000,00   | (2,049,016) | 3,410,766                            | (905,087)   |
| Unallocated Shared Svc. (1) | 0                         | 0            | 0           | (5,215)                   | 0              | (5,215)     | 49,424                               | (54,639)    |
| Consolidated Net Income     | 12,329,970                | 15,144,000   | (2,814,030) | 46,816,317                | 50,412,000     | (3,595,683) | 44,541,309                           | 2,272,703   |

(1) Unallocated shared services amount due to late entries and other items which are cleared the following month.

O + M EXPENSE BY BUSINESS UNIT

Atmos Energy Corporation  
 Operation and Maintenance Expenses  
 For the Month and Year To Date Ended February 28, 1998

|   | Month      |            |              |            | Year-to-Date |             |              |             |
|---|------------|------------|--------------|------------|--------------|-------------|--------------|-------------|
|   | Current    |            | Actual       |            | Current      |             | Actual       |             |
|   | Year       | Budget     | Over (Under) | Prior Year | Year         | Budget      | Over (Under) | Prior Year  |
| Energas   | 2,249,485  | 2,668,000  | (418,515)    | 3,090,869  | 12,422,254   | 13,289,000  | (866,746)    | 13,861,076  |
| Enermart & Egasco                                   | 447,286    | 443,000    | 4,286        | 440,562    | 2,242,268    | 2,217,000   | 25,268       | 2,480,149   |
| GGC   | 1,418,427  | 1,599,000  | (180,573)    | 1,572,596  | 7,565,300    | 7,953,000   | (387,700)    | 8,233,574   |
| Trans La  | 927,257    | 949,000    | (21,743)     | 1,009,676  | 4,624,426    | 4,765,000   | (140,574)    | 5,227,780   |
| TLIG  | 30,169     | 19,000     | 11,169       | 25,588     | 109,661      | 96,000      | 13,661       | 109,856     |
| UCGC  | 4,203,074  | 4,668,000  | (464,926)    | 5,000,380  | 24,053,465   | 25,833,000  | (1,779,535)  | 26,075,646  |
| WKG   | 1,723,086  | 2,006,000  | (282,914)    | 2,120,762  | 9,117,436    | 9,970,000   | (852,564)    | 10,415,863  |
| WKGR  | 357        | -          | 357          | 1,237      | 1,787        | -           | 1,787        | 5,856       |
| Total Utility                                       | 10,999,141 | 12,352,000 | (1,352,859)  | 13,261,670 | 60,136,597   | 64,123,000  | (3,986,403)  | 66,409,800  |
| Rental  | 8,672      | 57,000     | (48,328)     | 67,811     | 220,604      | 253,000     | (32,396)     | 250,143     |
| Utility Svs-Woodward                                | 1,683      | 3,000      | (1,317)      | 15,732     | 16,133       | 28,000      | (11,867)     | (5,798)     |
| Leasing   | 2,511      | 3,000      | (489)        | 5,389      | 15,488       | 20,000      | (4,512)      | 32,795      |
| Propane   | 707,469    | 853,000    | (145,531)    | 918,141    | 3,705,852    | 4,126,000   | (420,148)    | 4,177,474   |
| Total Energy  | 720,335    | 916,000    | (195,665)    | 1,007,073  | 3,958,077    | 4,427,000   | (468,923)    | 4,454,614   |
| Storage   | 65,483     | 73,000     | (7,517)      | 57,068     | 230,816      | 365,000     | (134,184)    | 243,649     |
| Atmos Energy Services                               | 50         | -          | 50           | 105        | 160          | -           | 160          | 2,464       |
| Total Non-Utility                                   | 785,868    | 989,000    | (203,132)    | 1,064,246  | 4,189,053    | 4,792,000   | (602,947)    | 4,700,727   |
| Atmos Allocated Div. 02 Deprec. and Taxes Other (1) | (383,918)  | (255,000)  | (128,918)    | (461,208)  | (1,762,359)  | (1,275,000) | (487,359)    | (2,305,924) |
| Unallocated Shared Services (2)                     | -          | -          | -            | -          | 5,215        | -           | 5,215        | (82,935)    |
| Consolidated O & M Expense                          | 11,401,091 | 13,086,000 | (1,684,909)  | 13,864,708 | 62,568,506   | 67,640,000  | (5,071,494)  | 68,721,668  |
|   |            |            |              |            |              |             |              | (6,153,162) |

(1) Consolidated O & M expense does not include Atmos allocated division 02 depreciation and taxes other.  
 (2) Current year unallocated shared services due to charges to call center and adjustment for insurance reserve.

**INTEREST EXPENSE BY BUSINESS UNIT**

Almos Energy Corporation  
Interest Expense

For the Month And Year To Date Ended February 28, 1998

|                                   | Month            |                  |                  | Year-to-Date     |                   |                   | Actual<br>Over (Under)<br>Prior Year | Actual<br>Over (Under)<br>Prior Year |                  |              |
|-----------------------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|--------------------------------------|--------------------------------------|------------------|--------------|
|                                   | Current Year     |                  | Actual           | Current Year     |                   | Actual            |                                      |                                      | Actual           |              |
|                                   | Budget           | Over (Under)     |                  | Budget           | Over (Under)      |                   |                                      |                                      | Budget           | Over (Under) |
| Energas                           | 443,860          | (172,140)        | 439,276          | 4,584            | 2,998,628         | 3,187,000         | (188,372)                            | 2,310,875                            | 687,753          |              |
| Enernart & Egasco                 | 0                | (29,000)         | 40,794           | (40,794)         | 300               | 134,000           | (133,700)                            | 220,382                              | (220,082)        |              |
| GCC                               | 270,284          | (69,716)         | 266,501          | 3,783            | 1,787,497         | 1,743,000         | 44,497                               | 1,405,181                            | 382,316          |              |
| TransLa                           | 201,966          | (15,034)         | 223,527          | (21,561)         | 2,038,350         | 1,139,000         | 899,350                              | 1,172,928                            | 865,422          |              |
| TLJG                              | 245              | 245              | 0                | 245              | 1,227             | 0                 | 1,227                                | 948                                  | 279              |              |
| UCGC                              | 1,262,554        | 296,554          | 1,296,805        | (34,251)         | 5,640,526         | 5,011,000         | 629,526                              | 6,601,201                            | (960,675)        |              |
| WKG                               | 304,272          | (101,728)        | 333,126          | (28,854)         | 2,284,462         | 2,125,000         | 159,462                              | 1,795,422                            | 489,040          |              |
| WKGR                              | 0                | 0                | 0                | 0                | 0                 | 0                 | 0                                    | 0                                    | 0                |              |
| <b>Total Utility</b>              | <b>2,483,181</b> | <b>(90,819)</b>  | <b>2,600,029</b> | <b>(116,848)</b> | <b>14,750,990</b> | <b>13,339,000</b> | <b>1,411,990</b>                     | <b>13,506,937</b>                    | <b>1,244,053</b> |              |
| Rental                            | 81,953           | (11,047)         | 57,136           | 24,817           | 325,445           | 493,000           | (167,555)                            | 237,642                              | 87,803           |              |
| Utility Svs-Woodward              | 0                | 0                | 0                | 0                | 0                 | 0                 | 0                                    | 0                                    | 0                |              |
| Leasing                           | 13,416           | 1,416            | 14,224           | (808)            | 68,159            | 68,000            | 159                                  | 72,416                               | (4,257)          |              |
| Propane                           | 56,148           | (1,852)          | 37,544           | 18,604           | 304,955           | 324,000           | (19,045)                             | 255,372                              | 49,583           |              |
| <b>Total Energy</b>               | <b>151,517</b>   | <b>(11,483)</b>  | <b>108,904</b>   | <b>42,613</b>    | <b>698,559</b>    | <b>885,000</b>    | <b>(186,441)</b>                     | <b>565,430</b>                       | <b>133,129</b>   |              |
| UCG Storage                       | 75,300           | (16,700)         | 66,532           | 8,768            | 388,831           | 464,000           | (75,169)                             | 367,028                              | 21,803           |              |
| Atmos Energy Service              | 0                | 0                | 0                | 0                | 0                 | 0                 | 0                                    | 0                                    | 0                |              |
| <b>Total Non-Utility</b>          | <b>226,817</b>   | <b>(28,183)</b>  | <b>175,436</b>   | <b>51,381</b>    | <b>1,087,390</b>  | <b>1,349,000</b>  | <b>(261,610)</b>                     | <b>932,458</b>                       | <b>154,932</b>   |              |
| <b>Consolidated Interest Exp.</b> | <b>2,709,998</b> | <b>(119,002)</b> | <b>2,775,465</b> | <b>(65,467)</b>  | <b>15,838,380</b> | <b>14,688,000</b> | <b>1,150,380</b>                     | <b>14,439,395</b>                    | <b>1,398,985</b> |              |

**SHARED SERVICES - BILLED BY BUSINESS UNIT**

Amos Energy Corporation  
Billed Shared Services

For the Month and Year to Date Ended February 28, 1998

|   | Current          |                  |                | Month            |                |        | Year-to-Date      |                   |                  |        |                   |                |              |
|---|------------------|------------------|----------------|------------------|----------------|--------|-------------------|-------------------|------------------|--------|-------------------|----------------|--------------|
|   | Year             | Actual           | Over (Under)   | Actual           | Over (Under)   | Budget | Prior Year        | Actual            | Over (Under)     | Budget | Prior Year        | Actual         | Over (Under) |
|   |                  |                  |                |                  |                |        |                   |                   |                  |        |                   |                |              |
| Energas                                 | 830,886          | 886,605          | (55,719)       | 1,257,307        | (426,421)      |        | 4,254,454         | 4,381,895         | (127,441)        |        | 5,296,322         | (1,041,868)    |              |
| Emermart & Egasco                       | 22,426           | 22,614           | (188)          | 27,899           | (5,473)        |        | 100,318           | 116,689           | (16,371)         |        | 144,195           | (43,877)       |              |
| GGC                                     | 406,874          | 425,685          | (18,811)       | 379,548          | 27,326         |        | 1,788,039         | 2,096,199         | (308,160)        |        | 2,262,365         | (474,326)      |              |
| TransLa                                 | 428,206          | 281,768          | 146,438        | 336,721          | 91,485         |        | 1,619,299         | 1,384,748         | 234,551          |        | 1,928,207         | (308,908)      |              |
| TLIG                                    | 7,585            | 6,869            | 716            | 12,623           | (5,038)        |        | 28,310            | 34,620            | (6,310)          |        | 62,525            | (34,215)       |              |
| UCGC                                    | 623,317          | 541,073          | 82,244         | -                | 623,317        |        | 2,571,649         | 2,495,269         | 76,380           |        | -                 | 2,571,649      |              |
| WKG                                     | 562,668          | 584,495          | (21,827)       | 583,872          | (21,204)       |        | 2,684,496         | 2,883,871         | (199,375)        |        | 3,289,069         | (604,573)      |              |
| WKGR                                    | 357              | 3,000            | (2,643)        | 1,237            | (880)          |        | 1,787             | 15,000            | (13,213)         |        | 5,857             | (4,070)        |              |
| <b>Total Utility</b>                    | <b>2,882,319</b> | <b>2,752,109</b> | <b>130,210</b> | <b>2,599,207</b> | <b>283,112</b> |        | <b>13,048,352</b> | <b>13,408,291</b> | <b>(359,939)</b> |        | <b>12,988,540</b> | <b>59,812</b>  |              |
| Rental                                  | 4,480            | 4,480            | -              | -                | 4,480          |        | 21,440            | 21,440            | -                |        | -                 | 21,440         |              |
| Utility Svc-Woodward                    | 580              | 580              | -              | -                | 580            |        | 1,640             | 1,640             | -                |        | -                 | 1,640          |              |
| Leasing                                 | 1,400            | 1,400            | -              | -                | 1,400          |        | 6,700             | 6,700             | -                |        | -                 | 6,700          |              |
| Propane                                 | 21,540           | 21,540           | -              | -                | 21,540         |        | 104,220           | 104,220           | -                |        | -                 | 104,220        |              |
| <b>Total Energy</b>                     | <b>28,000</b>    | <b>28,000</b>    | <b>-</b>       | <b>-</b>         | <b>28,000</b>  |        | <b>134,000</b>    | <b>134,000</b>    | <b>-</b>         |        | <b>-</b>          | <b>134,000</b> |              |
| UCG Storage                             | -                | -                | -              | -                | -              |        | -                 | -                 | -                |        | -                 | -              |              |
| Amos Energy Service                     | -                | -                | -              | -                | -              |        | -                 | -                 | -                |        | -                 | -              |              |
| <b>Total Non-Utility</b>                | <b>28,000</b>    | <b>28,000</b>    | <b>-</b>       | <b>-</b>         | <b>28,000</b>  |        | <b>134,000</b>    | <b>134,000</b>    | <b>-</b>         |        | <b>-</b>          | <b>134,000</b> |              |
| <b>Consolidated Direct &amp; Billed</b> | <b>2,910,319</b> | <b>2,780,109</b> | <b>130,210</b> | <b>2,599,207</b> | <b>311,112</b> |        | <b>13,182,352</b> | <b>13,542,291</b> | <b>(359,939)</b> |        | <b>12,988,540</b> | <b>193,812</b> |              |

# CAPITAL EXPENDITURES BY BUSINESS UNIT

Amos Energy Corporation  
Capital Expenditures

For the Month and Year to Date Ended February 28, 1998

|  | Month            |                  |                 |                  | Year-to-Date     |                   |                   |                  |                   |                  |
|--|------------------|------------------|-----------------|------------------|------------------|-------------------|-------------------|------------------|-------------------|------------------|
|  | Current          |                  | Actual          |                  | Current          |                   | Actual            |                  | Actual            |                  |
|  | Year             | Budget           | Over (Under)    | Prior Year       | Year             | Budget            | Over (Under)      | Prior Year       | Year              | Prior Year       |
| Amos Corporate                           | 3,307,403        | 3,198,000        | 109,403         | 1,439,816        | 1,867,587        | 18,363,318        | 15,974,000        | 2,389,318        | 7,122,598         | 11,240,720       |
| Energas                                  | 997,652          | 1,284,000        | (286,348)       | 2,005,052        | (1,007,400)      | 4,647,174         | 5,274,000         | (626,826)        | 7,759,589         | (3,112,415)      |
| Enemart & Egasco                         |                  |                  |                 |                  |                  |                   |                   |                  |                   |                  |
| GGC                                      | 762,916          | 583,000          | 179,916         | 773,681          | (10,765)         | 3,983,873         | 4,164,000         | (180,127)        | 5,056,381         | (1,072,508)      |
| TransLa                                  | 420,883          | 429,000          | (8,117)         | 495,933          | (75,050)         | 2,340,450         | 1,989,000         | 360,450          | 2,738,066         | (388,616)        |
| TLIG                                     | 4,913            | -                | 4,913           | 6,987            | (2,074)          | 2,639             | -                 | 2,639            | 19,498            | (16,860)         |
| UCGC                                     | 1,469,484        | 1,357,000        | 112,484         | 2,021,891        | (552,407)        | 7,698,797         | 9,785,000         | (2,086,203)      | 13,158,078        | (5,459,281)      |
| WKG                                      | 790,938          | 509,000          | 281,938         | 921,429          | (130,491)        | 4,652,521         | 3,364,000         | 1,288,521        | 5,912,314         | (1,259,793)      |
| WKGR                                     |                  |                  |                 |                  |                  |                   |                   |                  |                   |                  |
| <b>Total Utility</b>                     | <b>7,754,189</b> | <b>7,360,000</b> | <b>394,189</b>  | <b>7,664,789</b> | <b>89,400</b>    | <b>41,697,771</b> | <b>40,550,000</b> | <b>1,147,771</b> | <b>41,766,524</b> | <b>(68,753)</b>  |
| Rental                                   | 22,260           | -                | 22,260          | 206,694          | (184,434)        | 268,916           | 198,000           | 70,916           | 693,299           | (424,383)        |
| Utility Svs-Woodward                     |                  |                  |                 |                  |                  |                   |                   |                  |                   |                  |
| Leasing                                  | -                | -                | -               | -                | -                | 28,300            | -                 | 28,300           | 60,151            | (31,851)         |
| Propane                                  | 3,458            | -                | 3,458           | 59,532           | (56,075)         | 336,788           | -                 | 336,788          | 695,921           | (359,133)        |
| <b>Total Energy</b>                      | <b>25,718</b>    | <b>-</b>         | <b>25,718</b>   | <b>266,226</b>   | <b>(240,508)</b> | <b>634,004</b>    | <b>198,000</b>    | <b>436,004</b>   | <b>1,449,371</b>  | <b>(815,367)</b> |
| Storage                                  | 2,343            | 128,000          | (125,657)       | 5,960            | (3,616)          | 15,873            | 318,000           | (302,127)        | 12,211            | 3,662            |
| Amos Energy Service                      |                  |                  |                 |                  |                  |                   |                   |                  |                   |                  |
| <b>Total Non-Utility</b>                 | <b>28,061</b>    | <b>128,000</b>   | <b>(99,939)</b> | <b>272,186</b>   | <b>(244,125)</b> | <b>649,877</b>    | <b>516,000</b>    | <b>133,877</b>   | <b>1,461,582</b>  | <b>(811,705)</b> |
| <b>Consolidated Capital Expenditures</b> | <b>7,782,250</b> | <b>7,488,000</b> | <b>294,250</b>  | <b>7,936,975</b> | <b>(154,725)</b> | <b>42,347,648</b> | <b>41,066,000</b> | <b>1,281,648</b> | <b>43,228,107</b> | <b>(880,458)</b> |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
AS OF 02/28/98

| Line No.              | Description<br>(a)  | 1998<br>(b)               | 1997<br>(c)               | As of<br>September 30, 1997<br>(d) | Line No. |
|-----------------------|---|---------------------------|---------------------------|------------------------------------|----------|
| <b>ASSETS</b>         |   |                           |                           |                                    |          |
|                       | Property, plant and equipment                             |                           |                           |                                    |          |
| 1                     | Utility plant   | \$1,238,776,678.10        | \$1,141,583,131.31        | \$1,218,370,929.56                 | 1        |
| 2                     | Nonutility plant  | 82,034,822.57             | 80,066,309.64             | 82,632,468.53                      | 2        |
| 3                     | Construction work in progress                             | 64,035,268.66             | 32,999,708.09             | 31,668,205.31                      | 3        |
| 4                     |   | <u>1,374,846,769.33</u>   | <u>1,254,649,149.04</u>   | <u>1,332,671,603.40</u>            | 4        |
| 5                     | Less accumulated depreciation and amortization            | 505,871,005.89            | 464,466,098.29            | 483,544,361.22                     | 5        |
| 6                     | Net property, plant and equipment                         | 868,975,763.44            | 790,183,050.75            | 849,127,242.18                     | 6        |
| 7                     | Investments in & advances to subsidiaries                 | 0.00                      | 0.00                      | 0.00                               | 7        |
| <b>Current assets</b> |   |                           |                           |                                    |          |
| 8                     | Cash and temporary cash investments                       | 6,171,238.75              | 11,851,364.29             | 6,015,412.91                       | 8        |
| 9                     | Accounts receivable, less allowance for doubtful accounts | 139,394,307.84            | 178,818,636.48            | 71,217,214.52                      | 9        |
| 10                    | Inventories   | 13,692,137.02             | 13,821,012.12             | 12,332,807.62                      | 10       |
| 11                    | Gas stored underground                                    | 28,198,987.65             | 26,066,485.61             | 48,122,006.36                      | 11       |
| 12                    | Other current assets                                      | 3,931,076.55              | 3,627,213.88              | 6,017,201.01                       | 12       |
| 13                    | Intercompany accounts - net                               | 0.00                      | 0.00                      | 0.00                               | 13       |
| 14                    | Total current assets                                      | <u>191,387,747.81</u>     | <u>234,184,712.38</u>     | <u>143,704,642.42</u>              | 14       |
| 15                    | Deferred charges and other assets                         | <u>113,877,626.67</u>     | <u>68,154,151.72</u>      | <u>95,479,101.77</u>               | 15       |
| 16                    | Total assets  | <u>\$1,174,241,137.92</u> | <u>\$1,092,521,914.85</u> | <u>\$1,088,210,986.37</u>          | 16       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS (Continued)  
AS OF 02/28/98

| Line No.                                    | Description (a)                               | 1998 (b)                  | 1997 (c)                  | As of September 30, 1997 (d) | Line No. |
|---|---|---------------------------|---------------------------|------------------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |   |                           |                           |                              |          |
| Shareholders' equity                        |   |                           |                           |                              |          |
| 1   | Common stock                                  | \$149,698.71              | \$146,927.29              | \$148,212.18                 | 1        |
| 2   | Common stock subscribed                       | 0.00                      | 0.00                      | 0.00                         | 2        |
| 3   | Additional paid-in capital                    | 258,995,372.27            | 245,068,019.47            | 251,174,227.94               | 3        |
| 4   | Retained earnings                             | 106,926,061.07            | 111,630,535.80            | 75,937,292.59                | 4        |
| 5   | Total shareholders' equity                    | 366,071,132.05            | 356,845,482.56            | 327,259,732.71               | 5        |
| 6   | Long-term debt (including current maturities) | 311,766,432.00            | 325,601,427.00            | 318,181,824.00               | 6        |
| 7   | Total capitalization                          | 677,837,564.05            | 682,446,909.56            | 645,441,556.71               | 7        |
| Current liabilities                         |   |                           |                           |                              |          |
| 8   | Notes payable                                 | 169,050,000.00            | 89,584,000.00             | 167,300,000.00               | 8        |
| 9   | Accounts payable                              | 79,380,067.19             | 101,153,895.85            | 62,625,499.15                | 9        |
| 10  | Accrued taxes                                 | 11,159,967.65             | 9,281,642.81              | 12,119,647.37                | 10       |
| 11  | Income taxes payable                          | 16,403,731.38             | 20,370,712.62             | (11,703,609.67)              | 11       |
| 12  | Dividends declared                            | 7,938,462.43              | 7,413,293.75              | 0.00                         | 12       |
| 13  | Customers' deposits                           | 13,915,399.02             | 17,373,827.15             | 15,097,975.19                | 13       |
| 14  | Other current liabilities                     | 53,614,742.07             | 35,245,265.93             | 52,582,230.67                | 14       |
| 15  | Total current liabilities                     | 351,462,369.74            | 280,422,638.11            | 298,021,742.71               | 15       |
| 16  | Deferred income taxes                         | 87,542,571.20             | 73,410,650.02             | 87,828,170.44                | 16       |
| 17  | Deferred credits and other liabilities        | 57,398,632.93             | 56,241,717.16             | 57,019,516.51                | 17       |
| 18  | Total liabilities and shareholders' equity    | <u>\$1,174,241,137.92</u> | <u>\$1,092,521,914.85</u> | <u>\$1,088,310,986.37</u>    | 18       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
FOR THE MONTH, YEAR TO DATE AND TWELVE MONTHS ENDED 02/28/98

| Line No. | Description (a)                      | Current Month   |               | Year to Date          |               | Twelve Months Ended |                       |
|----------|--------------------------------------|-----------------|---------------|-----------------------|---------------|---------------------|-----------------------|
|          |                                      | Actual (b)      | Budget (c)    | Prior Year Actual (d) | Budget (f)    | Actual (e)          | Prior Year Actual (g) |
| 1        | Operating revenues                   |                 |               |                       |               |                     |                       |
| 2        | Gas                                  | \$82,644,962.04 | \$116,000,000 | \$107,681,964.78      | \$485,903,000 | \$781,119,055.94    | \$525,615,906.88      |
| 3        | Transportation                       | 1,746,994.96    | 1,685,000     | 1,653,179.67          | 8,095,000     | 22,524,738.20       | 8,518,080.79          |
| 4        | Other                                | 5,191,644.00    | 7,612,000     | 5,155,532.00          | 32,211,000    | 39,309,332.00       | 27,480,796.30         |
| 5        | Total operating revenues             | 89,583,601.00   | 125,297,000   | 114,490,676.45        | 526,209,000   | 842,953,126.14      | 561,614,783.97        |
| 6        | Purchased gas cost                   | 48,656,559.03   | 78,986,000    | 72,941,692.76         | 331,976,000   | \$513,516,136.37    | 374,501,633.38        |
| 7        | Gross profit                         | 40,927,041.97   | 46,311,000    | 41,548,983.69         | 194,233,000   | 329,436,989.77      | 187,113,150.59        |
| 8        | Operating expenses                   |                 |               |                       |               |                     |                       |
| 9        | Operation                            | 10,722,829.51   | 12,189,000    | 12,626,031.18         | 63,154,000    | \$168,266,890.59    | 63,999,477.15         |
| 10       | Maintenance                          | 678,261.69      | 897,000       | 1,238,676.51          | 4,485,000     | 11,236,661.36       | 4,722,191.22          |
| 11       | Depreciation and amortization        | 3,947,696.82    | 3,986,000     | 3,834,459.42          | 19,932,000    | 45,891,556.16       | 19,178,594.85         |
| 12       | Taxes - other than income taxes      | 3,190,185.92    | 3,140,000     | 3,502,353.97          | 13,805,000    | 31,285,274.52       | 15,408,731.46         |
| 13       | Provision for income taxes           | 7,452,076.60    | 9,271,000     | 6,886,530.00          | 30,672,000    | 16,132,518.56       | 26,753,819.00         |
| 14       | Total operating expenses             | 25,991,050.54   | 29,483,000    | 28,088,051.08         | 132,048,000   | 272,812,901.19      | 130,062,813.68        |
| 15       | Operating income                     | 14,935,991.43   | 16,828,000    | 13,460,932.61         | 62,185,000    | 56,624,088.58       | 57,050,336.91         |
| 16       | Other income                         |                 |               |                       |               |                     |                       |
| 17       | Merchandise                          | 50,967.82       | 12,000        | (16,165.18)           | 60,000        | 111,731.61          | 50,350.79             |
| 18       | Interest income                      | 270,325.80      | 76,000        | 179,261.09            | 397,000       | 2,182,419.92        | 863,719.89            |
| 19       | Other nonoperating income            | (240,620.12)    | 107,825       | (95,153.22)           | 481,077       | (535,710.17)        | (176,725.17)          |
| 20       | Equity in earnings - Woodward        | 23,303.00       | 949,175       | 602,549.00            | 1,976,923     | 2,724,289.00        | 1,193,021.00          |
| 21       | Total other income (loss)            | 103,976.50      | 1,145,000     | 670,491.69            | 2,915,000     | 4,482,730.36        | 1,930,366.51          |
| 22       | Income before interest charges       | 15,039,967.93   | 17,973,000    | 14,131,424.30         | 65,100,000    | 61,106,818.94       | 58,980,703.42         |
| 23       | Interest charges                     | 2,709,997.77    | 2,829,000     | 2,775,465.17          | 14,688,000    | 34,994,008.50       | 14,439,394.90         |
| 24       | Net income                           | \$12,329,970.16 | \$15,144,000  | \$11,355,959.13       | \$50,412,000  | \$26,112,810.44     | \$44,541,308.52       |
| 25       | Basic earnings per share             | \$0.41          | \$0.51        | \$0.39                | \$1.69        | \$0.89              | \$1.52                |
| 26       | Basic avg. common shares outstanding | 29,712,413      | 29,968,000    | 29,369,845            | 29,853,400    | 29,498,582          | 29,288,531            |



ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEETS  
AS OF 02/28/98

| Line No.      | Description (a)   | Atmos Operating Divisions (b) | Atmos Non Regulated (c) | Eliminations and Adjustments (d) | Consolidated (e)   | Line No. |
|---------------|---|-------------------------------|-------------------------|----------------------------------|--------------------|----------|
| <b>ASSETS</b> |   |                               |                         |                                  |                    |          |
| 1             | Property, plant and equipment                             |                               |                         |                                  |                    | 1        |
| 2             | Utility plant   | \$1,246,693,699.69            | \$859,549.26            | (\$18,776,570.85)                | \$1,228,776,678.10 | 2        |
| 3             | Nonutility plant  | 3,304,494.99                  | 78,730,327.58           | 0.00                             | 82,034,822.57      | 3        |
| 4             | Construction work in progress                             | 64,027,823.42                 | 7,445.24                | 0.00                             | 64,035,268.66      | 4        |
| 5             | Less accumulated depreciation and amortization            | 1,314,026,018.10              | 79,597,322.08           | (18,776,570.85)                  | 1,374,846,769.33   | 5        |
| 6             | Net property, plant and equipment                         | 502,711,646.91                | 24,186,331.73           | (21,026,972.75)                  | 505,871,005.89     | 6        |
| 7             | Investments in & advances to subsidiaries                 | 811,314,371.19                | 55,410,990.35           | 2,250,401.90                     | 868,975,763.44     | 7        |
| 8             | Current assets  | 8,353,208.01                  | 0.00                    | (8,353,208.01)                   | 0.00               | 8        |
| 9             | Cash and temporary cash investments                       | 993,414.61                    | 5,177,824.14            | 0.00                             | 6,171,238.75       | 9        |
| 10            | Accounts receivable, less allowance for doubtful accounts | 132,265,073.61                | 6,797,015.23            | 332,219.00                       | 139,394,307.84     | 10       |
| 11            | Inventories   | 12,702,176.02                 | 989,961.00              | 0.00                             | 13,692,137.02      | 11       |
| 12            | Gas stored underground                                    | 22,627,171.65                 | 5,571,816.00            | 0.00                             | 28,198,987.65      | 12       |
| 13            | Other current assets                                      | 3,608,308.49                  | 723,724.06              | (400,956.00)                     | 3,931,076.55       | 13       |
| 14            | Intercompany accounts - net                               | 10,041,053.92                 | 4,151,268.91            | (14,192,322.83)                  | 0.00               | 14       |
| 15            | Total current assets                                      | 182,237,198.30                | 23,411,609.34           | (14,261,059.83)                  | 191,387,747.81     | 15       |
| 16            | Deferred charges and other assets                         | 100,280,290.78                | 13,247,532.91           | 349,802.98                       | 113,877,626.67     | 16       |
|               | Total assets  | \$1,102,185,068.28            | \$92,070,132.60         | (\$20,014,062.96)                | \$1,174,241,137.92 |          |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEETS (Continued)  
AS OF 02/28/98

| Line No.                                      | Description (a)                            | Atmos Operating Divisions (b) | Atmos Non Regulated (c) | Eliminations and Adjustments (d) | Consolidated (e)   | Line No. |
|---|--|-------------------------------|-------------------------|----------------------------------|--------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |  |                               |                         |                                  |                    |          |
| Shareholders' equity                          |  |                               |                         |                                  |                    |          |
| 1   | Common stock                               | \$149,698.71                  | \$1,005,100.00          | (\$1,005,100.00)                 | \$149,698.71       | 1        |
| 2   | Common stock subscribed                    | 0.00                          | 0.00                    | 0.00                             | 0.00               | 2        |
| 3   | Additional paid-in capital                 | 258,995,372.27                | 7,348,108.01            | (7,348,108.01)                   | 258,995,372.27     | 3        |
| 4   | Retained earnings                          | 80,121,091.60                 | 26,804,969.47           | 0.00                             | 106,926,061.07     | 4        |
| 5   | Total shareholders' equity                 | 339,266,162.58                | 35,158,177.48           | (8,353,208.01)                   | 366,071,132.05     | 5        |
| Long-term debt (including current maturities) |  |                               |                         |                                  |                    |          |
| 6   |  | 292,303,308.00                | 19,463,124.00           | 0.00                             | 311,766,432.00     | 6        |
| 7   | Total capitalization                       | 631,569,470.58                | 54,621,301.48           | (8,353,208.01)                   | 677,837,564.05     | 7        |
| Current liabilities                           |  |                               |                         |                                  |                    |          |
| 8   | Notes payable                              | 163,800,000.00                | 5,250,000.00            | 0.00                             | 169,050,000.00     | 8        |
| 9   | Accounts payable                           | 75,667,479.45                 | 3,712,587.74            | 0.00                             | 79,380,067.19      | 9        |
| 10  | Accrued taxes                              | 10,887,230.25                 | 272,737.40              | 0.00                             | 11,159,967.65      | 10       |
| 11  | Income taxes payable                       | 8,936,746.64                  | 7,466,984.74            | 0.00                             | 16,403,731.38      | 11       |
| 12  | Dividends declared                         | 7,938,462.43                  | 0.00                    | 0.00                             | 7,938,462.43       | 12       |
| 13  | Customers' deposits                        | 13,856,416.85                 | 459,938.17              | (400,956.00)                     | 13,915,399.02      | 13       |
| 14  | Other current liabilities                  | 52,641,923.73                 | 957,348.34              | 15,470.00                        | 53,614,742.07      | 14       |
| 15  | Intercompany accounts - net                | 1,729,259.00                  | 12,122,242.83           | (13,851,501.83)                  | 0.00               | 15       |
| 16  | Total current liabilities                  | 335,457,518.35                | 30,241,839.22           | (14,236,987.83)                  | 351,462,369.74     | 16       |
| 17  | Deferred income taxes                      | 81,048,372.30                 | 6,494,198.90            | 0.00                             | 87,542,571.20      | 17       |
| 18  | Deferred credits and other liabilities     | 54,109,707.05                 | 712,793.00              | 2,576,132.88                     | 57,398,632.93      | 18       |
| 19  | Total liabilities and shareholders' equity | \$1,102,185,068.28            | \$92,070,132.60         | (\$20,014,062.96)                | \$1,174,241,137.92 | 19       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 ELIMINATIONS TO CONSOLIDATING BALANCE SHEET

AS OF 02/28/98

| ELIMINATIONS                                 |  |                 |                 |
|--|--|-----------------|-----------------|
| 1. Common Stock                              |  | \$1,005,100.00  | \$1,005,100.00  |
| Investment in and advances to subs           |  |                 |                 |
| To eliminate common stock of subs            |  |                 |                 |
| 2. Paid-in Capital                           |  | 2,292,947.89    |                 |
| Trans La Industrial                          |  | 1,603,833.12    |                 |
| WKG Resources                                |  | 3,451,327.00    |                 |
| United Cities Storage                        |  |                 | 7,348,108.01    |
| Investment in and advances to subs           |  |                 |                 |
| To eliminate paid-in capital of subs         |  |                 |                 |
| 3. Atmos Utility Plant                       |  | 2,250,401.90    |                 |
| Atmos Deferred Debit                         |  | 325,730.98      |                 |
| To adjust for capital leases associated      |  |                 |                 |
| with the sale/lease back transaction         |  |                 |                 |
| with the Gilliland Group                     |  |                 |                 |
| 4. Intercompany Accounts- UCGC               |  | 400,956.00      |                 |
| Customer Deposits                            |  |                 |                 |
| Prepays                                      |  |                 |                 |
| To eliminate UCGS deposit from UCGC          |  |                 |                 |
| 5. Intercompany Accounts UCGC                |  |                 | 400,956.00      |
| Cash   |  | 0.00            |                 |
| Accounts Receivable - Service                |  | 332,219.00      |                 |
| Misc. Deferred Debits                        |  | 24,072.00       |                 |
| Misc. Current Liabilities                    |  |                 |                 |
| Intercompany Accounts Receivable             |  |                 |                 |
| To eliminate intercompany accounts           |  |                 |                 |
| 6. Intercompany Accounts Payable - Fgasco    |  |                 | 15,470.00       |
| - Services                                   |  | 1,162,839.85    |                 |
| - United Cities Gas                          |  | 5,609.98        |                 |
| - United Cities Energy                       |  | 1,729,259.00    |                 |
| - United Cities Storage                      |  | 7,095,933.00    |                 |
|  |  | 3,857,860.00    |                 |
| Intercompany Accounts Receivable             |  |                 | 13,851,501.83   |
| To eliminate Intercompany - Net              |  |                 |                 |
| Total Eliminations                           |  | \$25,538,089.72 | \$25,538,089.72 |
| ADJUSTMENTS                                  |  |                 |                 |
| 7. WKG Accumulated Provision                 |  | \$16,313,185.32 | \$16,313,185.32 |
| WKG Division Utility Plant                   |  |                 |                 |
| To adjust 11-30-1987 depreciation on         |  |                 |                 |
| WKG Division - amortization Month            |  | \$280,000       |                 |
| To date                                      |  | 3,696,000       |                 |
| 8. Trans La Accumulated Provision            |  |                 | 4,671,448.51    |
| Trans La Division Utility Plant              |  |                 |                 |
| To adjust 12-31-85 depreciation on           |  |                 |                 |
| Trans La Division - amortization Month       |  | 48,202          |                 |
| To date                                      |  | 7,021,332       |                 |
| 9. Trans La Industrial Accumulated Provision |  |                 | 42,338.92       |
| Trans La Industrial Utility Plant            |  |                 |                 |
| To adjust 12-31-85 depreciation on           |  |                 |                 |
| Trans La Industrial - amortization Month     |  | 550             |                 |
| To date                                      |  | 80,300          |                 |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEET - NON REGULATED  
AS OF 02/28/98

1998

| Line No.              | Description (a)   | 1998               |                 |                |                         |                      |                     |                   | Eliminations and Adjustments (i) | Consolidated (j) | Line No. |
|-----------------------|---|--------------------|-----------------|----------------|-------------------------|----------------------|---------------------|-------------------|----------------------------------|------------------|----------|
|                       |   | ATMOS SERVICES (b) | EGASCO INC. (c) | ENERMART (d)   | TRANS LA INDUSTRIAL (e) | UCG ENERGY CORP. (f) | UCG STORAGE CO. (g) | WKG RESOURCES (h) |                                  |                  |          |
| <b>ASSETS</b>         |   |                    |                 |                |                         |                      |                     |                   |                                  |                  |          |
|                       | Property, plant and equipment                             |                    |                 |                |                         |                      |                     |                   |                                  |                  |          |
| 1                     | Utility plant   | \$0.00             | \$0.00          | \$0.00         | \$859,549.26            | \$0.00               | \$0.00              | \$0.00            | \$0.00                           | \$859,549.26     | 1        |
| 2                     | Nonutility plant  | 0.00               | 0.00            | 0.00           | 0.00                    | 58,191,326.00        | 19,985,198.00       | 553,803.58        | 0.00                             | 78,730,327.58    | 2        |
| 3                     | Construction work in progress                             | 0.00               | 0.00            | 0.00           | 7,445.24                | 0.00                 | 0.00                | 0.00              | 0.00                             | 7,445.24         | 3        |
| 4                     |   | 0.00               | 0.00            | 0.00           | 866,994.50              | 58,191,326.00        | 19,985,198.00       | 553,803.58        | 0.00                             | 79,597,322.08    | 4        |
| 5                     | Less accumulated depreciation and amortization            | 0.00               | 0.00            | 0.00           | 466,540.06              | 20,931,216.00        | 2,681,637.00        | 106,938.67        | 0.00                             | 24,186,331.73    | 5        |
| 6                     | Net property, plant and equipment                         | 0.00               | 0.00            | 0.00           | 400,454.44              | 37,260,110.00        | 17,303,561.00       | 446,864.91        | 0.00                             | 55,410,990.35    | 6        |
| 7                     | Investments in & advances to subsidiaries                 | 0.00               | 0.00            | 0.00           | 0.00                    | 0.00                 | 0.00                | 0.00              | 0.00                             | 0.00             | 7        |
| <b>Current assets</b> |   |                    |                 |                |                         |                      |                     |                   |                                  |                  |          |
| 8                     | Cash and temporary cash investments                       | 1,231.00           | 11,431.25       | 13,608.04      | (5,523.18)              | 1,775,488.00         | 3,376,146.00        | 5,443.03          | 0.00                             | 5,177,824.14     | 8        |
| 9                     | Accounts receivable, less allowance for doubtful accounts | 0.00               | 17,923.10       | 3,730,403.95   | 914,960.47              | 2,120,181.00         | 5,151.00            | 8,395.71          | 0.00                             | 6,797,015.23     | 9        |
| 10                    | Inventories   | 0.00               | 0.00            | 0.00           | 0.00                    | 988,549.00           | 1,412.00            | 0.00              | 0.00                             | 989,961.00       | 10       |
| 11                    | Gas stored underground                                    | 0.00               | 0.00            | 0.00           | 0.00                    | 777,666.00           | 4,794,150.00        | 0.00              | 0.00                             | 5,571,816.00     | 11       |
| 12                    | Other current assets                                      | 0.00               | 0.00            | 29,159.91      | 24,226.65               | 654,029.00           | 2,799.00            | 13,509.50         | 0.00                             | 723,724.06       | 12       |
| 13                    | Intercompany accounts - net                               | 0.00               | 0.00            | (1,128,895.18) | 2,153,218.80            | 552,113.00           | 1,517,531.00        | 1,057,301.29      | 0.00                             | 4,151,268.91     | 13       |
| 14                    | Total current assets                                      | 1,231.00           | 29,354.35       | 2,644,276.72   | 3,086,882.74            | 6,868,026.00         | 9,697,189.00        | 1,084,649.53      | 0.00                             | 23,411,609.34    | 14       |
| 15                    | Deferred charges and other assets                         | 0.00               | 619,880.47      | 0.00           | 2,003.52                | 12,213,567.00        | 354,200.00          | 57,881.92         | 0.00                             | 13,247,532.91    | 15       |
| 16                    | Total assets  | \$1,231.00         | \$649,234.82    | \$2,644,276.72 | \$3,489,340.70          | \$56,341,703.00      | \$27,354,950.00     | \$1,589,396.36    | \$0.00                           | \$92,070,132.60  | 16       |

(7)

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEET - NON REGULATED  
AS OF 02/28/98

1998

| Line No.                                      | Description (a)                            | Eliminations and Adjustments (i) |                  |                |                |                      |                     |                      |                 |                 |                  | Line No. |
|---|--|----------------------------------|------------------|----------------|----------------|----------------------|---------------------|----------------------|-----------------|-----------------|------------------|----------|
|   |  | ATMOS SERVICES (b)               | EGASCO, INC. (c) | ENERMART (d)   | INDUSTRIAL (e) | UCG ENERGY CORP. (f) | UCG STORAGE CO. (g) | W.K.G. RESOURCES (h) | Adjustments (i) |                 | Consolidated (j) |          |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |  |                                  |                  |                |                |                      |                     |                      |                 |                 |                  |          |
| Shareholders' equity                          |  |                                  |                  |                |                |                      |                     |                      |                 |                 |                  |          |
| 1   | Common stock                               | \$1,000.00                       | \$1,000.00       | \$1,000.00     | \$100.00       | \$1,000,000.00       | \$1,000.00          | \$1,000.00           | \$0.00          | \$0.00          | \$1,005,100.00   | 1        |
| 2   | Common stock subscribed                    | 0.00                             | 0.00             | 0.00           | 0.00           | 0.00                 | 0.00                | 0.00                 | 0.00            | 0.00            | 0.00             | 2        |
| 3   | Additional paid-in capital                 | 0.00                             | 0.00             | 0.00           | 2,292,947.89   | 0.00                 | 3,451,327.00        | 1,603,833.12         | 0.00            | 7,348,108.01    | 7,348,108.01     | 3        |
| 4   | Retained earnings                          | (3,552.33)                       | (571,101.23)     | 506,937.79     | 354,198.61     | 22,482,285.00        | 4,061,130.00        | (24,928.37)          | 0.00            | 26,804,969.47   | 26,804,969.47    | 4        |
| 5   | Total shareholders' equity                 | (2,552.33)                       | (570,101.23)     | 507,937.79     | 2,647,246.50   | 23,482,285.00        | 7,513,457.00        | 1,579,904.75         | 0.00            | 35,158,177.48   | 35,158,177.48    | 5        |
| Long-term debt (including current maturities) |  |                                  |                  |                |                |                      |                     |                      |                 |                 |                  |          |
| 6   |  | 0.00                             | 0.00             | 0.00           | 0.00           | 10,835,953.00        | 8,627,171.00        | 0.00                 | 0.00            | 19,463,124.00   | 19,463,124.00    | 6        |
| 7   | Total capitalization                       | (2,552.33)                       | (570,101.23)     | 507,937.79     | 2,647,246.50   | 34,318,238.00        | 16,140,628.00       | 1,579,904.75         | 0.00            | 54,621,301.48   | 54,621,301.48    | 7        |
| Current liabilities                           |  |                                  |                  |                |                |                      |                     |                      |                 |                 |                  |          |
| 8   | Notes payable                              | 0.00                             | 0.00             | 0.00           | 0.00           | 5,250,000.00         | 0.00                | 0.00                 | 0.00            | 5,250,000.00    | 5,250,000.00     | 8        |
| 9   | Accounts payable                           | 0.00                             | 175,868.64       | 1,997,215.64   | 472,898.29     | 1,054,721.00         | 10,237.00           | 1,647.17             | 0.00            | 3,712,587.74    | 3,712,587.74     | 9        |
| 10  | Accrued taxes                              | 0.00                             | 2,608.56         | 40,864.24      | 22,091.42      | 209,367.00           | 0.00                | (2,193.82)           | 0.00            | 272,737.40      | 272,737.40       | 10       |
| 11  | Income taxes payable                       | (1,826.65)                       | (121,981.00)     | 98,259.05      | 189,318.29     | 6,049,413.00         | 1,263,102.00        | (9,299.95)           | 0.00            | 7,466,984.74    | 7,466,984.74     | 11       |
| 12  | Dividends declared                         | 0.00                             | 0.00             | 0.00           | 0.00           | 0.00                 | 0.00                | 0.00                 | 0.00            | 0.00            | 0.00             | 12       |
| 13  | Customers' deposits                        | 0.00                             | 0.00             | 0.00           | 58,882.17      | 100.00               | 400,956.00          | 0.00                 | 0.00            | 459,938.17      | 459,938.17       | 13       |
| 14  | Other current liabilities                  | 0.00                             | 0.00             | 0.00           | 17,384.34      | 628,557.00           | 311,407.00          | 0.00                 | 0.00            | 957,348.34      | 957,348.34       | 14       |
| 15  | Intercompany accounts - net                | 5,609.98                         | 1,162,839.85     | 0.00           | 0.00           | 7,095,933.00         | 3,857,860.00        | 0.00                 | 0.00            | 12,122,242.83   | 12,122,242.83    | 15       |
| 16  | Total current liabilities                  | 3,783.33                         | 1,219,336.05     | 2,136,338.93   | 760,574.51     | 20,288,091.00        | 5,843,562.00        | (9,846.60)           | 0.00            | 30,241,839.22   | 30,241,839.22    | 16       |
| 17  | Deferred income taxes                      | 0.00                             | 0.00             | 0.00           | 81,519.69      | 1,270,604.00         | 5,122,737.00        | 19,338.21            | 0.00            | 6,494,198.90    | 6,494,198.90     | 17       |
| 18  | Deferred credits and other liabilities     | 0.00                             | 0.00             | 0.00           | 0.00           | 464,770.00           | 248,023.00          | 0.00                 | 0.00            | 712,793.00      | 712,793.00       | 18       |
| 19  | Total liabilities and shareholders' equity | \$1,231.00                       | \$649,234.82     | \$2,644,276.72 | \$3,489,340.70 | \$56,341,703.00      | \$27,354,950.00     | \$1,589,396.36       | \$0.00          | \$92,070,132.60 | \$92,070,132.60  | 19       |

ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME  
FOR THE MONTH ENDED FEBRUARY 28, 1998

| Line No. | Description (a)                       | Current Month     |                       |                  |                 |                                |                     | Total Atmos Consolidated (h) | Line No. |
|----------|---------------------------------------|-------------------|-----------------------|------------------|-----------------|--------------------------------|---------------------|------------------------------|----------|
|          |                                       | Regulated (1) (b) | Non-Regulated (2) (c) | Eliminations (d) | Total (e)       | Non-Utility Operations (3) (f) | Shared Services (g) |                              |          |
|          | Operating revenues                    |                   |                       |                  |                 |                                |                     |                              |          |
| 1        | Gas                                   | \$80,671,655.72   | \$1,973,306.32        | \$0.00           | \$82,644,962.04 | \$0.00                         | \$0.00              | \$82,644,962.04              | 1        |
| 2        | Transportation                        | 1,895,088.00      | 7,387.80              | (155,480.84)     | 1,746,994.96    | 0.00                           | 0.00                | 1,746,994.96                 | 2        |
| 3        | Other                                 | 0.00              | 0.00                  | 0.00             | 0.00            | 5,191,644.00                   | 0.00                | 5,191,644.00                 | 3        |
| 4        | Total operating revenues              | 82,566,743.72     | 1,980,694.12          | (155,480.84)     | 84,391,957.00   | 5,191,644.00                   | 0.00                | 89,583,601.00                | 4        |
| 5        | Purchased gas cost                    | 43,889,218.47     | 1,884,908.00          | (155,021.44)     | 45,619,105.03   | 3,037,454.00                   | 0.00                | 48,656,559.03                | 5        |
| 6        | Gross profit                          | 38,677,525.25     | 95,786.12             | (459.40)         | 38,772,851.97   | 2,154,190.00                   | 0.00                | 40,927,041.97                | 6        |
|          | Operating expenses                    |                   |                       |                  |                 |                                |                     |                              |          |
| 7        | Operation                             | 7,075,619.30      | 447,444.75            | 0.00             | 7,523,064.05    | 689,355.00                     | 1,688,790.01        | 9,901,209.06                 | 7        |
| 8        | Maintenance                           | 593,758.51        | 0.00                  | 0.00             | 593,758.51      | 68,513.00                      | 15,990.18           | 678,261.69                   | 8        |
| 9        | Depreciation                          | 3,338,932.51      | 2,865.00              | 0.00             | 3,341,797.51    | 334,980.00                     | 270,919.31          | 3,947,696.82                 | 9        |
| 10       | Taxes - other than income taxes       | 2,964,345.47      | 9,208.77              | 0.00             | 2,973,554.24    | 103,633.00                     | 112,998.68          | 3,190,185.92                 | 10       |
| 11       | Shared Services - direct              | 821,620.45        | 0.00                  | 0.00             | 821,620.45      | 0.00                           | 0.00                | 821,620.45                   | 11       |
| 12       | Shared Services - billed              | 2,030,330.95      | 30,010.53             | 356.70           | 2,060,698.18    | 28,000.00                      | (2,088,698.18)      | 0.00                         | 12       |
| 13       | Provision for income taxes            | 7,455,376.60      | (156,000.00)          | 0.00             | 7,299,376.60    | 152,700.00                     | 0.00                | 7,452,076.60                 | 13       |
| 14       | Total operating expenses              | 24,279,983.79     | 333,529.05            | 356.70           | 24,613,869.54   | 1,377,181.00                   | 0.00                | 25,991,050.54                | 14       |
| 15       | Operating income (loss)               | 14,397,541.46     | (237,742.93)          | (816.10)         | 14,158,982.43   | 777,009.00                     | 0.00                | 14,935,991.43                | 15       |
|          | Other income                          |                   |                       |                  |                 |                                |                     |                              |          |
| 16       | Merchandise                           | 50,967.82         | 0.00                  | 0.00             | 50,967.82       | 0.00                           | 0.00                | 50,967.82                    | 16       |
| 17       | Interest income                       | 246,643.80        | 0.00                  | 0.00             | 246,643.80      | 23,682.00                      | 0.00                | 270,325.80                   | 17       |
| 18       | Shared Services - billed              | 0.00              | (356.70)              | 356.70           | 0.00            | 0.00                           | 0.00                | 0.00                         | 18       |
| 19       | Other nonoperating income             | (16,303.84)       | (28,894.68)           | (459.40)         | (44,739.12)     | (195,881.00)                   | 0.00                | (240,620.12)                 | 19       |
| 20       | Equity in earnings - Woodward         | 0.00              | 0.00                  | 0.00             | 0.00            | 23,303.00                      | 0.00                | 23,303.00                    | 20       |
| 21       | Total other income (loss)             | 281,307.78        | (29,251.38)           | 816.10           | 252,872.50      | (148,896.00)                   | 0.00                | 103,976.50                   | 21       |
| 22       | Income (loss) before interest charges | 14,678,849.24     | (266,994.31)          | 0.00             | 14,411,854.93   | 628,113.00                     | 0.00                | 15,039,967.93                | 22       |
| 23       | Interest charges                      | 2,482,935.43      | 245.34                | 0.00             | 2,483,180.77    | 226,817.00                     | 0.00                | 2,709,997.77                 | 23       |
| 24       | Net income (loss)                     | \$12,195,913.81   | (\$267,239.65)        | \$0.00           | \$11,928,674.16 | \$401,296.00                   | \$0.00              | \$12,329,970.16              | 24       |

Footnotes: (1) Regulated Utility Operations includes Energas, GGC, Trans La, UCG, WKG and CNG.  
(2) Non-Regulated Utility Operations includes Igasco, Emermart, TIJG and WKGR.  
(3) Non-Utility Operations includes Atmos Energy Services, UCG Energy and UCG Storage.  
(4) Includes all Shared Services expenses booked directly to the business units.  
(5) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.

ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME  
FOR THE FIVE MONTHS ENDED FEBRUARY 28, 1998

| Line No. | Description (a)                       | Year To Date      |                       |                  |                  |                                | Total Atmos Consolidated (h) | Line No. |
|----------|---------------------------------------|-------------------|-----------------------|------------------|------------------|--------------------------------|------------------------------|----------|
|          |                                       | Regulated (1) (b) | Non-Regulated (2) (c) | Eliminations (d) | Total (e)        | Non-Utility Operations (3) (f) |                              |          |
|          | Operating revenues                    |                   |                       |                  |                  |                                |                              |          |
| 1        | Gas                                   | \$450,328,119.52  | \$11,571,661.16       | \$0.00           | \$461,899,780.68 | \$0.00                         | \$461,899,780.68             |          |
| 2        | Transportation                        | 12,056,000.09     | 37,527.35             | (935,753.62)     | 11,157,773.82    | 0.00                           | 11,157,773.82                |          |
| 3        | Other                                 | 0.00              | 0.00                  | 0.00             | 0.00             | 0.00                           | 24,675,312.00                |          |
| 4        | Total operating revenues              | 462,384,119.61    | 11,609,188.51         | (935,753.62)     | 473,057,554.50   | 24,675,312.00                  | 497,732,866.50               |          |
| 5        | Purchased gas cost                    | 287,820,435.92    | 10,156,700.85         | (934,124.98)     | 297,043,011.79   | 13,793,344.00                  | 310,836,355.79               |          |
| 6        | Gross profit                          | 174,563,683.69    | 1,452,487.66          | (1,628.64)       | 176,014,542.71   | 10,881,968.00                  | 186,896,510.71               |          |
|          | Operating expenses                    |                   |                       |                  |                  |                                |                              |          |
| 7        | Operation                             | 41,834,223.21     | 2,223,300.27          | 0.00             | 44,057,523.48    | 3,714,079.82                   | 55,142,075.32                |          |
| 8        | Maintenance                           | 3,618,721.62      | 0.00                  | 0.00             | 3,618,721.62     | 340,975.00                     | 3,985,438.21                 |          |
| 9        | Depreciation                          | 16,700,799.01     | 14,325.00             | 0.00             | 16,715,124.01    | 1,742,891.00                   | 19,813,211.56                |          |
| 10       | Taxes - other than income taxes       | 13,691,125.30     | 47,768.53             | 0.00             | 13,738,893.83    | 417,117.00                     | 14,563,173.56                |          |
| 11       | Shared Services - direct              | (4) 3,440,993.44  | 0.00                  | 0.00             | 3,440,993.44     | 0.00                           | 3,440,993.44                 |          |
| 12       | Shared Services - billed              | (5) 8,888,943.02  | 128,627.63            | 1,786.96         | 9,019,357.61     | 134,000.00                     | (9,153,357.61)               |          |
| 13       | Provision for income taxes            | 27,404,903.75     | (399,000.00)          | 0.00             | 27,005,903.75    | 1,582,200.44                   | 28,588,104.19                |          |
| 14       | Total operating expenses              | 115,579,709.35    | 2,015,021.43          | 1,786.96         | 117,596,517.74   | 7,931,263.26                   | 125,532,996.28               |          |
| 15       | Operating income (loss)               | 58,983,974.34     | (562,533.77)          | (3,415.60)       | 58,418,024.97    | 2,950,704.74                   | 61,363,514.43                |          |
|          | Other income                          |                   |                       |                  |                  |                                |                              |          |
| 16       | Merchandise                           | 122,449.31        | 0.00                  | 0.00             | 122,449.31       | 0.00                           | 122,449.31                   |          |
| 17       | Interest income                       | 779,290.72        | 0.00                  | 0.00             | 779,290.72       | 110,884.00                     | 890,174.72                   |          |
| 18       | Shared Services - billed              | 0.00              | (1,786.96)            | 1,786.96         | 0.00             | 0.00                           | 0.00                         |          |
| 19       | Other nonoperating income             | (152,084.64)      | (104,770.97)          | 1,628.64         | (255,226.97)     | (129,714.00)                   | (384,940.97)                 |          |
| 20       | Equity in earnings - Woodward         | 0.00              | 0.00                  | 0.00             | 0.00             | 663,499.00                     | 663,499.00                   |          |
| 21       | Total other income (loss)             | 749,655.39        | (106,557.93)          | 3,415.60         | 646,513.06       | 644,669.00                     | 1,291,182.06                 |          |
| 22       | Income (loss) before interest charges | 59,733,629.73     | (669,091.70)          | (0.00)           | 59,064,538.03    | 3,595,373.74                   | 62,654,696.49                |          |
| 23       | Interest charges                      | 14,749,462.48     | 1,526.70              | 0.00             | 14,750,989.18    | 1,087,300.00                   | 15,838,379.18                |          |
| 24       | Net income (loss)                     | \$44,984,167.25   | (\$670,618.40)        | (\$0.00)         | \$44,313,548.85  | \$2,507,983.74                 | \$46,816,317.31              |          |

Footnotes: (1) Regulated Utility Operations includes Energas, GGC, Trans La, UCG, WKG and CNG.  
(2) Non-Regulated Utility Operations includes Egasco, Enermar, TLIG and WKGR.  
(3) Non-Utility Operations includes Atmos Energy Services, UCG Energy and UCG Storage.  
(4) Includes all Shared Services expenses booked directly to the business units.  
(5) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
ELIMINATIONS TO CONSOLIDATING INCOME STATEMENT  
02/28/98

|   | Current Month |           | YEAR TO DATE |            |
|---|---------------|-----------|--------------|------------|
|   | Dr            | Cr        | Dr           | Cr         |
| 1. Gas Revenue  |               |           |              |            |
| Purchased Gas Cost  | \$0.00        | \$0.00    | \$0.00       | \$0.00     |
| To eliminate gas sales to Atmos from Trans La Industrial  |               |           |              |            |
| 2. Transportation Revenue   |               |           |              |            |
| Purchased Gas Cost  | 58,437.63     | 58,437.63 | 508,660.63   | 508,660.63 |
| To eliminate transportation charges to Enermart Trust from Atmos  |               |           |              |            |
| 3. Transportation Revenue   |               |           |              |            |
| Purchased Gas Cost  | 30,754.40     | 30,754.40 | 158,210.19   | 158,210.19 |
| To eliminate transportation charges to Trans La Industrial from Atmos   |               |           |              |            |
| 4. Transportation Revenue   |               |           |              |            |
| Purchased Gas Cost  | 65,829.41     | 65,829.41 | 267,254.16   | 267,254.16 |
| To eliminate transportation charges to Amarillo Distribution Division from Amarillo Transmission Division-Atmos |               |           |              |            |
| 5. Transportation Revenue   |               |           |              |            |
| Other Nonoperating Income   | 459.40        | 459.40    | 1,628.64     | 1,628.64   |
| To eliminate transportation charges for CNG sales at public fill stations from Atmos                            |               |           |              |            |
| 6. Operation Expense  |               |           |              |            |
| Other Nonoperating Income   | 356.70        | 356.70    | 1,786.96     | 1,786.96   |
| To eliminate allocation of Corporate Division expenses to WKGR from Atmos                                       |               |           |              |            |



ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME - REGULATED  
FOR THE MONTH ENDED FEBRUARY 28, 1998

| Line No. | Description (a)                       | Month            |                |                    |                 |                 |                     | Line No. |
|----------|---------------------------------------|------------------|----------------|--------------------|-----------------|-----------------|---------------------|----------|
|          |                                       | Fingas (1) (b)   | Greeley (c)    | Trans. La. (1) (d) | UCG (e)         | WKG (f)         | Total Regulated (g) |          |
| 1        | Operating revenues                    |                  |                |                    |                 |                 |                     | 1        |
| 2        | Gas                                   | \$18,671,263.45  | \$8,565,551.71 | \$5,219,220.84     | \$38,030,448.00 | \$10,185,171.72 | \$80,671,655.72     | 2        |
| 3        | Transportation                        | 236,881.19       | 118,246.61     | 34,096.34          | 962,446.00      | 543,417.86      | 1,895,088.00        | 3        |
| 4        | Other                                 | 0.00             | 0.00           | 0.00               | 0.00            | 0.00            | 0.00                | 4        |
|          | Total operating revenues              | 18,908,144.64    | 8,683,798.32   | 5,253,317.18       | 38,992,894.00   | 10,728,589.58   | 82,566,743.72       |          |
| 5        | Purchased gas cost                    | 9,131,253.74     | 4,529,011.15   | 1,115,078.13       | 23,352,175.00   | 5,761,700.45    | 43,859,218.47       | 5        |
| 6        | Gross profit                          | 9,776,890.90     | 4,154,787.17   | 4,138,239.05       | 15,640,719.00   | 4,966,889.13    | 38,677,525.25       | 6        |
|          | Operating expenses                    |                  |                |                    |                 |                 |                     |          |
| 7        | Operation                             | (2) 1,368,915.42 | 946,780.18     | 466,731.23         | 3,204,690.00    | 1,088,502.47    | 7,075,619.30        | 7        |
| 8        | Maintenance                           | 49,682.67        | 64,772.54      | 32,320.08          | 375,067.00      | 71,916.22       | 593,758.51          | 8        |
| 9        | Depreciation                          | 548,925.06       | 415,672.29     | 303,528.74         | 1,525,471.00    | 545,335.42      | 3,338,932.51        | 9        |
| 10       | Taxes - other than income taxes       | 1,386,140.21     | 214,744.92     | 184,910.25         | 1,015,006.00    | 163,544.09      | 2,964,345.47        | 10       |
| 10       | Shared Services - direct              | 227,549.22       | 135,337.93     | 254,251.76         | 0.00            | 204,481.54      | 821,620.45          | 10       |
| 11       | Shared Services - billed              | 603,337.10       | 271,336.22     | 173,954.33         | 623,316.83      | 358,186.47      | 2,030,330.95        | 11       |
| 12       | Provision for income taxes            | 1,828,440.68     | 711,612.86     | 934,644.29         | 3,043,376.60    | 937,302.17      | 7,455,376.60        | 12       |
| 13       | Total operating expenses              | 6,012,990.36     | 2,760,456.94   | 2,350,340.68       | 9,786,927.43    | 3,369,268.38    | 24,279,983.79       | 13       |
| 14       | Operating income (loss)               | 3,763,900.54     | 1,394,330.23   | 1,787,898.37       | 5,853,791.57    | 1,597,620.75    | 14,397,541.46       | 14       |
|          | Other income                          |                  |                |                    |                 |                 |                     |          |
| 15       | Merchandise                           | 25,538.29        | 4,087.45       | 6,901.24           | (5,336.00)      | 19,766.84       | 50,967.82           | 15       |
| 16       | Interest income                       | 30,019.41        | 0.00           | 618.63             | 212,596.00      | 3,409.76        | 246,643.80          | 16       |
| 17       | Other nonoperating income             | (8,504.46)       | 2,022.95       | (6,926.03)         | (307.71)        | (2,588.59)      | (16,303.84)         | 17       |
| 18       | Equity in earnings - Woodward         | 0.00             | 0.00           | 0.00               | 0.00            | 0.00            | 0.00                | 18       |
| 19       | Total other income (loss)             | 47,053.24        | 6,110.40       | 593.84             | 206,962.29      | 20,588.01       | 281,307.78          | 19       |
| 20       | Income (loss) before interest charges | 3,810,953.78     | 1,400,440.63   | 1,788,492.21       | 6,060,753.86    | 1,618,208.76    | 14,678,849.24       | 20       |
| 21       | Interest charges                      | 443,859.72       | 270,284.00     | 201,965.99         | 1,262,553.84    | 304,271.88      | 2,482,935.43        | 21       |
| 22       | Net income (loss)                     | \$3,367,094.06   | \$1,130,156.63 | \$1,586,526.22     | \$4,798,200.02  | \$1,313,936.88  | \$12,195,913.81     | 22       |

Footnote: (1) Includes CNG.  
(2) Operations expense in the business units does not include any shared services costs.  
(3) Includes all Shared Services expenses booked directly to the business units.  
(4) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.

ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME - REGULATED  
FOR THE FIVE MONTHS ENDED FEBRUARY 28, 1998

| Line No. | Description (a)                       | Year-to-Date     |                 |                  |                  |                 |  |                  | Total Regulated (g) | Line No. |
|----------|---------------------------------------|------------------|-----------------|------------------|------------------|-----------------|--|------------------|---------------------|----------|
|          |                                       | Energy (b)       | Greeley (c)     | Trans La (1) (d) | UCG (e)          | WKG (f)         |  |                  |                     |          |
|          | Operating revenues                    |                  |                 |                  |                  |                 |  |                  |                     |          |
| 1        | Gas                                   | \$105,249,175.34 | \$50,094,970.25 | \$20,776,105.62  | \$200,360,658.00 | \$73,847,210.31 |  | \$450,328,119.52 | 1                   |          |
| 2        | Transportation                        | 1,213,582.79     | 663,707.88      | 174,373.47       | 6,186,002.00     | 3,818,333.95    |  | 12,056,000.09    | 2                   |          |
| 3        | Other                                 | 0.00             | 0.00            | 0.00             | 0.00             | 0.00            |  | 0.00             | 3                   |          |
| 4        | Total operating revenues              | 106,462,758.13   | 50,758,678.13   | 20,950,479.09    | 206,546,660.00   | 77,665,544.26   |  | 462,384,119.61   | 4                   |          |
| 5        | Purchased gas cost                    | 67,607,848.63    | 30,368,144.77   | 6,038,567.84     | 130,952,797.00   | 52,853,077.68   |  | 287,820,435.92   | 5                   |          |
| 6        | Gross profit                          | 38,854,909.50    | 20,390,533.36   | 14,911,911.25    | 75,593,863.00    | 24,812,466.58   |  | 174,563,683.69   | 6                   |          |
|          | Operating expenses                    |                  |                 |                  |                  |                 |  |                  |                     |          |
| 7        | Operation                             | 7,936,759.68     | 5,504,438.24    | 2,838,000.03     | 19,234,133.33    | 6,320,891.93    |  | 41,834,223.21    | 7                   |          |
| 8        | Maintenance                           | 456,040.42       | 300,822.68      | 233,127.52       | 2,247,683.00     | 381,048.00      |  | 3,618,721.62     | 8                   |          |
| 9        | Depreciation                          | 2,743,751.82     | 2,070,522.10    | 1,517,643.70     | 7,642,233.00     | 2,726,648.39    |  | 16,700,799.01    | 9                   |          |
| 10       | Taxes - other than income taxes       | 5,687,750.33     | 1,108,805.80    | 932,715.89       | 5,130,198.00     | 831,655.28      |  | 13,691,125.30    | 10                  |          |
| 10       | Shared Services - direct              | 1,227,325.22     | 630,237.53      | 785,817.95       | 0.00             | 797,612.74      |  | 3,440,993.44     | 10                  |          |
| 11       | Shared Services - billed              | 2,802,128.90     | 1,129,801.83    | 767,480.62       | 2,571,648.72     | 1,617,882.95    |  | 8,888,943.02     | 11                  |          |
| 12       | Provision for income taxes            | 5,337,688.40     | 3,034,685.40    | 2,197,622.95     | 12,790,903.75    | 4,044,003.25    |  | 27,404,903.75    | 12                  |          |
| 13       | Total operating expenses              | 26,191,444.77    | 13,779,313.58   | 9,272,408.66     | 49,616,799.80    | 16,719,742.54   |  | 115,579,709.35   | 13                  |          |
| 14       | Operating income (loss)               | 12,663,464.73    | 6,611,219.78    | 5,639,502.59     | 25,977,063.20    | 8,092,724.04    |  | 58,983,974.34    | 14                  |          |
|          | Other income                          |                  |                 |                  |                  |                 |  |                  |                     |          |
| 15       | Merchandise                           | 25,094.51        | (1,700.54)      | 14,190.52        | (50,942.00)      | 135,806.82      |  | 122,449.31       | 15                  |          |
| 16       | Interest income                       | 91,883.88        | 381.87          | 1,884.19         | 673,883.00       | 11,257.78       |  | 779,290.72       | 16                  |          |
| 17       | Other nonoperating income             | (99,115.38)      | 48,935.20       | (41,896.30)      | (29,280.71)      | (30,727.45)     |  | (152,084.64)     | 17                  |          |
| 18       | Equity in earnings - Woodward         | 0.00             | 0.00            | 0.00             | 0.00             | 0.00            |  | 0.00             | 18                  |          |
| 19       | Total other income (loss)             | 17,863.01        | 47,616.53       | (25,821.59)      | 593,660.29       | 116,337.15      |  | 749,655.39       | 19                  |          |
| 20       | Income (loss) before interest charges | 12,681,327.74    | 6,658,836.31    | 5,613,681.00     | 26,570,723.49    | 8,209,061.19    |  | 59,733,629.73    | 20                  |          |
| 21       | Interest charges                      | 2,998,628.32     | 1,787,496.76    | 2,038,349.84     | 5,640,525.84     | 2,284,461.72    |  | 14,749,462.48    | 21                  |          |
| 22       | Net income (loss)                     | \$9,682,699.42   | \$4,871,339.55  | \$3,575,331.16   | \$20,930,197.65  | \$5,924,599.47  |  | \$44,984,167.25  | 22                  |          |

Footnote:  
(1) Includes CNG.  
(2) Operations expense in the business units does not include any shared services costs.  
(3) Includes all Shared Services expenses booked directly to the business units.  
(4) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF INCOME- NON-REGULATED UTILITY  
FOR THE MONTH ENDED 02/28/98

| Line No. | Description                           | 1998             |                |                         |                     |                                  |                         | Line No. |
|----------|---------------------------------------|------------------|----------------|-------------------------|---------------------|----------------------------------|-------------------------|----------|
|          |                                       | EGASCO, INC. (b) | ENERMART (c)   | TRANS LA INDUSTRIAL (d) | W K G RESOURCES (e) | ELIMINATIONS and ADJUSTMENTS (f) | ATMOS NON REGULATED (g) |          |
| 1        | Operating revenues                    |                  |                |                         |                     |                                  |                         | 1        |
| 2        | Gas                                   | \$96,390.94      | \$1,301,777.78 | \$575,137.60            | \$0.00              | \$0.00                           | \$1,973,306.32          | 2        |
| 3        | Transportation                        | 0.00             | 0.00           | 7,387.80                | 0.00                | 0.00                             | 7,387.80                | 3        |
|          | Other                                 | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00                             | 0.00                    |          |
| 4        | Total operating revenues              | 96,390.94        | 1,301,777.78   | 582,525.40              | 0.00                | 0.00                             | 1,980,694.12            | 4        |
| 5        | Purchased gas cost                    | 76,269.60        | 1,295,996.34   | 512,642.06              | 0.00                | 0.00                             | 1,884,908.00            | 5        |
| 6        | Gross profit                          | 20,121.34        | 5,781.44       | 69,883.34               | 0.00                | 0.00                             | 95,786.12               | 6        |
| 7        | Operating expenses                    |                  |                |                         |                     |                                  |                         | 7        |
| 8        | Operation                             | 57,962.74        | 366,898.03     | 22,583.98               | 0.00                | 0.00                             | 447,444.75              | 8        |
| 9        | Maintenance                           | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00                             | 0.00                    | 9        |
| 10       | Depreciation and amortization         | 0.00             | 0.00           | 2,865.00                | 0.00                | 0.00                             | 2,865.00                | 10       |
| 11       | Taxes - other than income taxes       | 0.00             | 4,229.52       | 4,979.25                | 0.00                | 0.00                             | 9,208.77                | 11       |
| 12       | Shared services - billed              | 1,806.47         | 20,619.36      | 7,584.70                | 0.00                | 0.00                             | 30,010.53               | 12       |
|          | Provision for income taxes            | (33,000.00)      | (135,000.00)   | 12,000.00               | 0.00                | 0.00                             | (156,000.00)            |          |
| 13       | Total operating expenses              | 26,769.21        | 256,746.91     | 50,012.93               | 0.00                | 0.00                             | 333,529.05              | 13       |
| 14       | Operating income (loss)               | (6,647.87)       | (250,965.47)   | 19,870.41               | 0.00                | 0.00                             | (237,742.93)            | 14       |
| 15       | Other income                          |                  |                |                         |                     |                                  |                         | 15       |
| 16       | Merchandise                           | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00                             | 0.00                    | 16       |
| 17       | Interest income                       | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00                             | 0.00                    | 17       |
| 18       | Shared services - billed              | 0.00             | 0.00           | 0.00                    | (356.70)            | 0.00                             | (356.70)                | 18       |
|          | Other nonoperating income             | (29,242.55)      | 0.00           | 0.00                    | 347.87              | 0.00                             | (28,894.68)             |          |
| 19       | Total other income (loss)             | (29,242.55)      | 0.00           | 0.00                    | (8.83)              | 0.00                             | (29,251.38)             | 19       |
| 20       | Income (loss) before interest charges | (35,890.42)      | (250,965.47)   | 19,870.41               | (8.83)              | 0.00                             | (266,994.31)            | 20       |
| 21       | Interest charges                      | 0.00             | 0.00           | 245.34                  | 0.00                | 0.00                             | 245.34                  | 21       |
| 22       | Net income (loss)                     | (\$35,890.42)    | (\$250,965.47) | \$19,625.07             | (\$8.83)            | \$0.00                           | (\$267,239.65)          | 22       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF INCOME- NON-REGULATED UTILITY  
FOR THE FIVE MONTHS ENDED 02/28/98

1998

| Line No. | Description (a)                       | ELIMINATIONS and ADJUSTMENTS |                |                         |                     | Line No.        |
|----------|---------------------------------------|------------------------------|----------------|-------------------------|---------------------|-----------------|
|          |                                       | EGASCO, INC. (b)             | ENERMART (c)   | TRANS LA INDUSTRIAL (d) | W K G RESOURCES (e) |                 |
|          | Operating revenues                    |                              |                |                         |                     |                 |
| 1        | Gas                                   | \$598,007.16                 | \$8,094,665.51 | \$2,878,988.49          | \$0.00              | \$11,571,661.16 |
| 2        | Transportation                        | 0.00                         | 0.00           | 37,527.35               | 0.00                | 37,527.35       |
| 3        | Other                                 | 0.00                         | 0.00           | 0.00                    | 0.00                | 0.00            |
| 4        | Total operating revenues              | 598,007.16                   | 8,094,665.51   | 2,916,515.84            | 0.00                | 11,609,188.51   |
| 5        | Purchased gas cost                    | 474,543.73                   | 7,113,965.38   | 2,568,191.74            | 0.00                | 10,156,700.85   |
| 6        | Gross profit                          | 123,463.43                   | 980,700.13     | 348,324.10              | 0.00                | 1,452,487.66    |
|          | Operating expenses                    |                              |                |                         |                     |                 |
| 7        | Operation                             | 299,271.84                   | 1,842,678.88   | 81,349.55               | 0.00                | 2,223,300.27    |
| 8        | Maintenance                           | 0.00                         | 0.00           | 0.00                    | 0.00                | 0.00            |
| 9        | Depreciation and amortization         | 0.00                         | 0.00           | 14,325.00               | 0.00                | 14,325.00       |
| 10       | Taxes - other than income taxes       | 0.00                         | 23,001.03      | 24,757.50               | 10.00               | 47,768.53       |
| 11       | Shared services - billed              | 7,422.76                     | 92,894.84      | 28,310.03               | 0.00                | 128,627.63      |
| 12       | Provision for income taxes            | (134,000.00)                 | (342,000.00)   | 77,000.00               | 0.00                | (399,000.00)    |
| 13       | Total operating expenses              | 172,694.60                   | 1,616,574.75   | 225,742.08              | 10.00               | 2,015,021.43    |
| 14       | Operating income (loss)               | (49,231.17)                  | (635,874.62)   | 122,582.02              | (10.00)             | (562,533.77)    |
|          | Other income                          |                              |                |                         |                     |                 |
| 15       | Merchandise                           | 0.00                         | 0.00           | 0.00                    | 0.00                | 0.00            |
| 16       | Interest income                       | 0.00                         | 0.00           | 0.00                    | 0.00                | 0.00            |
| 17       | Shared services - billed              | 0.00                         | 0.00           | 0.00                    | (1,786.96)          | (1,786.96)      |
| 18       | Other nonoperating income             | (106,386.93)                 | 0.00           | 0.00                    | 1,615.96            | (104,770.97)    |
| 19       | Total other income (loss)             | (106,386.93)                 | 0.00           | 0.00                    | (171.00)            | (106,557.93)    |
| 20       | Income (loss) before interest charges | (155,618.10)                 | (635,874.62)   | 122,582.02              | (181.00)            | (669,091.70)    |
| 21       | Interest charges                      | 0.00                         | 300.00         | 1,226.70                | 0.00                | 1,526.70        |
| 22       | Net income (loss)                     | (\$155,618.10)               | (\$636,174.62) | \$121,355.32            | (\$181.00)          | (\$670,618.40)  |

NON-UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME- NON-UTILITY  
FOR THE MONTH ENDED 02/28/98

| Line No. | Description (a)                 | 1998            |                 |                     |                            |                                  |                                   |                     |                     |           |              | Total Non-Utility (j) | Line No.     |    |
|----------|---------------------------------|-----------------|-----------------|---------------------|----------------------------|----------------------------------|-----------------------------------|---------------------|---------------------|-----------|--------------|-----------------------|--------------|----|
|          |                                 | UCG Leasing (b) | UCG Propane (c) | Rental Division (d) | Utility Serv. Division (e) | Eliminations and Adjustments (f) | UCG Energy Corp. Consolidated (g) | Energy Services (h) | UCG Storage Co. (i) |           |              |                       |              |    |
| 1        | Operating revenues              |                 |                 |                     |                            |                                  |                                   |                     |                     |           |              |                       |              |    |
| 2        | Gas                             | \$0.00          | \$0.00          | \$0.00              | \$0.00                     | \$0.00                           | \$0.00                            | \$0.00              | \$0.00              | \$0.00    | \$0.00       | \$0.00                | \$0.00       | 1  |
| 3        | Transportation                  | 0.00            | 0.00            | 0.00                | 0.00                       | 0.00                             | 0.00                              | 0.00                | 0.00                | 0.00      | 0.00         | 0.00                  | 0.00         | 2  |
| 4        | Other                           | 87,782.00       | 3,780,629.00    | 254,880.00          | 110,433.00                 | 0.00                             | 4,233,724.00                      | 0.00                | 957,920.00          | 0.00      | 5,191,644.00 | 0.00                  | 5,191,644.00 | 3  |
| 5        | Total operating revenues        | 87,782.00       | 3,780,629.00    | 254,880.00          | 110,433.00                 | 0.00                             | 4,233,724.00                      | 0.00                | 957,920.00          | 0.00      | 5,191,644.00 | 0.00                  | 5,191,644.00 | 4  |
| 6        | Purchased gas cost              | 0.00            | 2,337,079.00    | 0.00                | 41,107.00                  | 0.00                             | 2,378,186.00                      | 0.00                | 659,268.00          | 0.00      | 3,037,454.00 | 0.00                  | 3,037,454.00 | 5  |
| 7        | Gross profit                    | 87,782.00       | 1,443,550.00    | 254,880.00          | 69,326.00                  | 0.00                             | 1,855,538.00                      | 0.00                | 298,652.00          | 0.00      | 2,154,190.00 | 0.00                  | 2,154,190.00 | 6  |
| 8        | Operating expenses              |                 |                 |                     |                            |                                  |                                   |                     |                     |           |              |                       |              |    |
| 9        | Operation                       | 1,111.00        | 630,075.00      | 4,192.00            | 1,103.00                   | 0.00                             | 636,481.00                        | 0.00                | 52,824.00           | 50.00     | 689,355.00   | 0.00                  | 689,355.00   | 7  |
| 10       | Maintenance                     | 0.00            | 55,854.00       | 0.00                | 0.00                       | 0.00                             | 55,854.00                         | 0.00                | 12,659.00           | 0.00      | 68,513.00    | 0.00                  | 68,513.00    | 8  |
| 11       | Depreciation and amortization   | 30,718.00       | 181,189.00      | 53,676.00           | 33,645.00                  | 0.00                             | 301,228.00                        | 0.00                | 33,752.00           | 0.00      | 334,980.00   | 0.00                  | 334,980.00   | 9  |
| 12       | Taxes - other than income taxes | 0.00            | 48,127.00       | 20,161.00           | 0.00                       | 0.00                             | 68,288.00                         | 0.00                | 35,345.00           | 0.00      | 103,633.00   | 0.00                  | 103,633.00   | 10 |
| 13       | Shared services - billed        | 1,400.00        | 21,540.00       | 4,480.00            | 580.00                     | 0.00                             | 28,000.00                         | 0.00                | 0.00                | 0.00      | 28,000.00    | 0.00                  | 28,000.00    | 11 |
| 14       | Provision for income taxes      | 18,000.00       | 166,000.00      | (34,000.00)         | (36,200.00)                | 0.00                             | 113,800.00                        | 0.00                | 38,900.00           | 0.00      | 152,700.00   | 0.00                  | 152,700.00   | 12 |
| 15       | Total operating expenses        | 51,229.00       | 1,104,785.00    | 48,509.00           | (872.00)                   | 0.00                             | 1,203,651.00                      | 0.00                | 173,480.00          | 50.00     | 1,377,181.00 | 0.00                  | 1,377,181.00 | 13 |
| 16       | Operating income (loss)         | 36,553.00       | 338,765.00      | 206,371.00          | 70,198.00                  | 0.00                             | 651,887.00                        | 0.00                | 125,172.00          | (50.00)   | 777,009.00   | 0.00                  | 777,009.00   | 14 |
| 17       | Other income                    |                 |                 |                     |                            |                                  |                                   |                     |                     |           |              |                       |              |    |
| 18       | Merchandise                     | 0.00            | 0.00            | 0.00                | 0.00                       | 0.00                             | 0.00                              | 0.00                | 0.00                | 0.00      | 0.00         | 0.00                  | 0.00         | 15 |
| 19       | Interest income                 | 3,279.00        | 10,629.00       | 31,400.00           | 3,392.00                   | (34,349.00)                      | 14,351.00                         | 0.00                | 9,331.00            | 0.00      | 23,682.00    | 0.00                  | 23,682.00    | 16 |
| 20       | Other nonoperating income       | 106.00          | 5,016.00        | (209,867.00)        | 8,864.00                   | 0.00                             | (195,881.00)                      | 0.00                | 0.00                | 0.00      | (195,881.00) | 0.00                  | (195,881.00) | 17 |
| 21       | Equity in earnings - Woodward   | 0.00            | 0.00            | 0.00                | 23,303.00                  | 0.00                             | 23,303.00                         | 0.00                | 0.00                | 0.00      | 23,303.00    | 0.00                  | 23,303.00    | 18 |
| 22       | Total other income (loss)       | 3,385.00        | 15,645.00       | (178,467.00)        | 35,559.00                  | (34,349.00)                      | (158,227.00)                      | 0.00                | 9,331.00            | 0.00      | (148,896.00) | 0.00                  | (148,896.00) | 19 |
| 23       | Income (loss) before int chgs   | 39,938.00       | 354,410.00      | 27,904.00           | 105,757.00                 | (34,349.00)                      | 493,660.00                        | 0.00                | 134,503.00          | (50.00)   | 628,113.00   | 0.00                  | 628,113.00   | 20 |
| 24       | Interest charges                | 13,416.00       | 62,392.00       | 81,953.00           | 28,105.00                  | (34,349.00)                      | 151,517.00                        | 0.00                | 75,300.00           | 0.00      | 226,817.00   | 0.00                  | 226,817.00   | 21 |
| 25       | Net income (loss)               | \$26,522.00     | \$292,018.00    | (\$54,049.00)       | \$77,652.00                | \$0.00                           | \$342,143.00                      | 0.00                | \$59,203.00         | (\$50.00) | \$401,296.00 | 0.00                  | \$401,296.00 | 22 |

NON-UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME- NON UTILITY  
FOR THE FIVE MONTHS ENDED 02/28/98

| Line No. | Description (a)                 | 1998            |                 |                     |                            |                                  |                                   |                           |                     |                       |                | Line No.       |    |
|----------|---------------------------------|-----------------|-----------------|---------------------|----------------------------|----------------------------------|-----------------------------------|---------------------------|---------------------|-----------------------|----------------|----------------|----|
|          |                                 | UCG Leasing (b) | UCG Propane (c) | Rental Division (d) | Utility Serv. Division (e) | Eliminations and Adjustments (f) | UCG Energy Corp. Consolidated (g) | Atmos Energy Services (h) | UCG Storage Co. (i) | Total Non-Utility (j) |                |                |    |
| 1        | Operating revenues              |                 |                 |                     |                            |                                  |                                   |                           |                     |                       |                |                | 1  |
| 2        | Gas                             | \$0.00          | \$0.00          | \$0.00              | \$0.00                     | \$0.00                           | \$0.00                            | \$0.00                    | \$0.00              | \$0.00                | \$0.00         | \$0.00         | 2  |
| 3        | Transportation                  | 0.00            | 0.00            | 0.00                | 0.00                       | 0.00                             | 0.00                              | 0.00                      | 0.00                | 0.00                  | 0.00           | 0.00           | 3  |
| 4        | Other                           | 452,833.00      | 18,759,415.00   | 1,356,757.00        | 416,566.00                 | 0.00                             | 20,985,571.00                     | 0.00                      | 3,689,741.00        | 24,675,312.00         | 24,675,312.00  | 24,675,312.00  | 4  |
| 5        | Total operating revenues        | 452,833.00      | 18,759,415.00   | 1,356,757.00        | 416,566.00                 | 0.00                             | 20,985,571.00                     | 0.00                      | 3,689,741.00        | 24,675,312.00         | 24,675,312.00  | 24,675,312.00  | 5  |
| 6        | Purchased gas cost              | 0.00            | 11,195,475.00   | 0.00                | 377,160.00                 | 0.00                             | 11,572,635.00                     | 0.00                      | 2,220,709.00        | 13,793,344.00         | 13,793,344.00  | 13,793,344.00  | 6  |
| 7        | Gross profit                    | 452,833.00      | 7,563,940.00    | 1,356,757.00        | 39,406.00                  | 0.00                             | 9,412,936.00                      | 0.00                      | 1,469,032.00        | 10,881,968.00         | 10,881,968.00  | 10,881,968.00  | 7  |
| 8        | Operating expenses              |                 |                 |                     |                            |                                  |                                   |                           |                     |                       |                |                | 8  |
| 9        | Operation                       | 8,788.39        | 3,308,950.55    | 199,164.39          | 14,493.79                  | 0.00                             | 3,531,397.12                      | 160.00                    | 182,522.70          | 3,714,079.82          | 3,714,079.82   | 3,714,079.82   | 9  |
| 10       | Maintenance                     | 0.00            | 292,682.00      | 0.00                | 0.00                       | 0.00                             | 292,682.00                        | 0.00                      | 48,293.00           | 340,975.00            | 340,975.00     | 340,975.00     | 10 |
| 11       | Depreciation and amortization   | 161,714.00      | 917,213.00      | 318,658.00          | 177,134.00                 | 0.00                             | 1,574,719.00                      | 0.00                      | 168,172.00          | 1,742,891.00          | 1,742,891.00   | 1,742,891.00   | 11 |
| 12       | Taxes - other than income taxes | 0.00            | 143,359.00      | 101,570.00          | 0.00                       | 0.00                             | 244,929.00                        | 0.00                      | 172,188.00          | 417,117.00            | 417,117.00     | 417,117.00     | 12 |
| 13       | Shared services - billed        | 6,700.00        | 104,220.00      | 21,440.00           | 1,640.00                   | 0.00                             | 134,000.00                        | 0.00                      | (0.00)              | 134,000.00            | 134,000.00     | 134,000.00     | 13 |
| 14       | Provision for income taxes      | 88,730.82       | 962,000.84      | 134,009.46          | 176,258.91                 | 0.00                             | 1,361,000.03                      | 0.00                      | 221,200.41          | 1,582,200.44          | 1,582,200.44   | 1,582,200.44   | 14 |
| 15       | Total operating expenses        | 265,933.21      | 5,728,425.39    | 774,841.85          | 369,526.70                 | 0.00                             | 7,138,727.15                      | 160.00                    | 792,376.11          | 7,931,263.26          | 7,931,263.26   | 7,931,263.26   | 15 |
| 16       | Operating income (loss)         | 186,899.79      | 1,835,514.61    | 581,915.15          | (330,120.70)               | 0.00                             | 2,274,208.85                      | (160.00)                  | 676,655.89          | 2,950,704.74          | 2,950,704.74   | 2,950,704.74   | 16 |
| 17       | Other income                    |                 |                 |                     |                            |                                  |                                   |                           |                     |                       |                |                | 17 |
| 18       | Merchandise                     | 0.00            | 0.00            | 0.00                | 0.00                       | 0.00                             | 0.00                              | 0.00                      | 0.00                | 0.00                  | 0.00           | 0.00           | 18 |
| 19       | Interest income                 | 17,686.00       | 46,714.00       | 167,451.00          | 24,746.00                  | (195,347.00)                     | 61,250.00                         | 0.00                      | 49,634.00           | 110,884.00            | 110,884.00     | 110,884.00     | 19 |
| 20       | Other nonoperating income       | 479.00          | 7,778.00        | (216,273.00)        | 78,302.00                  | 0.00                             | (129,714.00)                      | 0.00                      | 0.00                | (129,714.00)          | (129,714.00)   | (129,714.00)   | 20 |
| 21       | Equity in earnings - Woodward   | 0.00            | 0.00            | 0.00                | 663,499.00                 | 0.00                             | 663,499.00                        | 0.00                      | 0.00                | 663,499.00            | 663,499.00     | 663,499.00     | 21 |
| 22       | Total other income (loss)       | 18,165.00       | 54,492.00       | (48,822.00)         | 766,547.00                 | (195,347.00)                     | 595,035.00                        | 0.00                      | 49,634.00           | 644,669.00            | 644,669.00     | 644,669.00     | 22 |
| 23       | Income (loss) before int chgs   | 205,064.79      | 1,890,006.61    | 533,093.15          | 436,426.30                 | (195,347.00)                     | 2,869,243.85                      | (160.00)                  | 726,289.89          | 3,595,373.74          | 3,595,373.74   | 3,595,373.74   | 23 |
| 24       | Interest charges                | 68,157.00       | 342,337.00      | 329,276.00          | 154,136.00                 | (195,347.00)                     | 698,559.00                        | 0.00                      | 388,831.00          | 1,087,390.00          | 1,087,390.00   | 1,087,390.00   | 24 |
| 25       | Net income (loss)               | \$136,907.79    | \$1,547,669.61  | \$203,817.15        | \$282,290.30               | \$0.00                           | \$2,170,684.85                    | (\$160.00)                | \$337,458.89        | \$2,507,983.74        | \$2,507,983.74 | \$2,507,983.74 | 25 |

ATMOS ENERGY CORPORATION  
 Shared Services Billing  
 For The Month ended 02/28/98

ALLOCATED DOLLARS

| DEPARTMENT                     | Total O&M    | Total        | Energy       | GCC         | Trans La    | UCG          | WKG          | Egoco    | Entermat  | TLIG     | UCG Energy | UCG Storage | WKR    |
|--------------------------------|--------------|--------------|--------------|-------------|-------------|--------------|--------------|----------|-----------|----------|------------|-------------|--------|
| ACCOUNTING:                    | (553,487.85) | (553,487.85) | (113,588.43) | (67,484.71) | (61,189.51) | (214,567.70) | (133,854.24) | (72.60)  | (342.64)  | (72.60)  | 28,000.00  | -           | 4.59   |
| BUSINESS DEVELOPMENT:          | 39,493.03    | 39,493.03    | 9,810.07     | 4,770.76    | 3,337.16    | 15,011.30    | 6,563.74     | -        | -         | -        | -          | -           | -      |
| CALL CENTER:                   | 2,600.85     | 2,600.85     | 1,028.89     | 505.35      | 354.76      | -            | 692.61       | 2.86     | 12.48     | 2.66     | -          | -           | 1.04   |
| EXECUTIVE:                     | 260,334.10   | 260,334.10   | 66,667.24    | 33,633.04   | 22,710.48   | 100,815.32   | 44,307.77    | 179.13   | 161.38    | 170.42   | -          | -           | 49.32  |
| GAS CONTROL:                   | 176,008.23   | 176,008.23   | 31,600.05    | 17,600.02   | 9,800.01    | 79,300.10    | 35,200.05    | -        | 1,700.00  | 1,700.00 | -          | -           | -      |
| GAS SUPPLY:                    | 98,059.82    | 98,059.82    | 19,488.97    | 15,268.79   | 6,001.79    | 24,858.30    | 21,030.14    | -        | 8,465.99  | 2,942.84 | -          | -           | -      |
| HUMAN RESOURCES:               | 661,660.60   | 661,660.60   | 188,918.74   | 90,602.82   | 63,764.74   | 192,320.20   | 124,033.51   | 300.94   | 1,332.59  | 300.94   | -          | -           | 86.12  |
| INFORMATION TECHNOLOGY:        | 214,480.30   | 214,480.30   | 86,393.78    | 32,347.23   | 23,214.94   | 21,911.42    | 50,556.93    | -        | -         | -        | -          | -           | -      |
| INTERNAL AUDIT:                | 43,717.24    | 43,717.24    | 10,811.83    | 5,261.59    | 3,678.20    | 16,550.17    | 7,229.77     | 30.62    | 135.59    | 30.62    | -          | -           | 8.75   |
| INVESTOR RELATIONS:            | 147,736.71   | 147,736.71   | 37,399.84    | 18,211.21   | 12,734.56   | 53,661.38    | 25,019.35    | 105.79   | 468.05    | 105.79   | -          | -           | 30.74  |
| LEGAL:                         | 300,503.96   | 300,503.96   | 72,808.07    | 36,722.89   | 24,709.52   | 111,543.16   | 50,188.61    | 378.96   | 2,674.12  | 1,501.83 | -          | -           | 56.80  |
| NEW BUSINESS VENTURES:         | 17,204.05    | 17,204.05    | 4,252.85     | 2,069.65    | 1,446.86    | 6,510.01     | 2,843.83     | 12.04    | 53.33     | 12.04    | -          | -           | 3.44   |
| PLANNING & BUDGETING:          | 43,303.38    | 43,303.38    | 10,704.63    | 5,209.40    | 3,641.81    | 16,385.99    | 7,158.04     | 30.30    | 134.25    | 30.30    | -          | -           | 8.66   |
| PRICE POLICY & ADMINISTRATION: | 59,983.22    | 59,983.22    | 18,766.38    | 16,567.04   | 7,138.35    | 5,564.85     | 11,707.73    | 22.63    | 172.34    | 27.27    | -          | -           | 16.63  |
| REGULATORY AFFAIRS:            | 24,856.28    | 24,856.28    | 3,728.44     | 6,214.07    | 2,485.63    | 9,942.51     | 2,485.63     | -        | -         | -        | -          | -           | -      |
| REMITTANCE PROCESSING:         | 29,769.01    | 29,769.01    | 8,859.25     | 3,316.27    | 2,378.54    | 9,820.80     | 5,182.78     | 23.82    | 184.57    | 2.98     | -          | -           | -      |
| TECHNICAL SERVICES:            | 32,162.62    | 32,162.62    | 7,313.78     | 4,444.87    | 2,897.85    | 12,408.34    | 5,001.29     | 22.51    | 51.46     | 19.30    | -          | -           | 3.22   |
| TREASURY:                      | 113,370.48   | 113,370.48   | 39,360.30    | 19,090.98   | 12,213.27   | 10,395.43    | 27,867.23    | 489.54   | 3,476.13  | 470.18   | -          | -           | 7.42   |
| TOTAL OPERATIONS:              | 1,687,768.03 | 1,687,768.03 | 504,404.68   | 233,437.27  | 140,322.06  | 471,991.58   | 291,134.77   | 1,526.54 | 19,379.64 | 7,984.77 | 28,000.00  | -           | 276.72 |
| Operators who A&G Cap.         | 2,568,768.03 | 2,568,768.03 | 727,976.09   | 364,811.38  | 239,464.65  | 676,374.08   | 501,055.50   | 1,904.61 | 21,053.94 | 7,682.84 | 28,000.00  | -           | 384.74 |
| MAINTENANCE                    | 15,990.18    | 15,990.18    | 3,952.78     | 1,923.62    | 1,344.77    | 6,050.68     | 2,642.18     | 11.19    | 49.57     | 11.19    | -          | -           | 3.20   |
| DEPRECIATION                   | 270,919.31   | 270,919.31   | 66,971.27    | 32,591.59   | 22,784.31   | 102,515.87   | 41,782.96    | 189.64   | 839.85    | 189.64   | -          | -           | 54.18  |
| TAXES - OTHER                  | 112,998.68   | 112,998.68   | 27,931.27    | 13,593.74   | 9,503.19    | 42,788.70    | 18,676.66    | 79.10    | 350.30    | 79.10    | -          | -           | 22.60  |
| TOTAL                          | 2,087,676.20 | 2,087,676.20 | 603,262.00   | 271,536.32  | 173,954.33  | 623,316.83   | 357,239.59   | 1,866.87 | 20,619.36 | 7,984.70 | 28,000.00  | -           | 356.70 |

ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Year-To-Date 2/28/98

ALLOCATED DOLLARS

| DEPARTMENT                     | Total          | Energys      | GCG          | Trans Ia     | UCU            | WKG          | Gasco    | Enertart  | TLIG      | UCG Energy | UCG Storage | WKGR     |
|--------------------------------|----------------|--------------|--------------|--------------|----------------|--------------|----------|-----------|-----------|------------|-------------|----------|
| ACCOUNTING:                    | (2,944,333.10) | (553,277.33) | (545,734.47) | (338,161.77) | (1,001,328.05) | (638,901.39) | (152.85) | (751.46)  | (115.84)  | 134,000.00 | -           | 90.06    |
| BUSINESS DEVELOPMENT:          | 236,782.97     | 58,816.90    | 28,610.38    | 20,008.16    | 90,001.21      | 39,353.32    | -        | -         | -         | -          | -           | -        |
| CALL CENTER:                   | 25,559.72      | 10,111.44    | 4,966.26     | 3,486.34     | -              | 6,806.55     | 28.11    | 122.69    | 28.11     | -          | -           | 10.22    |
| EXECUTIVE:                     | 1,344,605.30   | 334,211.73   | 163,460.51   | 113,801.88   | 505,024.43     | 222,067.80   | 908.43   | 4,037.99  | 842.47    | -          | -           | 250.06   |
| GAS CONTROL:                   | 176,000.23     | 31,680.05    | 17,600.02    | 8,800.01     | 79,200.10      | 35,200.05    | -        | 1,760.00  | 1,760.00  | -          | -           | -        |
| GAS SUPPLY:                    | 595,029.95     | 117,639.66   | 92,260.44    | 35,643.70    | 151,302.27     | 128,375.91   | -        | 52,312.66 | 17,497.31 | -          | -           | -        |
| HUMAN RESOURCES:               | 2,246,744.76   | 670,347.52   | 319,980.21   | 225,697.54   | 587,208.66     | 437,831.21   | 858.42   | 3,758.34  | 816.32    | -          | -           | 246.54   |
| INFORMATION TECHNOLOGY:        | 1,171,654.15   | 480,015.12   | 179,700.24   | 128,985.71   | 102,058.15     | 280,894.93   | -        | -         | -         | -          | -           | -        |
| INTERNAL AUDIT:                | 193,666.51     | 47,896.16    | 23,288.05    | 16,287.25    | 73,260.17      | 32,021.22    | 137.20   | 603.83    | 133.42    | -          | -           | 39.21    |
| INVESTOR RELATIONS:            | 836,055.60     | 225,969.69   | 110,181.58   | 77,106.16    | 267,187.54     | 151,327.40   | 638.65   | 2,815.63  | 635.34    | -          | -           | 193.61   |
| LEGAL:                         | 1,902,204.67   | 470,593.76   | 229,314.89   | 158,745.20   | 713,164.25     | 315,710.90   | 1,632.25 | 9,125.58  | 3,554.87  | -          | -           | 362.97   |
| NEW BUSINESS VENTURES:         | 82,377.89      | 20,374.84    | 9,904.98     | 6,927.94     | 31,160.03      | 13,621.19    | 58.49    | 237.12    | 56.58     | -          | -           | 16.72    |
| PLANNING & BUDGETING:          | 249,321.36     | 68,308.80    | 33,295.89    | 23,310.94    | 77,360.37      | 45,748.23    | 194.53   | 853.49    | 189.70    | -          | -           | 59.41    |
| PRICE POLICY & ADMINISTRATION: | 330,113.46     | 104,328.55   | 92,184.96    | 39,702.56    | 27,482.11      | 65,090.09    | 125.44   | 955.64    | 151.72    | -          | -           | 92.39    |
| REGULATORY AFFAIRS:            | 111,400.64     | 16,710.10    | 27,850.17    | 11,140.06    | 44,560.25      | 11,140.06    | -        | -         | -         | -          | -           | -        |
| REMITTANCE PROCESSING:         | 114,517.29     | 42,323.10    | 15,842.64    | 11,368.27    | 19,204.87      | 24,762.64    | 114.15   | 884.54    | 17.08     | -          | -           | -        |
| TECHNICAL SERVICES:            | 189,831.29     | 43,157.85    | 26,234.31    | 17,112.43    | 73,242.42      | 29,513.53    | 130.55   | 304.72    | 116.12    | -          | -           | 19.36    |
| TREASURY:                      | 504,007.06     | 170,282.76   | 85,937.60    | 57,160.36    | 55,425.41      | 122,005.15   | 1,470.17 | 10,252.98 | 1,411.70  | -          | -           | 40.93    |
| TOTAL OPERATIONS:              | 7,365,539.75   | 2,359,490.70 | 914,891.66   | 617,122.74   | 1,895,514.19   | 1,322,566.79 | 6,143.54 | 87,293.75 | 27,094.90 | 134,000.00 | -           | 1,421.48 |
| Operations w/o A&G Cap.        | 11,770,539.75  | 3,472,340.25 | 1,735,637.13 | 1,148,426.01 | 2,808,518.03   | 2,338,288.33 | 7,848.87 | 94,809.05 | 28,763.36 | 134,000.00 | -           | 1,908.72 |
| MAINTENANCE                    | 25,741.59      | 6,363.96     | 3,096.42     | 2,164.86     | 9,739.95       | 4,255.33     | 18.06    | 79.90     | 17.95     | -          | -           | 5.16     |
| DEPRECIATION                   | 1,355,196.55   | 335,346.04   | 162,873.05   | 113,970.47   | 512,442.51     | 224,141.54   | 974.23   | 4,255.31  | 915.06    | -          | -           | 278.34   |
| TAXES - OTHER                  | 406,928.26     | 100,620.42   | 48,940.70    | 34,222.55    | 153,952.07     | 67,275.61    | 286.93   | 1,265.88  | 282.12    | -          | -           | 81.98    |
| TOTAL                          | 9,153,406.15   | 2,801,821.12 | 1,129,801.83 | 767,480.62   | 2,571,648.72   | 1,618,239.27 | 7,422.76 | 92,894.84 | 28,310.03 | 134,000.00 | -           | 1,786.96 |



ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Month Ended 02/28/98

ALLOCATED DOLLARS

| DEPARTMENT                                  | Total O&M    | Total        | Energies     | GCC          | Trans La    | UCG         | WKG          | Frasso   | Finemart   | TIIG     | UCG Energy | UCG Storage | WKGR     |
|---|--------------|--------------|--------------|--------------|-------------|-------------|--------------|----------|------------|----------|------------|-------------|----------|
| 0112900 VP & Controller                     | 56,984.27    | 56,984.27    | 22,513.00    | 11,072.64    | 7,772.65    | -           | 15,174.91    | 62.68    | 273.52     | 62.68    | -          | -           | 22.79    |
| 0113000 Assistant Controller General Acctg  | 10,244.32    | 10,244.32    | 4,052.65     | 1,990.47     | 1,371.33    | -           | 2,725.06     | 11.27    | 49.17      | 11.27    | -          | -           | 4.10     |
| 0113100 General Accounting                  | 31,639.36    | 31,639.36    | 12,536.30    | 6,157.24     | 4,322.43    | -           | 8,438.88     | 34.86    | 152.11     | 34.86    | -          | -           | 12.68    |
| 0113200 Payroll Accounting                  | 42,342.56    | 42,342.56    | 16,750.71    | 8,227.16     | 5,775.53    | -           | 11,275.82    | 46.58    | 293.24     | 46.58    | -          | -           | 16.94    |
| 0113300 Accounts Payable                    | 16,210.46    | 16,210.46    | 6,412.86     | 3,149.69     | 2,211.11    | -           | 4,316.65     | 17.83    | 77.81      | 17.83    | -          | -           | 6.48     |
| 0113400 Accounting Systems                  | 910.29       | 910.29       | 360.12       | 176.87       | 124.16      | -           | 242.41       | 1.00     | 4.37       | 1.00     | -          | -           | 0.36     |
| 0113500 Assistant Controller, Utility Acctg | 3,680.40     | 3,680.40     | 1,455.96     | 715.10       | 502.01      | -           | 950.09       | 4.05     | 17.67      | 4.05     | -          | -           | 1.47     |
| 0113600 Plant Accounting                    | 31,998.39    | 31,998.39    | 12,658.56    | 6,217.29     | 4,364.58    | -           | 8,521.17     | 35.20    | 153.59     | 35.20    | -          | -           | 12.80    |
| 0113700 Gas Accounting                      | 43,657.90    | 43,657.90    | 17,350.19    | 8,521.59     | 5,922.22    | -           | 11,679.36    | 48.24    | 210.52     | 48.24    | -          | -           | 17.54    |
| 0113800 Customer Billing                    | 6,061.93     | 6,061.93     | 2,398.10     | 1,171.93     | 826.85      | -           | 1,614.29     | 6.67     | 29.10      | 6.67     | -          | -           | 2.42     |
| 0113900 Financial Reporting                 | 25,643.44    | 25,643.44    | 10,144.53    | 4,982.52     | 3,497.77    | -           | 6,628.85     | 28.21    | 121.09     | 28.21    | -          | -           | 10.26    |
| 0114600 Dallas Taxation                     | 25,888.83    | 25,888.83    | 10,241.60    | 5,030.20     | 3,531.24    | -           | 6,694.20     | 28.48    | 124.27     | 28.48    | -          | -           | 10.36    |
| 0118300 Dallas Stores                       |              |              |              |              |             |             |              |          |            |          |            |             |          |
| 0119200 Controller Miscellaneous            | (28,000.00)  | (28,000.00)  | (6,921.60)   | (3,368.40)   | (2,354.89)  | (10,595.20) | (4,628.40)   | (19.60)  | (86.60)    | (19.60)  | -          | -           | (5.60)   |
| Management Fee - UCGE                       | 28,000.00    | 28,000.00    | -            | -            | -           | -           | -            | -        | -          | -        | 28,000.00  | -           | -        |
| 0119700 I/C Billing & Other                 |              |              |              |              |             |             |              |          |            |          |            |             |          |
| 0119800 Overhead Capitalized-Division 02    | (540,096.47) | (540,096.47) | (133,511.84) | (64,973.61)  | (45,422.11) | (26,372.50) | (89,271.95)  | (378.07) | (1,074.30) | (378.07) | -          | -           | (108.02) |
| 0119800 Overhead Capitalized-Op Company     | (340,903.53) | (340,903.53) | (90,059.57)  | (76,480.70)  | (53,729.48) | -           | (120,642.78) | -        | -          | -        | -          | -           | -        |
| ACCOUNTING:                                 | (881,000.00) | (881,000.00) | (223,571.41) | (141,454.31) | (99,151.59) | (26,372.50) | (309,914.73) | (378.07) | (1,074.30) | (378.07) | -          | -           | (108.02) |
| 0056000 Business Development                | 39,493.03    | 39,493.03    | 9,810.07     | 4,770.76     | 3,371.16    | 15,011.30   | 6,563.74     | -        | -          | -        | -          | -           | -        |
| BUSINESS DEVELOPMENT:                       | 39,493.03    | 39,493.03    | 9,810.07     | 4,770.76     | 3,371.16    | 15,011.30   | 6,563.74     | -        | -          | -        | -          | -           | -        |
| 0120100 Amarillo Call Center                | 2,600.85     | 2,600.85     | 1,028.89     | 505.35       | 354.76      | -           | 692.61       | 2.86     | 12.48      | 2.86     | -          | -           | 1.04     |
| CALL CENTER:                                | 2,600.85     | 2,600.85     | 1,028.89     | 505.35       | 354.76      | -           | 692.61       | 2.86     | 12.48      | 2.86     | -          | -           | 1.04     |
| 0050500 Chairman, President & CEO           | 138,033.92   | 138,033.92   | 34,121.98    | 16,605.48    | 11,608.65   | 52,232.84   | 22,817.01    | 96.62    | 427.91     | 96.62    | -          | -           | 27.61    |
| 0052100 Dallas Operations                   | 43,512.87    | 43,512.87    | 11,091.44    | 5,870.05     | 3,803.02    | 15,742.96   | 7,144.61     | 21.76    | 104.43     | 21.76    | -          | -           | 4.35     |
| 0052500 Utility Services                    | 5,566.77     | 5,566.77     | 1,374.62     | 668.96       | 467.66      | 2,104.20    | 919.20       | 3.89     | 17.24      | 3.89     | -          | -           | 1.11     |
| 0054700 Chief Financial Officer             | 81,226.54    | 81,226.54    | 20,079.20    | 9,771.55     | 6,831.15    | 30,736.12   | 13,426.35    | 56.86    | 251.80     | 56.86    | -          | -           | 16.25    |
| EXECUTIVE:                                  | 268,334.10   | 268,334.10   | 66,667.24    | 32,633.04    | 22,710.48   | 100,815.32  | 44,307.77    | 179.13   | 801.38     | 179.13   | -          | -           | 49.32    |
| 0051700 Corporate Gas Control               | 176,000.23   | 176,000.23   | 31,640.05    | 17,600.02    | 8,800.01    | 79,200.10   | 35,200.05    | -        | 1,760.00   | 1,760.00 | -          | -           | -        |
| GAS CONTROL:                                | 176,000.23   | 176,000.23   | 31,640.05    | 17,600.02    | 8,800.01    | 79,200.10   | 35,200.05    | -        | 1,760.00   | 1,760.00 | -          | -           | -        |
| 0051500 Interstate Gas Supply               | 39,202.97    | 39,202.97    | 7,056.54     | 7,840.59     | 1,960.15    | 10,584.80   | 11,760.89    | -        | -          | -        | -          | -           | -        |
| 0051600 Intrastate Gas Supply               | 36,820.99    | 36,820.99    | 7,364.19     | 3,692.10     | 1,841.05    | 9,205.25    | 5,531.15     | -        | 7,364.20   | 1,841.05 | -          | -           | -        |
| 0051900 Gas Supply                          | 22,035.86    | 22,035.86    | 5,068.24     | 3,746.10     | 2,203.59    | 5,068.25    | 1,101.79     | -        | 1,101.79   | 1,101.79 | -          | -           | -        |
| GAS SUPPLY:                                 | 98,059.82    | 98,059.82    | 19,488.97    | 15,268.79    | 6,004.79    | 24,858.30   | 21,030.14    | -        | 8,465.99   | 2,942.84 | -          | -           | -        |

ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Month Ended 02/28/98

ALLOCATED DOLLARS

| DEPARTMENT   | Total O&M   | Total       | Energy      | GGC        | Trans La   | UCC         | WKG        | Egenco   | Finermat | TLIG     | UCG Factory | UCG Storage | WKGR   |
|--|-------------|-------------|-------------|------------|------------|-------------|------------|----------|----------|----------|-------------|-------------|--------|
| 0056100 Professional Development                       | 6,341.53    | 6,341.53    | 1,097.63    | 798.40     | 566.93     | 2,191.00    | 1,067.57   | -        | -        | -        | -           | -           | -      |
| 0117100 Corporate Services                             | 1,614.28    | 1,614.28    | 635.60      | 313.65     | 220.19     | -           | 429.88     | 178      | 7.75     | 1.78     | -           | -           | 0.65   |
| 0117200 Compensation & Employment                      | 35,767.57   | 35,767.57   | 14,623.36   | 4,883.68   | 4,883.85   | -           | 9,374.68   | -        | -        | -        | -           | -           | -      |
| 0117300 Human Resources - VP                           | 19,726.73   | 19,726.73   | 5,200.84    | 2,453.60   | 1,763.57   | 6,815.59    | 3,353.13   | -        | -        | -        | -           | -           | -      |
| 0117400 Employees & Labor Relations                    | 8,368.16    | 8,368.16    | 2,235.51    | 1,056.07   | 749.90     | 2,898.11    | 1,438.57   | -        | -        | -        | -           | -           | -      |
| 0117500 Employee Benefits                              | 108,330.79  | 108,330.79  | 41,296.46   | 20,512.84  | 14,793.99  | -           | 28,393.50  | -        | -        | -        | -           | -           | -      |
| 0117800 Employee Communications                        | 18,976.56   | 18,976.56   | 5,066.63    | 2,339.15   | 1,696.50   | 6,556.40    | 3,254.48   | -        | -        | -        | -           | -           | -      |
| 0117900 Facilities                                     | 12,352.51   | 12,352.51   | 3,306.77    | 1,555.18   | 1,104.14   | 4,267.79    | 2,116.46   | -        | -        | -        | -           | -           | -      |
| 0118100 Employee Development                           | 22,797.85   | 22,797.85   | 6,102.98    | 2,870.25   | 2,006.13   | 7,876.66    | 3,909.83   | -        | -        | -        | -           | -           | -      |
| 0119000 Employee Relocation Expense                    | (44,959.55) | (44,959.55) | (11,114.02) | (5,406.63) | (3,761.10) | (17,012.69) | (7,431.81) | (31.47)  | (119.37) | (31.47)  | -           | -           | (8.99) |
| 0119210 Performance Plan                               | 116,667.00  | 116,667.00  | 22,846.08   | 14,035.04  | 9,811.69   | 41,116.79   | 19,293.06  | 81.67    | 361.67   | 81.67    | -           | -           | 23.33  |
| 0119300 Outside Directors Retirement Cost              | 32,000.00   | 32,000.00   | 7,916.40    | 3,849.60   | 2,691.20   | 12,108.80   | 5,239.60   | 22.40    | 99.20    | 22.40    | -           | -           | 6.40   |
| 0119400 Treasury - Worker's Comp                       | (0.07)      | (0.07)      | (0.03)      | (0.01)     | (0.01)     | -           | (0.02)     | -        | -        | -        | -           | -           | -      |
| 0119500 Human Resources - Benefits                     | 0.39        | 0.39        | 0.16        | 0.08       | 0.05       | -           | 0.10       | -        | -        | -        | -           | -           | -      |
| 0119600 Retirement Costs                               | 323,656.85  | 323,656.85  | 80,007.97   | 38,935.92  | 27,219.51  | 122,471.75  | 53,506.48  | 2,265.56 | 1,003.34 | 2,265.56 | -           | -           | 64.73  |
| HUMAN RESOURCES:                                       | 661,660.60  | 661,660.60  | 188,918.74  | 90,602.82  | 63,764.71  | 192,320.20  | 124,011.51 | 3,069.91 | 1,332.59 | 3,069.91 | -           | -           | 86.12  |
| 0115000 Information Services                           | 16,261.62   | 16,261.62   | 4,871.98    | 1,824.55   | 1,309.06   | 5,403.74    | 2,852.29   | -        | -        | -        | -           | -           | -      |
| 0115100 Production Services                            | 90,223.73   | 90,223.73   | 40,492.41   | 15,157.59  | 10,850.98  | -           | 23,692.75  | -        | -        | -        | -           | -           | -      |
| 0115200 Mass Mail                                      | -           | -           | -           | -          | -          | -           | -          | -        | -        | -        | -           | -           | -      |
| 0115300 Information Systems                            | 38,886.97   | 38,886.97   | 17,419.79   | 6,532.00   | 4,689.44   | -           | 10,210.14  | -        | -        | -        | -           | -           | -      |
| 0115400 Information Support                            | 19,256.39   | 19,256.39   | 8,612.27    | 3,235.07   | 2,322.32   | -           | 5,056.73   | -        | -        | -        | -           | -           | -      |
| 0115500 Office Equipment                               | -           | -           | -           | -          | -          | -           | -          | -        | -        | -        | -           | -           | -      |
| 0115600 Telecommunication Services                     | 49,857.59   | 49,857.59   | 14,973.33   | 5,591.02   | 4,013.51   | 16,567.66   | 8,745.02   | -        | -        | -        | -           | -           | -      |
| INFORMATION TECHNOLOGY:                                | 214,480.30  | 214,480.30  | 86,993.78   | 32,343.23  | 23,214.94  | 21,971.42   | 50,556.93  | -        | -        | -        | -           | -           | -      |
| 0116400 Internal Audit                                 | 43,737.24   | 43,737.24   | 10,811.83   | 5,261.59   | 3,676.30   | 16,550.17   | 7,229.77   | 30.62    | 135.59   | 30.62    | -           | -           | 8.75   |
| INTERNAL AUDIT:  | 43,737.24   | 43,737.24   | 10,811.83   | 5,261.59   | 3,676.30   | 16,550.17   | 7,229.77   | 30.62    | 135.59   | 30.62    | -           | -           | 8.75   |
| 0054900 Investor Relations                             | 104,581.79  | 104,581.79  | 25,852.61   | 12,581.19  | 8,795.33   | 39,571.75   | 17,287.37  | 73.21    | 324.20   | 73.21    | -           | -           | 20.92  |
| 0117700 Corporate Communications                       | 37,229.46   | 37,229.46   | 9,293.12    | 4,176.70   | 3,131.00   | 14,087.63   | 6,154.03   | 26.06    | 115.41   | 26.06    | -           | -           | 7.45   |
| 0052400 Public Affairs                                 | 5,925.46    | 5,925.46    | 2,344.11    | 1,151.32   | 808.23     | -           | 1,577.95   | 6.52     | 28.44    | 6.52     | -           | -           | 2.37   |
| INVESTOR RELATIONS:                                    | 147,736.71  | 147,736.71  | 37,398.84   | 18,211.21  | 12,734.56  | 53,661.38   | 25,019.35  | 105.79   | 468.05   | 105.79   | -           | -           | 30.74  |
| 0052000 Legal  | 109,445.16  | 109,445.16  | 27,054.85   | 13,166.25  | 9,204.34   | 41,414.05   | 18,091.28  | 76.61    | 339.28   | 76.61    | -           | -           | 21.89  |
| 0052099 Contract Administration                        | 8,347.68    | 8,347.68    | 173.63      | 1,409.50   | 174.63     | 1,389.05    | 1,743.00   | 171.63   | 1,493.00 | 1,302.24 | -           | -           | -      |
| 0052200 Governmental Affairs                           | 7,179.13    | 7,179.13    | 1,774.67    | 863.65     | 603.76     | 2,716.58    | 1,186.71   | 5.03     | 22.26    | 5.03     | -           | -           | 1.44   |
| 0057900 Corporate Secretary                            | 167,329.46  | 167,329.46  | 41,363.84   | 20,129.73  | 14,072.41  | 63,171.47   | 27,659.56  | 117.13   | 518.72   | 117.13   | -           | -           | 33.47  |
| 0118200 Central Records                                | 8,202.53    | 8,202.53    | 2,441.08    | 913.76     | 653.39     | 2,706.01    | 1,428.06   | 6.56     | 30.86    | 6.56     | -           | -           | 0.82   |
| LEGAL:   | 300,503.96  | 300,503.96  | 72,808.07   | 36,722.89  | 24,799.52  | 111,583.16  | 50,108.61  | 378.96   | 2,674.12 | 1,501.83 | -           | -           | 56.80  |
| 0054600 New Business Ventures                          | 17,204.05   | 17,204.05   | 4,252.85    | 2,069.65   | 1,416.86   | 6,510.01    | 2,843.83   | 12.01    | 53.33    | 12.01    | -           | -           | 3.44   |
| NEW BUSINESS VENTURES:                                 | 17,204.05   | 17,204.05   | 4,252.85    | 2,069.65   | 1,416.86   | 6,510.01    | 2,843.83   | 12.01    | 53.33    | 12.01    | -           | -           | 3.44   |
| 0054400 Financial & Strategic Planning                 | 35,892.64   | 35,892.64   | 8,872.68    | 4,317.84   | 3,016.57   | 13,581.77   | 5,933.05   | 25.12    | 111.27   | 25.12    | -           | -           | 7.18   |
| 0054500 Business Strategies & Competitive Intelligence | 247.68      | 247.68      | 61.23       | 29.80      | 20.83      | 93.72       | 40.94      | 0.17     | 0.77     | 0.17     | -           | -           | 0.05   |
| 0114300 Budget & Planning                              | 7,163.06    | 7,163.06    | 1,770.72    | 861.72     | 602.41     | 2,710.50    | 1,184.05   | 5.01     | 22.21    | 5.01     | -           | -           | 1.43   |
| PLANNING & BUDGETING:                                  | 43,303.38   | 43,303.38   | 10,704.63   | 5,209.40   | 3,641.81   | 16,385.99   | 7,158.04   | 30.30    | 134.25   | 30.30    | -           | -           | 8.66   |
| 0054000 Price Policy & Administration - V.P.           | 13,665.98   | 13,665.98   | 2,821.89    | 1,090.02   | 1,090.02   | 5,564.85    | 1,755.17   | 4.08     | 28.57    | 4.08     | -           | -           | 2.72   |
| 0054000 Price Policy & Administration                  | 46,372.24   | 46,372.24   | 15,944.49   | 6,089.31   | 6,089.31   | 9,952.56    | 18.55      | 143.77   | 143.77   | 21.19    | -           | -           | 13.91  |
| PRICE POLICY & ADMINISTRATION:                         | 59,983.22   | 59,983.22   | 18,766.38   | 16,562.64  | 7,189.35   | 5,564.85    | 11,767.73  | 22.63    | 172.44   | 22.63    | -           | -           | 16.63  |

ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Month Ended 02/28/98

ALLOCATED DOLLARS

| DEPARTMENT                     | Total O&M    | Total        | Enersgas   | GFC        | Trans La   | UCG        | WKG        | Enersco  | Enertmar  | TLIG     | UCG Energy | UCG Storage | WKGR   |
|--------------------------------|--------------|--------------|------------|------------|------------|------------|------------|----------|-----------|----------|------------|-------------|--------|
| 0054100 Regulatory Affairs     | 24,856.28    | 24,856.28    | 3,728.44   | 6,214.07   | 2,485.63   | 9,942.51   | 2,485.63   | -        | -         | -        | -          | -           | -      |
| REGULATORY AFFAIRS:            | 24,856.28    | 24,856.28    | 3,728.44   | 6,214.07   | 2,485.63   | 9,942.51   | 2,485.63   | -        | -         | -        | -          | -           | -      |
| 0118000 Remittance Processing  | 29,769.01    | 29,769.01    | 8,659.25   | 3,316.27   | 2,378.54   | 9,820.80   | 5,182.78   | 21.62    | 184.57    | 2.98     | -          | -           | -      |
| REMITTANCE PROCESSING:         | 29,769.01    | 29,769.01    | 8,659.25   | 3,316.27   | 2,378.54   | 9,820.80   | 5,182.78   | 21.62    | 184.57    | 2.98     | -          | -           | -      |
| 0056200 Technical Services     | 32,162.62    | 32,162.62    | 7,313.78   | 4,444.67   | 2,897.85   | 12,408.54  | 5,001.29   | 22.51    | 51.46     | 19.30    | -          | -           | 3.22   |
| TECHNICAL SERVICES:            | 32,162.62    | 32,162.62    | 7,313.78   | 4,444.67   | 2,897.85   | 12,408.54  | 5,001.29   | 22.51    | 51.46     | 19.30    | -          | -           | 3.22   |
| 0114500 Dallas Treasury        | 48,389.08    | 48,389.08    | 18,939.48  | 7,960.68   | 4,370.82   | -          | 12,871.30  | 464.54   | 3,267.88  | 445.18   | -          | -           | -      |
| 0114700 Dallas Risk Management | 11,720.58    | 11,720.58    | 2,597.34   | 1,409.99   | 985.70     | 4,435.07   | 1,937.41   | 8.20     | 36.33     | 8.20     | -          | -           | 2.34   |
| 0114800 Dallas Treasurer       | 15,751.49    | 15,751.49    | 3,893.77   | 1,894.90   | 1,324.70   | 5,960.36   | 2,603.72   | 11.03    | 48.53     | 11.03    | -          | -           | 3.15   |
| 0117600 Purchasing             | 13,379.11    | 13,379.11    | 4,261.25   | 3,008.96   | 2,158.05   | -          | 3,950.85   | -        | -         | -        | -          | -           | -      |
| 0118500 Mail & Supply          | 14,530.01    | 14,530.01    | 5,941.22   | 2,795.57   | 1,944.80   | -          | 3,808.22   | -        | -         | -        | -          | -           | -      |
| 0118900 Fleet Administration   | 21.50        | 21.50        | 8.51       | 4.18       | 2.93       | -          | 5.73       | 0.02     | 0.10      | 0.02     | -          | -           | 0.01   |
| 0118600 Purchasing & Stores    | 9,578.71     | 9,578.71     | 3,418.63   | 2,007.70   | 1,476.27   | -          | 2,609.70   | 5.75     | 22.99     | 5.75     | -          | -           | 1.92   |
| TREASURY:                      | 113,370.48   | 113,370.48   | 39,360.30  | 19,090.93  | 12,213.27  | 10,395.43  | 27,867.23  | 489.54   | 3,476.13  | 470.18   | -          | -           | 7.42   |
| TOTAL OPERATIONS:              | 1,687,768.03 | 1,687,768.03 | 504,404.68 | 223,427.27 | 140,322.96 | 471,991.58 | 291,134.77 | 1,526.54 | 19,379.61 | 7,304.77 | 28,000.00  | -           | 276.72 |
| Operations w/o A&G Cap.        | 2,568,768.03 | 2,568,768.03 | 727,976.09 | 364,881.58 | 239,464.65 | 676,364.08 | 501,035.50 | 1,904.61 | 21,053.94 | 7,682.84 | 22,000.00  | -           | 384.74 |
| MAINTENANCE                    | 15,990.18    | 15,990.18    | 3,932.76   | 1,932.62   | 1,344.77   | 6,050.68   | 2,681.18   | 11.19    | 49.57     | 11.19    | -          | -           | 3.20   |
| DEPRECIATION                   | 270,919.31   | 270,919.31   | 66,971.27  | 32,591.59  | 22,784.31  | 102,515.87 | 44,782.96  | 189.64   | 839.85    | 189.64   | -          | -           | 54.18  |
| TAXES - OTTIER                 | 112,998.68   | 112,998.68   | 27,933.27  | 13,593.74  | 9,503.19   | 42,758.70  | 18,678.68  | 78.10    | 350.30    | 78.10    | -          | -           | 22.60  |
| TOTAL                          | 2,087,676.20 | 2,087,676.20 | 603,262.00 | 271,536.22 | 173,954.33 | 623,316.83 | 357,239.59 | 1,806.47 | 20,619.36 | 7,584.70 | 28,000.00  | -           | 356.70 |

ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Year-To-Date 2/28/98

ALLOCATED DOLLARS

| DEPARTMENT  | Total          | Emergas      | GGC          | Trans La     | UCG            | WKG          | Eigasco    | Emermart   | TLIG       | UCG Energy | UCG Storage | WKGR     |
|---|----------------|--------------|--------------|--------------|----------------|--------------|------------|------------|------------|------------|-------------|----------|
| 0112900 VP & Controller                             | 354,801.18     | 140,359.34   | 68,937.87    | 48,394.88    | -              | 94,483.56    | 390.28     | 1,700.04   | 390.28     | -          | -           | 141.93   |
| 0113000 Assistant Controller General Acctg          | 59,075.33      | 23,370.19    | 11,478.34    | 8,057.88     | -              | 15,731.76    | 64.99      | 283.55     | 64.99      | -          | -           | 23.63    |
| 0113100 General Accounting                          | 165,715.02     | 65,536.84    | 32,198.43    | 22,603.33    | -              | 44,129.92    | 182.29     | 795.43     | 182.29     | -          | -           | 66.29    |
| 0113200 Payroll Accounting                          | 166,089.37     | 65,704.96    | 32,271.17    | 22,654.59    | -              | 44,229.59    | 182.69     | 797.23     | 182.69     | -          | -           | 66.45    |
| 0113300 Accounts Payable                            | 109,163.49     | 43,185.05    | 21,210.47    | 14,889.91    | -              | 29,070.25    | 120.08     | 523.98     | 120.08     | -          | -           | 43.67    |
| 0113400 Accounting Systems                          | 19,454.84      | 7,696.37     | 3,780.06     | 2,653.63     | -              | 5,180.82     | 21.40      | 93.38      | 21.40      | -          | -           | 7.78     |
| 0113500 Assistant Controller, Utility Acctg         | 17,901.06      | 7,081.62     | 3,478.18     | 2,441.71     | -              | 4,767.05     | 19.70      | 85.93      | 19.70      | -          | -           | 7.17     |
| 0113600 Plant Accounting                            | 143,707.03     | 56,830.47    | 27,922.29    | 19,601.65    | -              | 38,269.19    | 158.08     | 689.79     | 158.08     | -          | -           | 57.48    |
| 0113700 Gas Accounting                              | 233,836.48     | 92,505.73    | 45,434.43    | 31,895.29    | -              | 62,270.66    | 257.21     | 1,122.41   | 257.21     | -          | -           | 93.54    |
| 0113800 Customer Billing                            | 33,333.09      | 13,186.54    | 6,476.62     | 4,546.64     | -              | 8,876.60     | 36.68      | 160.00     | 36.68      | -          | -           | 13.33    |
| 0113900 Financial Reporting                         | 98,772.25      | 39,074.27    | 19,191.45    | 13,472.54    | -              | 26,303.05    | 108.66     | 474.11     | 108.66     | -          | -           | 39.51    |
| 0114600 Dallas Taxation                             | 158,061.83     | 62,529.23    | 30,711.41    | 21,559.64    | -              | 42,091.88    | 173.87     | 758.71     | 173.87     | -          | -           | 63.22    |
| 0118300 Dallas Stores                               | (40.00)        | (40.00)      | -            | -            | -              | -            | -          | -          | -          | -          | -           | -        |
| 0119200 Controller Miscellaneous                    | (233,204.07)   | (57,888.39)  | (28,079.72)  | (19,630.39)  | (88,324.21)    | (38,584.18)  | (163.45)   | (723.72)   | (163.31)   | -          | -           | (46.70)  |
| Management Fee - UCGI:                              | 134,000.00     | -            | -            | -            | -              | -            | -          | -          | -          | 134,000.00 | -           | -        |
| 0119700 I/C Billing & Other                         | (2,413,399.96) | (596,805.20) | (390,234.15) | (202,965.96) | (913,003.84)   | (399,014.48) | (1,705.33) | (7,515.30) | (1,668.46) | -          | -           | (487.24) |
| 0119800 Overhead Capitalized-Division 02            | (1,991,600.04) | (516,044.35) | (500,511.32) | (328,337.51) | -              | (616,707.06) | -          | -          | -          | -          | -           | -        |
| 0119800 Overhead Capitalized-Op Company ACCOUNTING: | (2,944,333.10) | (553,277.33) | (543,744.47) | (338,161.77) | (1,001,328.05) | (638,901.39) | (152.85)   | (751.46)   | (115.84)   | 134,000.00 | -           | 90.06    |
| 0056000 Business Development                        | 236,782.97     | 58,816.90    | 28,603.38    | 20,008.16    | 90,001.21      | 39,353.32    | -          | -          | -          | -          | -           | -        |
| BUSINESS DEVELOPMENT:                               | 236,782.97     | 58,816.90    | 28,603.38    | 20,008.16    | 90,001.21      | 39,353.32    | -          | -          | -          | -          | -           | -        |
| 0120100 Amarillo Call Center                        | 25,559.72      | 10,111.44    | 4,966.26     | 3,486.34     | -              | 6,806.55     | 28.11      | 122.69     | 28.11      | -          | -           | 10.22    |
| CALL CENTER:  | 25,559.72      | 10,111.44    | 4,966.26     | 3,486.34     | -              | 6,806.55     | 28.11      | 122.69     | 28.11      | -          | -           | 10.22    |
| 0050500 Chairman, President & CFO                   | 641,862.78     | 158,741.44   | 77,182.51    | 53,980.33    | 242,803.10     | 106,127.19   | 454.78     | 2,001.36   | 442.13     | -          | -           | 129.94   |
| 0052100 Dallas Operations                           | 218,589.41     | 55,735.93    | 28,038.19    | 19,104.52    | 79,072.92      | 35,890.76    | 110.85     | 527.55     | 66.51      | -          | -           | 22.18    |
| 0052500 Utility Services                            | 108,591.74     | 26,856.44    | 13,037.80    | 9,132.50     | 41,077.73      | 17,954.92    | 76.96      | 338.63     | 74.78      | -          | -           | 21.98    |
| 0054700 Chief Financial Officer                     | 375,561.37     | 92,877.92    | 45,162.01    | 31,584.53    | 142,070.68     | 62,094.93    | 265.84     | 1,170.45   | 259.05     | -          | -           | 75.96    |
| EXECUTIVE:  | 1,344,605.30   | 334,211.73   | 163,460.51   | 113,801.88   | 505,074.43     | 222,067.80   | 908.43     | 4,037.99   | 842.47     | -          | -           | 250.06   |
| 0051700 Corporate Gas Control                       | 176,000.23     | 31,680.05    | 17,600.02    | 8,800.01     | 79,200.10      | 35,200.05    | -          | 1,760.00   | 1,760.00   | -          | -           | -        |
| GAS CONTROL:  | 176,000.23     | 31,680.05    | 17,600.02    | 8,800.01     | 79,200.10      | 35,200.05    | -          | 1,760.00   | 1,760.00   | -          | -           | -        |
| 0051500 Interstate Gas Supply                       | 245,083.56     | 44,115.05    | 49,016.71    | 12,254.17    | 66,172.55      | 73,525.08    | -          | -          | -          | -          | -           | -        |
| 0051600 Intrastate Gas Supply                       | 232,102.19     | 46,420.45    | 23,210.22    | 11,605.10    | 58,025.55      | 34,813.32    | -          | 46,420.45  | 11,605.10  | -          | -           | -        |
| 0051900 Gas Supply                                  | 117,844.20     | 27,104.16    | 20,033.51    | 11,784.43    | 27,104.17      | 20,033.51    | -          | 5,892.21   | 5,892.21   | -          | -           | -        |
| GAS SUPPLY:   | 595,029.95     | 117,639.66   | 92,260.44    | 35,643.70    | 151,302.27     | 128,373.91   | -          | 52,312.66  | 17,497.31  | -          | -           | -        |

ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Year-To-Date 2/23/08

ALLOCATED DOLLARS

| DEPARTMENT   | Total        | Energy     | GGC        | Trans La   | UCCG       | WKG        | Peasco   | Enertart | TLIG     | UCG Energy | UCG Storage | WKGR   |
|--|--------------|------------|------------|------------|------------|------------|----------|----------|----------|------------|-------------|--------|
| 0056100 Professional Development                       | 21,066.97    | 7,202.28   | 3,388.30   | 2,405.76   | 3,454.96   | 4,615.67   | -        | -        | -        | -          | -           | -      |
| 0117100 Corporate Services                             | 14,519.27    | 5,743.81   | 2,821.09   | 1,980.42   | -          | 3,866.49   | 15.98    | 69.69    | 15.98    | -          | -           | 5.81   |
| 0117200 Compensation & Employment                      | 226,709.26   | 97,701.42  | 43,618.86  | 30,968.48  | -          | 59,420.50  | -        | -        | -        | -          | -           | -      |
| 0117300 Human Resources - VP                           | 97,573.92    | 26,120.55  | 12,284.55  | 8,723.10   | 33,711.79  | 16,733.93  | -        | -        | -        | -          | -           | -      |
| 0117400 Employee & Labor Relations                     | 47,925.93    | 12,829.33  | 6,033.98   | 4,284.57   | 16,558.77  | 8,219.28   | -        | -        | -        | -          | -           | -      |
| 0117500 Employee Benefits                              | 405,727.58   | 165,902.01 | 78,061.98  | 55,422.40  | -          | 106,341.19 | -        | -        | -        | -          | -           | -      |
| 0117800 Employee Communications                        | 71,168.75    | 19,051.31  | 8,960.28   | 6,362.49   | 24,589.25  | 12,205.42  | -        | -        | -        | -          | -           | -      |
| 0117900 Facilities                                     | 57,877.09    | 15,493.22  | 7,286.84   | 5,174.21   | 19,496.92  | 9,925.90   | -        | -        | -        | -          | -           | -      |
| 0118100 Employee Development                           | 126,978.53   | 33,992.14  | 15,986.60  | 11,351.88  | 43,871.09  | 21,776.82  | -        | -        | -        | -          | -           | -      |
| 0119000 Employee Relocation Expense                    | (6,303.24)   | (1,558.18) | (758.28)   | (330.11)   | (2,385.15) | (1,041.92) | (4.41)   | (19.53)  | (4.41)   | -          | -           | (1.25) |
| 0119210 Performance Plan                               | 583,334.00   | 144,267.47 | 70,144.11  | 49,058.07  | 220,661.84 | 96,450.27  | 413.39   | 1,819.03 | 401.72   | -          | -           | 118.10 |
| 0119300 Outside Directors Retirement Cost              | 115,000.00   | 28,441.28  | 13,828.39  | 9,671.44   | 43,501.86  | 19,014.46  | 81.49    | 358.61   | 79.19    | -          | -           | 23.28  |
| 0119400 Treasury - Worker's Comp                       | 0.02         | 0.01       | 0.01       | -          | -          | -          | -        | -        | -        | -          | -           | -      |
| 0119500 Human Resources - Benefits                     | 440.78       | 174.36     | 85.64      | 60.12      | -          | 117.38     | 0.49     | 2.12     | 0.49     | -          | -           | 0.18   |
| 0119600 Retirement Costs                               | 484,725.90   | 119,986.51 | 58,237.86  | 40,764.71  | 183,247.33 | 80,185.82  | 351.48   | 1,528.42 | 323.35   | -          | -           | 100.42 |
| HUMAN RESOURCES:                                       | 2,246,744.76 | 670,347.52 | 319,980.21 | 225,697.54 | 587,208.66 | 437,831.21 | 838.42   | 3,758.34 | 816.32   | -          | -           | 246.54 |
| 0115000 Information Services                           | 79,040.89    | 23,680.64  | 8,868.39   | 6,362.79   | 26,265.29  | 13,863.78  | -        | -        | -        | -          | -           | -      |
| 0115100 Production Services                            | 435,153.54   | 195,296.91 | 73,105.80  | 52,479.51  | -          | 114,271.32 | -        | -        | -        | -          | -           | -      |
| 0115200 Mass Mail                                      | 54.74        | 24.57      | 9.20       | 6.60       | -          | 14.37      | -        | -        | -        | -          | -           | -      |
| 0115300 Information Systems                            | 325,117.45   | 145,912.73 | 54,619.73  | 39,209.16  | -          | 85,375.83  | -        | -        | -        | -          | -           | -      |
| 0115400 Information Support                            | 104,201.87   | 46,765.79  | 17,505.91  | 12,566.75  | -          | 27,363.42  | -        | -        | -        | -          | -           | -      |
| 0115500 Office Equipment                               | 22,107.77    | 6,623.49   | 2,480.49   | 1,779.68   | 7,346.41   | 3,877.70   | -        | -        | -        | -          | -           | -      |
| 0115600 Telecommunication Services                     | 205,977.89   | 61,710.99  | 23,110.75  | 16,581.22  | 68,446.45  | 36,128.51  | -        | -        | -        | -          | -           | -      |
| INFORMATION TECHNOLOGY:                                | 1,171,654.15 | 480,015.12 | 179,700.24 | 128,985.71 | 102,058.15 | 280,894.93 | -        | -        | -        | -          | -           | -      |
| 0116400 Internal Audit                                 | 193,666.51   | 47,896.16  | 23,288.05  | 16,287.25  | 73,260.17  | 32,021.22  | 137.20   | 603.83   | 133.42   | -          | -           | 39.21  |
| INTERNAL AUDIT:  | 193,666.51   | 47,896.16  | 23,288.05  | 16,287.25  | 73,260.17  | 32,021.22  | 137.20   | 603.83   | 133.42   | -          | -           | 39.21  |
| 0054900 Investor Relations                             | 511,345.19   | 126,404.49 | 61,514.83  | 43,004.13  | 193,493.03 | 84,523.37  | 357.95   | 1,585.17 | 357.95   | -          | -           | 102.27 |
| 0117700 Corporate Communications                       | 194,806.72   | 48,175.31  | 23,426.46  | 16,383.16  | 73,694.51  | 32,208.68  | 137.80   | 606.93   | 134.49   | -          | -           | 39.38  |
| 0052400 Public Affairs                                 | 129,903.69   | 51,389.89  | 25,240.29  | 17,718.87  | -          | 34,593.35  | 142.90   | 623.53   | 142.90   | -          | -           | 51.96  |
| INVESTOR RELATIONS:                                    | 836,055.60   | 225,969.69 | 110,181.58 | 77,106.16  | 267,187.54 | 151,327.40 | 638.65   | 2,815.63 | 635.34   | -          | -           | 193.61 |
| 0052000 Legal  | 1,295,835.15 | 320,330.49 | 155,888.96 | 108,979.73 | 490,344.02 | 214,201.54 | 907.08   | 4,017.08 | 907.08   | -          | -           | 259.17 |
| 0052099 Contract Administration                        | 14,597.96    | 303.62     | 2,884.56   | 303.64     | 2,429.10   | 3,048.06   | 303.64   | 3,048.06 | 2,277.28 | -          | -           | -      |
| 0052200 Governmental Affairs                           | 40,365.17    | 9,978.26   | 4,855.92   | 3,394.70   | 15,274.18  | 6,672.37   | 28.26    | 125.13   | 28.26    | -          | -           | 8.09   |
| 0057900 Corporate Secretary                            | 478,515.05   | 118,288.92 | 57,565.35  | 40,243.12  | 181,070.10 | 79,098.54  | 334.96   | 1,483.39 | 334.96   | -          | -           | 95.71  |
| 0118200 Central Records                                | 72,891.34    | 21,692.47  | 8,120.10   | 5,824.01   | 24,046.85  | 12,690.39  | 58.31    | 451.92   | 7.29     | -          | -           | -      |
| LEGAL:   | 1,902,204.67 | 470,593.76 | 229,314.89 | 158,745.20 | 713,164.25 | 315,710.90 | 1,632.25 | 9,125.58 | 3,554.87 | -          | -           | 362.97 |
| 0054600 New Business Ventures                          | 82,377.89    | 20,374.84  | 9,904.98   | 6,927.94   | 31,160.03  | 13,621.19  | 58.49    | 257.12   | 56.58    | -          | -           | 16.72  |
| NEW BUSINESS VENTURES:                                 | 82,377.89    | 20,374.84  | 9,904.98   | 6,927.94   | 31,160.03  | 13,621.19  | 58.49    | 257.12   | 56.58    | -          | -           | 16.72  |
| 0054400 Financial & Strategic Planning                 | 175,496.37   | 43,410.61  | 21,099.39  | 14,759.12  | 66,378.11  | 29,019.95  | 124.93   | 548.47   | 120.10   | -          | -           | 35.69  |
| 0054500 Business Strategies & Competitive Intelligence | 5,106.69     | 1,262.37   | 614.34     | 429.47     | 1,932.37   | 844.13     | 3.58     | 15.83    | 3.58     | -          | -           | 1.02   |
| 0114300 Budget & Planning                              | 68,718.30    | 23,635.82  | 11,582.16  | 8,122.35   | 9,049.89   | 66.02      | 289.19   | 66.02    | 66.02    | -          | -           | 22.70  |
| PLANNING & BUDGETING:                                  | 249,321.36   | 68,108.80  | 33,295.89  | 23,310.94  | 77,360.37  | 45,748.23  | 194.53   | 853.49   | 189.70   | -          | -           | 59.41  |

ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Year-To-Date 2/23/98

ALLOCATED DOLLARS

| DEPARTMENT                                   | Total         | Energias     | GGC          | Trans La     | UCCG         | WKG          | Egascos  | Enernart  | TI,IG     | UCG Energy | UCG Storage | WKGR     |
|--|---------------|--------------|--------------|--------------|--------------|--------------|----------|-----------|-----------|------------|-------------|----------|
| 0054000 Price Policy & Administration - V.P. | 67,221.94     | 13,946.45    | 11,740.14    | 5,184.91     | 27,482.11    | 8,673.57     | 20.28    | 140.68    | 20.28     | -          | -           | 13.52    |
| 0054000 Price Policy & Administration        | 262,891.52    | 90,382.10    | 80,344.82    | 34,517.65    | -            | 56,416.52    | 103,116  | 814.96    | 131.44    | -          | -           | 78.87    |
| PRICE POLICY & ADMINISTRATION:               | 330,113.46    | 104,328.55   | 92,184.96    | 39,702.56    | 27,482.11    | 65,090.09    | 123.44   | 955.64    | 151.72    | -          | -           | 92.39    |
| 0054100 Regulatory Affairs                   | 111,400.64    | 16,710.10    | 27,850.17    | 11,140.06    | 44,560.25    | 11,140.06    | -        | -         | -         | -          | -           | -        |
| REGULATORY AFFAIRS:                          | 111,400.64    | 16,710.10    | 27,850.17    | 11,140.06    | 44,560.25    | 11,140.06    | -        | -         | -         | -          | -           | -        |
| 0118000 Remittance Processing                | 114,517.29    | 42,323.10    | 15,842.64    | 11,368.27    | 19,204.87    | 24,762.64    | 114.15   | 884.54    | 17.08     | -          | -           | -        |
| REMITTANCE PROCESSING:                       | 114,517.29    | 42,323.10    | 15,842.64    | 11,368.27    | 19,204.87    | 24,762.64    | 114.15   | 884.54    | 17.08     | -          | -           | -        |
| 0056200 Technical Services                   | 189,831.29    | 43,157.85    | 26,234.31    | 17,112.43    | 73,242.42    | 29,513.53    | 130.55   | 304.72    | 116.12    | -          | -           | 19.36    |
| TECHNICAL SERVICES:                          | 189,831.29    | 43,157.85    | 26,234.31    | 17,112.43    | 73,242.42    | 29,513.53    | 130.55   | 304.72    | 116.12    | -          | -           | 19.36    |
| 0114500 Dallas Treasury                      | 138,806.44    | 54,328.84    | 22,861.42    | 12,423.18    | -            | 36,922.52    | 1,332.54 | 9,660.93  | 1,277.01  | -          | -           | -        |
| 0114700 Dallas Risk Management               | 49,699.80     | 12,291.19    | 5,976.41     | 4,179.73     | 18,800.67    | 8,217.38     | 35.20    | 154.91    | 34.26     | -          | -           | 10.05    |
| 0114800 Dallas Treasurer                     | 96,820.88     | 23,945.66    | 11,642.24    | 8,142.58     | 36,624.74    | 16,008.80    | 68.64    | 301.97    | 66.64     | -          | -           | 19.61    |
| 0117600 Purchasing                           | 74,957.08     | 23,873.83    | 16,857.84    | 12,090.58    | -            | 22,134.83    | -        | -         | -         | -          | -           | -        |
| 0118500 Mail & Supply                        | 87,443.84     | 33,755.79    | 16,824.19    | 11,944.83    | -            | 22,919.03    | -        | -         | -         | -          | -           | -        |
| 0118900 Fleet Administration                 | 38.75         | 15.34        | 7.53         | 5.28         | -            | 10.32        | 0.04     | 0.18      | 0.04      | -          | -           | 0.02     |
| 0118600 Purchasing & Stores                  | 56,240.27     | 20,072.11    | 11,787.97    | 8,374.18     | -            | 15,792.27    | 33.75    | 134.99    | 33.75     | -          | -           | 11.25    |
| TREASURY:                                    | 504,007.06    | 170,282.76   | 85,957.60    | 57,160.36    | 55,425.41    | 122,005.15   | 1,470.17 | 10,352.98 | 1,411.70  | -          | -           | 40.93    |
| TOTAL OPERATIONS:                            | 7,365,539.75  | 2,359,490.70 | 914,891.66   | 617,122.74   | 1,895,514.19 | 1,322,566.79 | 6,143.54 | 87,293.75 | 27,094.90 | 134,000.00 | -           | 1,421.48 |
| Operations w/o A&G Cap.                      | 11,770,539.75 | 3,472,340.25 | 1,735,637.13 | 1,148,426.01 | 2,808,518.03 | 2,338,288.33 | 7,848.87 | 94,809.05 | 28,763.36 | 134,000.00 | -           | 1,908.72 |
| MAINTENANCE                                  | 25,741.59     | 6,363.96     | 3,096.42     | 2,164.86     | 9,739.95     | 4,255.33     | 18.06    | 79.90     | 17.95     | -          | -           | 5.16     |
| DEPRECIATION                                 | 1,355,196.55  | 335,346.04   | 162,873.05   | 113,970.47   | 512,442.51   | 224,141.54   | 974.23   | 4,255.31  | 915.06    | -          | -           | 278.34   |
| TAXES - OTHER                                | 406,928.26    | 100,620.42   | 48,940.70    | 34,222.55    | 153,952.07   | 67,275.61    | 286.93   | 1,265.88  | 282.12    | -          | -           | 81.98    |
| TOTAL  | 9,153,406.15  | 2,801,821.12 | 1,129,801.83 | 767,480.62   | 2,571,648.72 | 1,618,239.27 | 7,422.76 | 92,894.84 | 28,310.03 | 134,000.00 | -           | 1,786.96 |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Month Ended 02/28/98**

| Department Name               | FY '98    |           | Actual Over (Under) Budget |                            | Prior Year |       | Actual Over (Under) Prior |                           |
|-------------------------------|-----------|-----------|----------------------------|----------------------------|------------|-------|---------------------------|---------------------------|
|                               | Actual    | Budget    | Budget                     | Actual Over (Under) Budget | Year       | Prior | Prior                     | Actual Over (Under) Prior |
| EXECUTIVE:                    | 264,000   | 286,190   |                            | (22,525)                   | 246,678    |       | 16,987                    |                           |
| FINANCE:                      |           |           |                            |                            |            |       |                           |                           |
| ACCOUNTING                    | 264,345   | 385,406   |                            | (121,061)                  | 233,822    |       | 30,523                    |                           |
| INFORMATION TECHNOLOGY        | 558,788   | 583,184   |                            | (24,396)                   | 520,404    |       | 38,384                    |                           |
| INTERNAL AUDIT                | 43,737    | 67,444    |                            | (23,707)                   | 33,112     |       | 10,625                    |                           |
| INVESTOR RELATIONS            | 147,736   | 184,876   |                            | (37,140)                   | 185,230    |       | (37,494)                  |                           |
| NEW BUSINESS VENTURES         | 17,204    | 22,943    |                            | (5,739)                    | -          |       | 17,204                    |                           |
| PLANNING & BUDGETING          | 43,464    | 75,114    |                            | (31,650)                   | 43,328     |       | 136                       |                           |
| PRICE POLICY & ADMINISTRATION | 71,653    | 90,602    |                            | (18,949)                   | 98,688     |       | (27,035)                  |                           |
| REGULATORY AFFAIRS            | 24,857    | 27,646    |                            | (2,789)                    | -          |       | 24,857                    |                           |
| TREASURY:                     | 283,458   | 441,663   |                            | (158,205)                  | 308,519    |       | (25,061)                  |                           |
| TOTAL FINANCE:                | 1,455,242 | 1,878,878 |                            | (423,636)                  | 1,423,103  |       | 32,139                    |                           |
| OPERATIONS:                   |           |           |                            |                            |            |       |                           |                           |
| BUSINESS DEVELOPMENT          | 40,067    | 80,161    |                            | (40,094)                   | 61,922     |       | (21,855)                  |                           |
| CALL CENTER                   | 2,151     | -         |                            | 2,151                      | -          |       | 2,151                     |                           |
| GAS SUPPLY & GAS CONTROL      | 275,399   | 175,700   |                            | 99,699                     | 110,151    |       | 165,248                   |                           |
| TECHNICAL SERVICES            | 32,163    | 18,610    |                            | 13,553                     | 103,734    |       | (71,571)                  |                           |
| TOTAL OPERATIONS:             | 349,780   | 274,471   |                            | 75,309                     | 275,807    |       | 73,973                    |                           |
| HUMAN RESOURCES:              | 753,526   | 575,829   |                            | 177,697                    | 799,511    |       | (45,985)                  |                           |
| LEGAL:                        | 578,906   | 386,944   |                            | 191,962                    | 222,903    |       | 356,003                   |                           |
| OVERHEAD CAPITALIZED:         | (881,000) | (883,917) |                            | 2,917                      | (830,000)  |       | (51,000)                  |                           |
| TOTAL O&M                     | 2,520,119 | 2,518,395 |                            | 1,724                      | 2,138,002  |       | 382,117                   |                           |
| DEPRECIATION                  | 270,919   | 198,000   |                            | 72,919                     | 385,972    |       | (115,053)                 |                           |
| TAXES - OTHER                 | 112,999   | 57,000    |                            | 55,999                     | 75,236     |       | 37,763                    |                           |
| TOTAL                         | 2,904,037 | 2,773,395 |                            | 130,642                    | 2,599,210  |       | 304,827                   | (26)                      |

**ATMOS ENERGY CORPORATION**  
 Analysis of Shared Services - Actual vs. Budget  
 For The Year-To-Date Ended 02/28/98

| Department Name               | FY '98            | Budget            | Actual              |  | Prior Year        | Actual Over (Under) Prior |
|-------------------------------|-------------------|-------------------|---------------------|--|-------------------|---------------------------|
|                               | Actual            |                   | Over (Under) Budget |  |                   |                           |
| <b>EXECUTIVE:</b>             | 1,342,359         | 1,365,691         | (23,332)            |  | 1,025,265         | 317,094                   |
| <b>FINANCE:</b>               |                   |                   |                     |  |                   |                           |
| ACCOUNTING                    | 817,751           | 1,674,653         | (856,902)           |  | 1,398,771         | (581,020)                 |
| INFORMATION TECHNOLOGY        | 2,958,088         | 3,039,423         | (81,335)            |  | 2,823,774         | 134,314                   |
| INTERNAL AUDIT                | 193,918           | 290,066           | (96,148)            |  | 208,340           | (14,422)                  |
| INVESTOR RELATIONS            | 836,142           | 935,096           | (98,954)            |  | 859,982           | (23,840)                  |
| NEW BUSINESS VENTURES         | 82,378            | 114,715           | (32,337)            |  | -                 | 82,378                    |
| PLANNING & BUDGETING          | 251,862           | 384,883           | (133,021)           |  | 220,237           | 31,625                    |
| PRICE POLICY & ADMINISTRATION | 382,846           | 449,933           | (67,087)            |  | 492,619           | (109,773)                 |
| REGULATORY AFFAIRS            | 120,137           | 138,251           | (18,114)            |  | -                 | 120,137                   |
| TREASURY:                     | 1,513,362         | 2,185,385         | (672,023)           |  | 1,652,737         | (139,375)                 |
| <b>TOTAL FINANCE:</b>         | <b>7,156,484</b>  | <b>9,212,405</b>  | <b>(2,055,921)</b>  |  | <b>7,656,460</b>  | <b>(499,976)</b>          |
| <b>OPERATIONS:</b>            |                   |                   |                     |  |                   |                           |
| BUSINESS DEVELOPMENT          | 246,247           | 319,233           | (72,986)            |  | 270,217           | (23,970)                  |
| CALL CENTER                   | 34,087            | -                 | 34,087              |  | -                 | 34,087                    |
| GAS SUPPLY & GAS CONTROL      | 776,645           | 878,200           | (101,555)           |  | 546,114           | 230,531                   |
| TECHNICAL SERVICES            | 189,852           | 139,886           | 49,966              |  | 470,061           | (280,209)                 |
| <b>TOTAL OPERATIONS:</b>      | <b>1,246,831</b>  | <b>1,337,319</b>  | <b>(90,488)</b>     |  | <b>1,286,392</b>  | <b>(39,561)</b>           |
| <b>HUMAN RESOURCES:</b>       | 2,633,659         | 2,921,515         | (287,856)           |  | 3,432,726         | (799,067)                 |
| <b>LEGAL:</b>                 | 2,861,891         | 1,812,037         | 1,049,854           |  | 1,348,907         | 1,512,984                 |
| <b>OVERHEAD CAPITALIZED:</b>  | (4,405,000)       | (4,419,585)       | 14,585              |  | (4,150,000)       | (255,000)                 |
| <b>TOTAL O&amp;M</b>          | <b>10,836,224</b> | <b>12,229,382</b> | <b>(1,393,158)</b>  |  | <b>10,599,750</b> | <b>236,474</b>            |
| <b>DEPRECIATION</b>           | 1,355,196         | 990,000           | 365,196             |  | 1,929,860         | (574,664)                 |
| <b>TAXES - OTHER</b>          | 406,929           | 285,000           | 121,929             |  | 376,062           | 30,867                    |
| <b>TOTAL</b>                  | <b>12,598,349</b> | <b>13,504,382</b> | <b>(906,033)</b>    |  | <b>12,905,672</b> | <b>(307,323)</b>          |



**ATMOS ENERGY CORPORATION**  
 Analysis of Shared Services - Actual vs. Budget  
 For The Month Ended 02/28/98

| Department Name                             | FY '98   |         | Actual       |        | Actual       |            | Actual                    |  |
|---|----------|---------|--------------|--------|--------------|------------|---------------------------|--|
|   | Actual   | Budget  | Over (Under) | Budget | Over (Under) | Prior Year | Actual Over (Under) Prior |  |
| <b>EXECUTIVE:</b>                           |          |         |              |        |              |            |                           |  |
| 0050500 Chairman, President & CEO           | 138,034  | 127,464 | 10,570       |        | 156,482      | (18,448)   |                           |  |
| 0052100 Dallas Operations                   | 38,845   | 58,303  | (19,458)     |        | 30,044       | 8,801      |                           |  |
| 0052500 Utility Services                    | 5,561    | 26,540  | (20,979)     |        | 23,104       | (17,543)   |                           |  |
| 0054700 Chief Financial Officer             | 81,225   | 73,883  | 7,342        |        | 37,048       | 44,177     |                           |  |
| <b>EXECUTIVE:</b>                           |          |         |              |        |              |            |                           |  |
|   | 264,000  | 286,190 | (22,525)     |        | 246,678      | 16,987     |                           |  |
| <b>FINANCE:</b>                             |          |         |              |        |              |            |                           |  |
| 0112900 VP & Controller                     | 68,999   | 64,456  | 4,543        |        | 33,019       | 35,980     |                           |  |
| 0113000 Assistant Controller General Acctg  | 10,244   | 84,564  | (74,320)     |        | 13,760       | (3,516)    |                           |  |
| 0113100 General Accounting                  | 31,689   | -       | 31,689       |        | 37,920       | (6,231)    |                           |  |
| 0113200 Payroll Accounting                  | 42,343   | -       | 42,343       |        | 25,578       | 16,765     |                           |  |
| 0113300 Accounts Payable                    | 16,210   | -       | 16,210       |        | 18,544       | (2,334)    |                           |  |
| 0113400 Accounting Systems                  | 910      | 64,873  | (63,963)     |        | 8,517        | (7,607)    |                           |  |
| 0113500 Assistant Controller, Utility Acctg | 3,681    | -       | 3,681        |        | 3,221        | 460        |                           |  |
| 0113600 Plant Accounting                    | 31,998   | -       | 31,998       |        | 20,970       | 11,028     |                           |  |
| 0113700 Gas Accounting                      | 43,987   | 77,397  | (33,410)     |        | 49,640       | (5,653)    |                           |  |
| 0113800 Customer Billing                    | 6,061    | -       | 6,061        |        | 13,068       | (7,007)    |                           |  |
| 0113900 Financial Reporting                 | 25,643   | 86,304  | (60,661)     |        | 15,578       | 10,065     |                           |  |
| 0114600 Dallas Taxation                     | (17,420) | 7,812   | (25,232)     |        | (5,993)      | (11,427)   |                           |  |
| 0118300 Dallas Stores                       | -        | -       | -            |        | -            | -          |                           |  |
| 0119200 Controller Miscellaneous            | -        | -       | -            |        | -            | -          |                           |  |
| <b>ACCOUNTING</b>                           |          |         |              |        |              |            |                           |  |
|   | 264,345  | 385,406 | (121,061)    |        | 233,822      | 30,523     |                           |  |
| 0115000 Information Services                | 27,740   | 25,174  | 2,566        |        | 23,999       | 3,741      |                           |  |
| 0115100 Production Services                 | 155,003  | 140,630 | 14,373       |        | 108,533      | 46,470     |                           |  |
| 0115200 Mass Mail                           | 220,628  | 240,440 | (19,812)     |        | 224,372      | (3,744)    |                           |  |
| 0115300 Information Systems                 | 72,390   | 108,374 | (35,984)     |        | 104,180      | (31,790)   |                           |  |
| 0115400 Information Support                 | 33,170   | 36,913  | (3,743)      |        | 49,617       | (16,447)   |                           |  |
| 0115500 Office Equipment                    | -        | 4,191   | (4,191)      |        | 7,680        | (7,680)    |                           |  |
| 0115600 Telecommunication Services          | 49,857   | 27,462  | 22,395       |        | 2,023        | 47,834     |                           |  |
| <b>INFORMATION TECHNOLOGY</b>               |          |         |              |        |              |            |                           |  |
|   | 558,788  | 583,184 | (24,396)     |        | 520,404      | 38,384     |                           |  |
| 0116400 Internal Audit                      | 43,737   | 67,444  | (23,707)     |        | 33,112       | 10,625     |                           |  |
| <b>INTERNAL AUDIT</b>                       |          |         |              |        |              |            |                           |  |
|   | 43,737   | 67,444  | (23,707)     |        | 33,112       | 10,625     |                           |  |

**ATMOS ENERGY CORPORATION**  
 Analysis of Shared Services - Actual vs. Budget  
 For The Month Ended 02/28/98

| Department Name  | FY '98           |                  | Actual Over (Under) Budget |                  | Prior Year      | Actual Over (Under) Prior |
|--|------------------|------------------|----------------------------|------------------|-----------------|---------------------------|
|  | Actual           | Budget           | Budget                     | Over (Under)     |                 |                           |
| 0054900 Investor Relations                             | 104,582          | 132,818          | (28,236)                   | 121,917          | (17,335)        |                           |
| 0052400 Public Affairs                                 | 5,925            | -                | 5,925                      | 24,953           | (19,028)        |                           |
| 0117700 Corporate Communications                       | 37,229           | 52,058           | (14,829)                   | 38,360           | (1,131)         |                           |
| <b>INVESTOR RELATIONS</b>                              | <b>147,736</b>   | <b>184,876</b>   | <b>(37,140)</b>            | <b>185,230</b>   | <b>(37,494)</b> |                           |
| 0054600 New Business Ventures                          | 17,204           | 22,943           | (5,739)                    | -                | 17,204          |                           |
| <b>NEW BUSINESS VENTURES</b>                           | <b>17,204</b>    | <b>22,943</b>    | <b>(5,739)</b>             | <b>-</b>         | <b>17,204</b>   |                           |
| 0054400 Financial & Strategic Planning                 | 36,074           | 20,629           | 15,445                     | 25,194           | 10,880          |                           |
| 0054500 Business Strategies & Competitive Intelligence | 248              | 28,529           | (28,281)                   | -                | 248             |                           |
| 0114300 Budget & Planning                              | 7,142            | 25,956           | (18,814)                   | 18,134           | (10,992)        |                           |
| <b>PLANNING &amp; BUDGETING</b>                        | <b>43,464</b>    | <b>75,114</b>    | <b>(31,650)</b>            | <b>43,328</b>    | <b>136</b>      |                           |
| 0054000 Price Policy & Administration                  | 71,653           | 90,602           | (18,949)                   | 98,688           | (27,035)        |                           |
| <b>PRICE POLICY &amp; ADMINISTRATION</b>               | <b>71,653</b>    | <b>90,602</b>    | <b>(18,949)</b>            | <b>98,688</b>    | <b>(27,035)</b> |                           |
| 0054100 Regulatory Affairs                             | 24,857           | 27,646           | (2,789)                    | -                | 24,857          |                           |
| <b>REGULATORY AFFAIRS</b>                              | <b>24,857</b>    | <b>27,646</b>    | <b>(2,789)</b>             | <b>-</b>         | <b>24,857</b>   |                           |
| 0114500 Dallas Treasury                                | 51,805           | 36,510           | 15,295                     | 27,942           | 23,863          |                           |
| 0114700 Dallas Risk Management                         | 111,974          | 238,844          | (126,870)                  | -                | 111,974         |                           |
| 0114800 Dallas Treasurer                               | 15,751           | 18,933           | (3,182)                    | 172,862          | (157,111)       |                           |
| 0117600 Purchasing                                     | 13,378           | 17,337           | (3,959)                    | 14,638           | (1,260)         |                           |
| 0118000 Remittance Processing                          | 65,814           | 90,378           | (24,564)                   | 64,842           | 972             |                           |
| 0118500 Mail & Supply                                  | 15,136           | 21,793           | (6,657)                    | 10,320           | 4,816           |                           |
| 0118600 Purchasing & Stores                            | 9,578            | 11,076           | (1,498)                    | 17,915           | (8,337)         |                           |
| 0118909 Fleet Administration                           | 22               | 6,792            | (6,770)                    | -                | 22              |                           |
| <b>TREASURY:</b>                                       | <b>283,458</b>   | <b>441,663</b>   | <b>(158,205)</b>           | <b>308,519</b>   | <b>(25,061)</b> |                           |
| <b>TOTAL FINANCE:</b>                                  | <b>1,455,242</b> | <b>1,878,878</b> | <b>(423,636)</b>           | <b>1,423,103</b> | <b>32,139</b>   |                           |

**ATMOS ENERGY CORPORATION**  
 Analysis of Shared Services - Actual vs. Budget  
 For The Month Ended 02/28/98

| Department Name                           | FY '98<br>Actual | Budget  | Actual<br>Over (Under)<br>Budget | Prior<br>Year | Actual<br>Over (Under)<br>Prior |
|---|------------------|---------|----------------------------------|---------------|---------------------------------|
| <b>OPERATIONS:</b>                        |                  |         |                                  |               |                                 |
| 0056000 Business Development              | 40,067           | 80,161  | (40,094)                         | 61,922        | (21,855)                        |
| <b>BUSINESS DEVELOPMENT</b>               | 40,067           | 80,161  | (40,094)                         | 61,922        | (21,855)                        |
| 0120100 Amarillo Call Center              | 2,151            | -       | 2,151                            | -             | 2,151                           |
| <b>CALL CENTER</b>                        | 2,151            | -       | 2,151                            | -             | 2,151                           |
| 0051500 Interstate Gas Supply             | 39,571           | 59,600  | (20,029)                         | 39,978        | (407)                           |
| 0051600 Intrastate Gas Supply             | 37,664           | 42,800  | (5,136)                          | 42,024        | (4,360)                         |
| 0051700 Corporate Gas Control             | 176,000          | 48,200  | 127,800                          | -             | 176,000                         |
| 0051900 Gas Supply                        | 22,164           | 25,100  | (2,936)                          | 28,149        | (5,985)                         |
| <b>GAS SUPPLY &amp; GAS CONTROL</b>       | 275,399          | 175,700 | 99,699                           | 110,151       | 165,248                         |
| 0056200 Technical Services                | 32,163           | 18,610  | 13,553                           | 103,734       | (71,571)                        |
| <b>TECHNICAL SERVICES</b>                 | 32,163           | 18,610  | 13,553                           | 103,734       | (71,571)                        |
| <b>TOTAL OPERATIONS:</b>                  | 349,780          | 274,471 | 75,309                           | 275,807       | 73,973                          |
| <b>HUMAN RESOURCES:</b>                   |                  |         |                                  |               |                                 |
| 0056100 Professional Development          | 6,342            | 24,721  | (18,379)                         | 3,979         | 2,363                           |
| 0117100 Corporate Services                | 1,614            | -       | 1,614                            | 28,799        | (27,185)                        |
| 0117200 Compensation & Employment         | 36,751           | 54,921  | (18,170)                         | 48,868        | (12,117)                        |
| 0117300 Human Resources - VP              | 19,727           | 21,995  | (2,268)                          | 20,773        | (1,046)                         |
| 0117400 Employee & Labor Relations        | 8,388            | 9,459   | (1,071)                          | 7,666         | 722                             |
| 0117500 Employee Benefits                 | 147,566          | 109,284 | 38,282                           | 99,916        | 47,650                          |
| 0117800 Employee Communications           | 18,976           | 14,508  | 4,468                            | -             | 18,976                          |
| 0117900 Facilities                        | 14,111           | 14,751  | (640)                            | -             | 14,111                          |
| 0118100 Employee Development              | 24,100           | 31,553  | (7,453)                          | 60,059        | (35,959)                        |
| 0119000 Employee Relocation Expense       | (20,261)         | 67,919  | (88,180)                         | 81,093        | (101,354)                       |
| 0119210 Performance Plan                  | 116,667          | -       | 116,667                          | 116,667       | -                               |
| 0119300 Outside Directors Retirement Cost | 32,000           | -       | 32,000                           | 14,000        | 18,000                          |
| 117,000 Dallas EAPC                       | -                | 1,718   | (1,718)                          | -             | -                               |
| 0119400 Treasury - Worker's Comp          | 16               | -       | 16                               | 3             | 13                              |
| 0119500 Human Resources - Benefits        | 58               | -       | 58                               | 91            | (33)                            |
| 0119600 Retirement Costs                  | 347,471          | 225,000 | 122,471                          | 317,597       | 29,874                          |
| <b>HUMAN RESOURCES:</b>                   | 753,526          | 575,829 | 177,697                          | 799,511       | (45,985)                        |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Month Ended 02/28/98**

| Department Name                | FY '98           |                  | Actual Over (Under) Budget |                  | Actual Over (Under) Prior |  |
|--------------------------------|------------------|------------------|----------------------------|------------------|---------------------------|--|
|                                | Actual           | Budget           | Over (Under) Budget        | Prior Year       | Over (Under) Prior        |  |
| LEGAL:                         |                  |                  |                            |                  |                           |  |
| 0052000 Legal                  | 387,848          | 190,785          | 197,063                    | 116,156          | 271,692                   |  |
| 51,400 Contract Administration | 8,348            | 11,538           | (3,190)                    | -                | 8,348                     |  |
| 0052200 Governmental Affairs   | 7,179            | 10,323           | (3,144)                    | 7,444            | (265)                     |  |
| 0057900 Corporate Secretary    | 167,330          | 147,490          | 19,840                     | 88,897           | 78,433                    |  |
| 0118200 Central Records        | 8,201            | 26,808           | (18,607)                   | 10,406           | (2,205)                   |  |
| LEGAL:                         | 578,906          | 386,944          | 191,962                    | 222,903          | 356,003                   |  |
| OVERHEAD CAPITALIZED:          |                  |                  |                            |                  |                           |  |
| 0119800 Overhead Capitalized   | (881,000)        | (883,917)        | 2,917                      | (830,000)        | (51,000)                  |  |
| OVERHEAD CAPITALIZED:          | (881,000)        | (883,917)        | 2,917                      | (830,000)        | (51,000)                  |  |
| TOTAL O&M                      | <u>2,520,119</u> | <u>2,518,395</u> | <u>1,724</u>               | <u>2,138,002</u> | <u>382,117</u>            |  |
| DEPRECIATION                   | 270,919          | 198,000          | 72,919                     | 385,972          | (115,053)                 |  |
| TAXES - OTHER                  | 112,999          | 57,000           | 55,999                     | 75,236           | 37,763                    |  |
| TOTAL                          | <u>2,904,037</u> | <u>2,773,395</u> | <u>130,642</u>             | <u>2,599,210</u> | <u>304,827</u>            |  |

**ATMOS ENERGY CORPORATION**  
 Analysis of Shared Services - Actual vs. Budget  
 For The Year-To-Date Ended 02/28/98

| Department Name               | FY '98           |                  | Actual Over (Under) Budget |        | Prior Year       |                           | Actual Over (Under) Prior |  |
|-------------------------------|------------------|------------------|----------------------------|--------|------------------|---------------------------|---------------------------|--|
|                               | Actual           | Budget           | Actual Over (Under) Budget | Budget | Prior Year       | Actual Over (Under) Prior | Prior Year                |  |
| <b>EXECUTIVE:</b>             |                  |                  |                            |        |                  |                           |                           |  |
| 0050500                       | 641,862          | 621,472          | 20,390                     |        | 561,865          | 79,997                    |                           |  |
| 0052100                       | 216,344          | 275,636          | (59,292)                   |        | 156,644          | 59,700                    |                           |  |
| 0052500                       | 108,592          | 120,750          | (12,158)                   |        | 111,563          | (2,971)                   |                           |  |
| 0054700                       | 375,561          | 347,833          | 27,728                     |        | 195,193          | 180,368                   |                           |  |
|                               | <u>1,342,359</u> | <u>1,365,691</u> | <u>(23,332)</u>            |        | <u>1,025,265</u> | <u>317,094</u>            |                           |  |
| <b>FINANCE:</b>               |                  |                  |                            |        |                  |                           |                           |  |
| 0112900                       | 414,836          | 322,280          | 92,556                     |        | 273,836          | 141,000                   |                           |  |
| 0113000                       | 59,076           | 456,024          | (396,948)                  |        | 71,710           | (12,634)                  |                           |  |
| 0113100                       | 165,715          | -                | 165,715                    |        | 194,478          | (28,763)                  |                           |  |
| 0113200                       | 166,090          | -                | 166,090                    |        | 130,626          | 35,464                    |                           |  |
| 0113300                       | 109,164          | -                | 109,164                    |        | 95,851           | 13,313                    |                           |  |
| 0113400                       | 19,647           | 202,765          | (183,118)                  |        | 33,494           | (13,847)                  |                           |  |
| 0113500                       | 17,901           | -                | 17,901                     |        | 21,281           | (3,380)                   |                           |  |
| 0113600                       | 143,708          | -                | 143,708                    |        | 110,379          | 33,329                    |                           |  |
| 0113700                       | 233,806          | 297,187          | (63,381)                   |        | 238,006          | (4,200)                   |                           |  |
| 0113800                       | 32,791           | -                | 32,791                     |        | 65,879           | (33,088)                  |                           |  |
| 0113900                       | 98,772           | 257,868          | (159,096)                  |        | 89,573           | 9,199                     |                           |  |
| 0114600                       | 72,670           | 138,529          | (65,859)                   |        | 73,658           | (988)                     |                           |  |
| 0118300                       | -                | -                | -                          |        | -                | -                         |                           |  |
| 0119200                       | (716,425)        | -                | (716,425)                  |        | -                | (716,425)                 |                           |  |
|                               | <u>817,751</u>   | <u>1,674,653</u> | <u>(856,902)</u>           |        | <u>1,398,771</u> | <u>(581,020)</u>          |                           |  |
| <b>ACCOUNTING</b>             |                  |                  |                            |        |                  |                           |                           |  |
| 0115000                       | 127,051          | 122,911          | 4,140                      |        | 118,795          | 8,256                     |                           |  |
| 0115100                       | 738,580          | 866,757          | (128,177)                  |        | 776,554          | (37,974)                  |                           |  |
| 0115200                       | 1,139,614        | 1,144,839        | (5,225)                    |        | 1,085,523        | 54,091                    |                           |  |
| 0115300                       | 536,686          | 548,491          | (11,805)                   |        | 525,727          | 10,959                    |                           |  |
| 0115400                       | 173,308          | 198,697          | (25,389)                   |        | 213,765          | (40,457)                  |                           |  |
| 0115500                       | 36,470           | 20,955           | 15,515                     |        | 85,716           | (49,246)                  |                           |  |
| 0115600                       | 206,379          | 136,773          | 69,606                     |        | 17,694           | 188,685                   |                           |  |
|                               | <u>2,958,088</u> | <u>3,039,423</u> | <u>(81,335)</u>            |        | <u>2,823,774</u> | <u>134,314</u>            |                           |  |
| <b>INFORMATION TECHNOLOGY</b> |                  |                  |                            |        |                  |                           |                           |  |
| 0116400                       | 193,918          | 290,066          | (96,148)                   |        | 208,340          | (14,422)                  |                           |  |
|                               | <u>193,918</u>   | <u>290,066</u>   | <u>(96,148)</u>            |        | <u>208,340</u>   | <u>(14,422)</u>           |                           |  |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Year-To-Date Ended 02/28/98**

| Department Name  | FY '98           |                  | Actual Over (Under) Budget |        | Prior Year       | Actual Over (Under) Prior |
|--|------------------|------------------|----------------------------|--------|------------------|---------------------------|
|  | Actual           | Budget           | Over (Under)               | Budget |                  |                           |
| 0054900 Investor Relations                             | 511,430          | 661,582          | (150,152)                  |        | 497,909          | 13,521                    |
| 0052400 Public Affairs                                 | 129,905          | -                | 129,905                    |        | 124,986          | 4,919                     |
| 0117700 Corporate Communications                       | 194,807          | 273,514          | (78,707)                   |        | 237,087          | (42,280)                  |
| <b>INVESTOR RELATIONS</b>                              | <u>836,142</u>   | <u>935,096</u>   | <u>(98,954)</u>            |        | <u>859,982</u>   | <u>(23,840)</u>           |
| 0054600 New Business Ventures                          | 82,378           | 114,715          | (32,337)                   |        | -                | 82,378                    |
| <b>NEW BUSINESS VENTURES</b>                           | <u>82,378</u>    | <u>114,715</u>   | <u>(32,337)</u>            |        | <u>-</u>         | <u>82,378</u>             |
| 0054400 Financial & Strategic Planning                 | 176,793          | 103,145          | 73,648                     |        | 129,977          | 46,816                    |
| 0054500 Business Strategies & Competitive Intelligence | 5,107            | 154,999          | (149,892)                  |        | -                | 5,107                     |
| 0114300 Budget & Planning                              | 69,962           | 126,739          | (56,777)                   |        | 90,260           | (20,298)                  |
| <b>PLANNING &amp; BUDGETING</b>                        | <u>251,862</u>   | <u>384,883</u>   | <u>(133,021)</u>           |        | <u>220,237</u>   | <u>31,625</u>             |
| 0054000 Price Policy & Administration                  | 382,846          | 449,933          | (67,087)                   |        | 492,619          | (109,773)                 |
| <b>PRICE POLICY &amp; ADMINISTRATION</b>               | <u>382,846</u>   | <u>449,933</u>   | <u>(67,087)</u>            |        | <u>492,619</u>   | <u>(109,773)</u>          |
| 0054100 Regulatory Affairs                             | 120,137          | 138,251          | (18,114)                   |        | -                | 120,137                   |
| <b>REGULATORY AFFAIRS</b>                              | <u>120,137</u>   | <u>138,251</u>   | <u>(18,114)</u>            |        | <u>-</u>         | <u>120,137</u>            |
| 0114500 Dallas Treasury                                | 146,710          | 255,051          | (108,341)                  |        | 178,803          | (32,093)                  |
| 0114700 Dallas Risk Management                         | 726,960          | 1,190,098        | (463,138)                  |        | -                | 726,960                   |
| 0114800 Dallas Treasurer                               | 91,878           | 98,523           | (6,645)                    |        | 920,680          | (828,802)                 |
| 0117600 Purchasing                                     | 74,957           | 85,015           | (10,058)                   |        | 77,824           | (2,867)                   |
| 0118000 Remittance Processing                          | 324,913          | 365,927          | (41,014)                   |        | 281,260          | 43,653                    |
| 0118500 Mail & Supply                                  | 91,348           | 101,950          | (10,602)                   |        | 101,670          | (10,322)                  |
| 0118600 Purchasing & Stores                            | 56,557           | 56,361           | 196                        |        | 92,500           | (35,943)                  |
| 0118909 Fleet Administration                           | 39               | 32,460           | (32,421)                   |        | -                | 39                        |
| <b>TREASURY:</b>                                       | <u>1,513,362</u> | <u>2,185,385</u> | <u>(672,023)</u>           |        | <u>1,652,737</u> | <u>(139,375)</u>          |
| <b>TOTAL FINANCE:</b>                                  | <u>7,156,484</u> | <u>9,212,405</u> | <u>(2,055,921)</u>         |        | <u>7,656,460</u> | <u>(499,976)</u>          |

**ATMOS ENERGY CORPORATION**  
 Analysis of Shared Services - Actual vs. Budget  
 For The Year-To-Date Ended 02/28/98

| Department Name                           | FY '98           |                  | Actual |                     | Actual              |                  | Prior Year       | Actual Over (Under) Prior |
|---|------------------|------------------|--------|---------------------|---------------------|------------------|------------------|---------------------------|
|   | Actual           | Budget           | Budget | Over (Under) Budget | Over (Under) Budget | Year             |                  |                           |
| <b>OPERATIONS:</b>                        |                  |                  |        |                     |                     |                  |                  |                           |
| 0056000 Business Development              | 246,247          | 319,233          |        | (72,986)            |                     | 270,217          | (23,970)         |                           |
| <b>BUSINESS DEVELOPMENT</b>               | <u>246,247</u>   | <u>319,233</u>   |        | <u>(72,986)</u>     |                     | <u>270,217</u>   | <u>(23,970)</u>  |                           |
| 0120100 Amarillo Call Center              | 34,087           | -                |        | 34,087              |                     | -                | 34,087           |                           |
| <b>CALL CENTER</b>                        | <u>34,087</u>    | <u>-</u>         |        | <u>34,087</u>       |                     | <u>-</u>         | <u>34,087</u>    |                           |
| 0051500 Interstate Gas Supply             | 241,643          | 298,000          |        | (56,357)            |                     | 211,526          | 30,117           |                           |
| 0051600 Intrastate Gas Supply             | 240,493          | 213,700          |        | 26,793              |                     | 214,643          | 25,850           |                           |
| 0051700 Corporate Gas Control             | 177,580          | 241,000          |        | (63,420)            |                     | -                | 177,580          |                           |
| 0051900 Gas Supply                        | 116,929          | 125,500          |        | (8,571)             |                     | 119,945          | (3,016)          |                           |
| <b>GAS SUPPLY &amp; GAS CONTROL</b>       | <u>776,645</u>   | <u>878,200</u>   |        | <u>(101,555)</u>    |                     | <u>546,114</u>   | <u>230,531</u>   |                           |
| 0056200 Technical Services                | 189,852          | 139,886          |        | 49,966              |                     | 470,061          | (280,209)        |                           |
| <b>TECHNICAL SERVICES</b>                 | <u>189,852</u>   | <u>139,886</u>   |        | <u>49,966</u>       |                     | <u>470,061</u>   | <u>(280,209)</u> |                           |
| <b>TOTAL OPERATIONS:</b>                  | <u>1,246,831</u> | <u>1,337,319</u> |        | <u>(90,488)</u>     |                     | <u>1,286,392</u> | <u>(39,561)</u>  |                           |
| <b>HUMAN RESOURCES:</b>                   |                  |                  |        |                     |                     |                  |                  |                           |
| 0056100 Professional Development          | 21,067           | 123,605          |        | (102,538)           |                     | 61,392           | (40,325)         |                           |
| 0117100 Corporate Services                | 14,519           | -                |        | 14,519              |                     | 197,787          | (183,268)        |                           |
| 0117200 Compensation & Employment         | 235,897          | 275,418          |        | (39,521)            |                     | 253,580          | (17,683)         |                           |
| 0117300 Human Resources - VP              | 97,574           | 108,989          |        | (11,415)            |                     | 101,428          | (3,854)          |                           |
| 0117400 Employee & Labor Relations        | 48,312           | 47,513           |        | 799                 |                     | 7,666            | 40,646           |                           |
| 0117500 Employee Benefits                 | 570,042          | 544,272          |        | 25,770              |                     | 537,572          | 32,470           |                           |
| 0117800 Employee Communications           | 71,169           | 88,024           |        | (16,855)            |                     | -                | 71,169           |                           |
| 0117900 Facilities                        | 64,549           | 73,684           |        | (9,135)             |                     | -                | 64,549           |                           |
| 0118100 Employee Development              | 136,557          | 186,825          |        | (50,268)            |                     | 230,902          | (94,345)         |                           |
| 0119000 Employee Relocation Expense       | 70,304           | 339,595          |        | (269,291)           |                     | 333,255          | (262,951)        |                           |
| 0119210 Performance Plan                  | 583,334          | -                |        | 583,334             |                     | 783,334          | (200,000)        |                           |
| 0119300 Outside Directors Retirement Cost | 115,000          | -                |        | 115,000             |                     | 70,000           | 45,000           |                           |
| 117,000 Dallas EAPC                       | -                | 8,590            |        | (8,590)             |                     | -                | -                |                           |
| 0119400 Treasury - Worker's Comp          | 81               | -                |        | 81                  |                     | 60               | 21               |                           |
| 0119500 Human Resources - Benefits        | 1,455            | -                |        | 1,455               |                     | 453              | 1,002            |                           |
| 0119600 Retirement Costs                  | 603,799          | 1,125,000        |        | (521,201)           |                     | 855,297          | (251,498)        |                           |
| <b>HUMAN RESOURCES:</b>                   | <u>2,633,659</u> | <u>2,921,515</u> |        | <u>(287,856)</u>    |                     | <u>3,432,726</u> | <u>(799,067)</u> |                           |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Year-To-Date Ended 02/28/98**

| Department Name                | FY '98<br>Actual   | Budget             | Actual<br>Over (Under)<br>Budget | Prior<br>Year      | Actual<br>Over (Under)<br>Prior |
|--------------------------------|--------------------|--------------------|----------------------------------|--------------------|---------------------------------|
| LEGAL:                         |                    |                    |                                  |                    |                                 |
| 0052000 Legal                  | 2,255,520          | 952,710            | 1,302,810                        | 910,286            | 1,345,234                       |
| 51,400 Contract Administration | 14,598             | 57,282             | (42,684)                         | -                  | 14,598                          |
| 0052200 Governmental Affairs   | 40,366             | 51,615             | (11,249)                         | 38,421             | 1,945                           |
| 0057900 Corporate Secretary    | 478,515            | 637,530            | (159,015)                        | 315,492            | 163,023                         |
| 0118200 Central Records        | 72,892             | 112,900            | (40,008)                         | 84,708             | (11,816)                        |
| LEGAL:                         | <u>2,861,891</u>   | <u>1,812,037</u>   | <u>1,049,854</u>                 | <u>1,348,907</u>   | <u>1,512,984</u>                |
| OVERHEAD CAPITALIZED:          |                    |                    |                                  |                    |                                 |
| 0119800 Overhead Capitalized   | <u>(4,405,000)</u> | <u>(4,419,585)</u> | <u>14,585</u>                    | <u>(4,150,000)</u> | <u>(255,000)</u>                |
| OVERHEAD CAPITALIZED:          | <u>(4,405,000)</u> | <u>(4,419,585)</u> | <u>14,585</u>                    | <u>(4,150,000)</u> | <u>(255,000)</u>                |
| TOTAL O&M                      | <u>10,836,224</u>  | <u>12,229,382</u>  | <u>(1,393,158)</u>               | <u>10,599,750</u>  | <u>236,474</u>                  |
| DEPRECIATION                   | 1,355,196          | 990,000            | 365,196                          | 1,929,860          | (574,664)                       |
| TAXES - OTHER                  | 406,929            | 285,000            | 121,929                          | 376,062            | 30,867                          |
| TOTAL                          | <u>12,598,349</u>  | <u>13,504,382</u>  | <u>(906,033)</u>                 | <u>12,905,672</u>  | <u>(307,323)</u>                |



ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE MONTH ENDED 02/28/98

1998

| Line No. | Description (a)                       | Utility Business Units |                |                |                 | WKG (f)         | Total Utility Business Units (g) | Line No. |
|----------|---------------------------------------|------------------------|----------------|----------------|-----------------|-----------------|----------------------------------|----------|
|          |                                       | Energas (b)            | CGC (c)        | Trans La (d)   | UCG (e)         |                 |                                  |          |
| 1        | Operating revenues                    |                        |                |                |                 |                 |                                  |          |
| 2        | Gas                                   | \$20,069,432.17        | \$8,565,551.71 | \$5,794,358.44 | \$38,030,448.00 | \$10,185,171.72 | \$82,644,962.04                  | 1        |
| 3        | Transportation                        | 112,154.75             | 118,246.61     | 10,729.74      | 962,446.00      | 543,417.86      | 1,746,994.96                     | 2        |
| 3        | Other                                 | 0.00                   | 0.00           | 0.00           | 0.00            | 0.00            | 0.00                             | 3        |
| 4        | Total operating revenues              | 20,181,586.92          | 8,683,798.32   | 5,805,088.18   | 38,992,894.00   | 10,728,589.58   | 84,391,957.00                    | 4        |
| 5        | Purchased gas cost                    | 10,379,232.64          | 4,529,011.15   | 1,596,965.79   | 23,352,175.00   | 5,761,700.45    | 45,619,105.03                    | 5        |
| 6        | Gross profit                          | 9,802,334.28           | 4,154,787.17   | 4,208,122.39   | 15,640,719.00   | 4,966,889.13    | 38,772,851.97                    | 6        |
| 7        | Operating expenses                    |                        |                |                |                 |                 |                                  |          |
| 7        | Operation                             | 1,793,776.19           | 946,780.18     | 489,315.21     | 3,204,690.00    | 1,088,502.47    | 7,523,064.05                     | 7        |
| 8        | Maintenance                           | 49,682.67              | 64,772.54      | 32,320.08      | 375,067.00      | 71,916.22       | 593,758.51                       | 8        |
| 9        | Depreciation and amortization         | 548,925.06             | 415,672.29     | 306,393.74     | 1,525,471.00    | 545,335.42      | 3,341,797.51                     | 9        |
| 10       | Taxes - other than income taxes       | 1,390,369.73           | 214,744.92     | 189,889.50     | 1,015,006.00    | 163,544.09      | 2,973,554.24                     | 10       |
| 11       | Shared services - direct              | 227,549.22             | 135,337.93     | 254,251.76     | 0.00            | 204,481.54      | 821,620.45                       | 11       |
| 12       | Shared services - billed              | 625,762.93             | 271,516.22     | 181,539.03     | 623,316.83      | 358,543.17      | 2,060,698.18                     | 12       |
| 13       | Provision for income taxes            | 1,660,440.68           | 711,612.86     | 946,644.29     | 3,043,376.60    | 937,302.17      | 7,299,376.60                     | 13       |
| 14       | Total operating expenses              | 6,296,506.48           | 2,760,456.94   | 2,400,353.61   | 9,786,927.43    | 3,369,625.08    | 24,613,869.54                    | 14       |
| 15       | Operating income (loss)               | 3,505,827.80           | 1,394,330.23   | 1,807,768.78   | 5,853,791.57    | 1,597,264.05    | 14,158,982.43                    | 15       |
|          | Other income                          |                        |                |                |                 |                 |                                  |          |
| 16       | Merchandise                           | 25,538.29              | 4,087.45       | 6,901.24       | (5,326.00)      | 19,766.84       | 50,967.82                        | 16       |
| 17       | Interest income                       | 30,019.41              | 0.00           | 618.63         | 212,596.00      | 3,409.76        | 246,643.80                       | 17       |
| 18       | Other nonoperating income             | (37,287.61)            | 2,022.95       | (6,926.03)     | (307.71)        | (2,240.72)      | (44,739.12)                      | 18       |
| 19       | Total other income (loss)             | 18,270.09              | 6,110.40       | 593.84         | 206,963.29      | 20,935.88       | 252,872.50                       | 19       |
| 20       | Income (loss) before interest charges | 3,524,097.89           | 1,400,440.63   | 1,808,362.62   | 6,060,753.86    | 1,618,199.93    | 14,411,854.93                    | 20       |
| 21       | Interest charges                      | 443,859.72             | 270,284.00     | 202,211.33     | 1,262,553.84    | 304,271.88      | 2,483,180.77                     | 21       |
| 22       | Net income (loss)                     | \$3,080,238.17         | \$1,130,156.63 | \$1,606,151.29 | \$4,798,200.02  | \$1,313,928.05  | \$11,928,674.16                  | 22       |

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE FIVE MONTHS ENDED 02/28/98

1998

| Line No. | Description (a)                       | Utility Business Units |                 |                 |                  | WKG (f)         | Total Utility Business Units (g) | Line No. |
|----------|---------------------------------------|------------------------|-----------------|-----------------|------------------|-----------------|----------------------------------|----------|
|          |                                       | Energas (b)            | CKGC (c)        | Trans La (d)    | UCG (e)          |                 |                                  |          |
| 1        | Operating revenues                    |                        |                 |                 |                  |                 |                                  |          |
| 2        | Gas                                   | \$113,941,848.01       | \$50,094,970.25 | \$23,655,094.11 | \$200,360,658.00 | \$73,847,210.31 | \$461,899,780.68                 | 1        |
| 3        | Transportation                        | 436,039.36             | 663,707.88      | 53,690.63       | 6,186,002.00     | 3,818,333.95    | 11,157,773.82                    | 2        |
| 3        | Other                                 | 0.00                   | 0.00            | 0.00            | 0.00             | 0.00            | 0.00                             | 3        |
| 4        | Total operating revenues              | 114,377,887.37         | 50,758,678.13   | 23,708,784.74   | 206,546,660.00   | 77,665,544.26   | 473,057,554.50                   | 4        |
| 5        | Purchased gas cost                    | 74,420,442.95          | 30,368,144.77   | 8,448,549.39    | 130,952,797.00   | 52,853,077.68   | 297,043,011.79                   | 5        |
| 6        | Gross profit                          | 39,957,444.42          | 20,390,533.36   | 15,260,235.35   | 75,593,863.00    | 24,812,466.58   | 176,014,542.71                   | 6        |
| 7        | Operating expenses                    |                        |                 |                 |                  |                 |                                  |          |
| 7        | Operation                             | 10,078,710.40          | 5,504,438.24    | 2,919,349.58    | 19,234,133.33    | 6,320,891.93    | 44,057,523.48                    | 7        |
| 8        | Maintenance                           | 456,040.42             | 300,822.68      | 233,127.52      | 2,247,683.00     | 381,048.00      | 3,618,721.62                     | 8        |
| 9        | Depreciation and amortization         | 2,743,751.82           | 2,070,522.10    | 1,531,968.70    | 7,642,233.00     | 2,726,648.39    | 16,715,124.01                    | 9        |
| 10       | Taxes - other than income taxes       | 5,710,751.36           | 1,108,805.80    | 937,473.39      | 5,130,198.00     | 831,665.28      | 13,738,893.83                    | 10       |
| 11       | Shared services - direct              | 1,227,325.22           | 630,237.53      | 785,817.95      | 0.00             | 797,612.74      | 3,440,993.44                     | 11       |
| 12       | Shared services - billed              | 2,902,446.50           | 1,129,801.83    | 795,790.65      | 2,571,648.72     | 1,619,669.91    | 9,019,357.61                     | 12       |
| 13       | Provision for income taxes            | 4,861,688.40           | 3,034,685.40    | 2,274,622.95    | 12,790,903.75    | 4,044,003.25    | 27,005,903.75                    | 13       |
| 14       | Total operating expenses              | 27,980,714.12          | 13,779,313.58   | 9,498,150.74    | 49,616,799.80    | 16,721,539.50   | 117,596,517.74                   | 14       |
| 15       | Operating income (loss)               | 11,976,730.30          | 6,611,219.78    | 5,762,084.61    | 25,977,063.20    | 8,090,927.08    | 58,418,024.97                    | 15       |
| 16       | Other income                          |                        |                 |                 |                  |                 |                                  |          |
| 16       | Merchandise                           | 25,094.51              | (1,700.54)      | 14,190.52       | (50,942.00)      | 135,806.82      | 122,449.31                       | 16       |
| 17       | Interest income                       | 91,883.88              | 381.87          | 1,884.19        | 673,883.00       | 11,257.78       | 779,290.72                       | 17       |
| 18       | Other nonoperating income             | (203,873.67)           | 48,935.20       | (41,896.30)     | (29,280.71)      | (29,111.49)     | (255,226.97)                     | 18       |
| 19       | Total other income (loss)             | (86,895.28)            | 47,616.53       | (25,821.59)     | 593,660.29       | 117,953.11      | 646,513.06                       | 19       |
| 20       | Income (loss) before interest charges | 11,889,835.02          | 6,658,836.31    | 5,736,263.02    | 26,570,723.49    | 8,208,880.19    | 59,064,538.03                    | 20       |
| 21       | Interest charges                      | 2,998,928.22           | 1,787,496.76    | 2,039,576.54    | 5,640,525.84     | 2,284,461.72    | 14,750,989.08                    | 21       |
| 22       | Net income (loss)                     | \$8,890,906.80         | \$4,871,339.55  | \$3,696,686.48  | \$30,930,197.65  | \$5,924,418.47  | \$44,313,548.95                  | 22       |

WESTERN KENTUCKY GAS BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE MONTH ENDED 02/28/98

1998

| Line No. | Description (a)                    | Eliminations and Adjustments (d) |                 |   | Line No. |
|----------|------------------------------------|----------------------------------|-----------------|---|----------|
|          |                                    | WKGR (c)                         | WKG (b)         | Western Kentucky Gas Business Units (e) |          |
| 1        | Operating revenues                 |                                  |                 |   | 1        |
| 2        | Gas                                | \$0.00                           | \$10,185,171.72 | \$10,185,171.72                         | 2        |
| 3        | Transportation                     | 0.00                             | 543,417.86      | 543,417.86                              | 3        |
|          | Other                              | 0.00                             | 0.00            | 0.00                                    |          |
| 4        | Total operating revenues           | 0.00                             | 10,728,589.58   | 10,728,589.58                           | 4        |
| 5        | Purchased gas cost                 | 0.00                             | 5,761,700.45    | 5,761,700.45                            | 5        |
| 6        | Gross profit                       | 0.00                             | 4,966,889.13    | 4,966,889.13                            | 6        |
| 7        | Operating expenses                 |                                  |                 |   | 7        |
| 8        | Operation                          | 0.00                             | 1,088,502.47    | 1,088,502.47                            | 8        |
| 9        | Maintenance                        | 0.00                             | 71,916.22       | 71,916.22                               | 9        |
| 10       | Depreciation and amortization      | 0.00                             | 545,335.42      | 545,335.42                              | 10       |
| 11       | Taxes - other than income taxes    | 0.00                             | 163,544.09      | 163,544.09                              | 11       |
| 12       | Shared services - direct           | 0.00                             | 204,481.54      | 204,481.54                              | 12       |
| 13       | Shared services - billed           | 0.00                             | 358,186.47      | 358,543.17                              | 13       |
|          | Provision for income taxes         | 0.00                             | 937,302.17      | 937,302.17                              |          |
| 14       | Total operating expenses           | 0.00                             | 3,369,268.38    | 3,369,625.08                            | 14       |
| 15       | Operating income (loss)            | 0.00                             | 1,597,620.75    | 1,597,264.05                            | 15       |
|          | Other income                       |                                  |                 |   |          |
| 16       | Merchandise                        | 0.00                             | 19,766.84       | 19,766.84                               | 16       |
| 17       | Interest income                    | 0.00                             | 3,409.76        | 3,409.76                                | 17       |
| 18       | Shared services - billed           | (356.70)                         | 0.00            | 0.00                                    | 18       |
| 19       | Other nonoperating income          | 347.87                           | (2,588.59)      | (2,240.72)                              | 19       |
| 20       | Total other income (loss)          | (8.83)                           | 20,588.01       | 20,935.88                               | 20       |
| 21       | Income (loss) before interest chgs | (8.83)                           | 1,618,208.76    | 1,618,199.93                            | 21       |
| 22       | Interest charges                   | 0.00                             | 304,271.88      | 304,271.88                              | 22       |
| 23       | Net income (loss)                  | (\$8.83)                         | \$1,313,936.88  | \$1,313,928.05                          | 23       |

WESTERN KENTUCKY GAS BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE FIVE MONTHS ENDED 02/28/98

1998

| Line No. | Description (a)                    | Eliminations and Adjustments (d) |                 |   |   | Line No. |
|----------|------------------------------------|----------------------------------|-----------------|---|---|----------|
|          |                                    | WKGR (c)                         | WKG (b)         | Western Kentucky Gas Business Units (e) | Western Kentucky Gas Business Units (e) |          |
|          | Operating revenues                 |                                  |                 |   |   |          |
| 1        | Gas                                | \$0.00                           | \$73,847,210.31 | \$0.00                                  | 1                                       |          |
| 2        | Transportation                     | 0.00                             | 3,818,333.95    | 0.00                                    | 2                                       |          |
| 3        | Other                              | 0.00                             | 0.00            | 0.00                                    | 3                                       |          |
| 4        | Total operating revenues           | 0.00                             | 77,665,544.26   | 0.00                                    | 4                                       |          |
| 5        | Purchased gas cost                 | 0.00                             | 52,853,077.68   | 0.00                                    | 5                                       |          |
| 6        | Gross profit                       | 0.00                             | 24,812,466.58   | 0.00                                    | 6                                       |          |
|          | Operating expenses                 |                                  |                 |   |   |          |
| 7        | Operation                          | 0.00                             | 6,320,891.93    | 0.00                                    | 7                                       |          |
| 8        | Maintenance                        | 0.00                             | 381,048.00      | 0.00                                    | 8                                       |          |
| 9        | Depreciation and amortization      | 0.00                             | 2,726,648.39    | 0.00                                    | 9                                       |          |
| 10       | Taxes - other than income taxes    | 10.00                            | 831,655.28      | 0.00                                    | 10                                      |          |
| 11       | Shared services - direct           | 0.00                             | 797,612.74      | 0.00                                    | 11                                      |          |
| 12       | Shared services - billed           | 0.00                             | 1,617,892.95    | 1,786.96                                | 12                                      |          |
| 13       | Provision for income taxes         | 0.00                             | 4,044,003.25    | 0.00                                    | 13                                      |          |
| 14       | Total operating expenses           | 10.00                            | 16,719,742.54   | 1,786.96                                | 14                                      |          |
| 15       | Operating income (loss)            | (10.00)                          | 8,092,724.04    | (1,786.96)                              | 15                                      |          |
|          | Other income                       |                                  |                 |   |   |          |
| 16       | Merchandise                        | 0.00                             | 135,806.82      | 0.00                                    | 16                                      |          |
| 17       | Interest income                    | 0.00                             | 11,257.78       | 0.00                                    | 17                                      |          |
| 18       | Shared services - billed           | (1,786.96)                       | 0.00            | 1,786.96                                | 18                                      |          |
| 19       | Other nonoperating income          | 1,615.96                         | (30,727.45)     | 0.00                                    | 19                                      |          |
| 20       | Total other income (loss)          | (171.00)                         | 116,337.15      | 1,786.96                                | 20                                      |          |
| 21       | Income (loss) before interest chgs | (181.00)                         | 8,209,061.19    | 0.00                                    | 21                                      |          |
| 22       | Interest charges                   | 0.00                             | 2,384,461.72    | 0.00                                    | 22                                      |          |
| 23       | Net income (loss)                  | (\$181.00)                       | \$5,924,599.47  | \$0.00                                  | 23                                      |          |

WESTERN KENTUCKY GAS COMPANY  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 02/28/98

| Line No. | Description (a)                      | Current Month   |              |                         |                       | Year to Date    |                         |                  |                 | Line No.          |    |
|----------|--------------------------------------|-----------------|--------------|-------------------------|-----------------------|-----------------|-------------------------|------------------|-----------------|-------------------|----|
|          |                                      | Actual (b)      | Budget (c)   | Actual                  |                       | Budget (h)      | Actual                  |                  | Prior Year (k)  |                   |    |
|          |                                      |                 |              | Over (Under) Budget (d) | Prior Year Actual (e) |                 | Over (Under) Budget (i) | Year Actual (j)  |                 |                   |    |
| 1        | Operating revenues                   |                 |              |                         |                       |                 |                         |                  |                 |                   |    |
| 2        | Gas                                  | \$10,185,171.72 | \$21,661,000 | (\$11,475,828.28)       | \$15,066,682.79       | \$73,847,210.31 | \$79,925,000.00         | (\$6,077,789.69) | \$86,133,871.67 | (\$12,286,661.36) | 1  |
| 3        | Transportation                       | 543,417.86      | 700,000      | (156,582.14)            | 601,082.17            | 3,818,333.95    | 3,500,000.00            | 318,333.95       | 2,894,501.28    | 923,832.67        | 2  |
| 3        | Other                                | 0.00            | 0            | 0.00                    | 0.00                  | 0.00            | 0.00                    | 0.00             | 0.00            | 0.00              | 3  |
| 4        | Total operating revenues             | 10,728,589.58   | 22,361,000   | (11,632,410.42)         | 15,667,764.96         | 77,665,544.26   | 83,425,000.00           | (\$5,759,455.74) | 89,028,372.95   | (11,362,828.69)   | 4  |
| 5        | Purchased gas cost                   | 5,761,700.45    | 14,055,000   | (8,293,299.55)          | 9,906,728.15          | 52,853,077.68   | 54,593,000.00           | (1,739,922.32)   | 65,865,993.16   | (13,012,915.48)   | 5  |
| 6        | Gross profit                         | 4,966,889.13    | 8,306,000    | (3,339,110.87)          | 5,761,036.81          | 24,812,466.58   | 28,832,000.00           | (4,019,533.42)   | 23,162,379.79   | 1,650,086.79      | 6  |
| 7        | Operating expenses                   |                 |              |                         |                       |                 |                         |                  |                 |                   |    |
| 7        | Operation                            | 1,337,502.47    | 1,290,000    | 67,502.47               | 1,590,463.29          | 6,320,891.93    | 6,426,000.00            | (105,108.07)     | 6,917,867.28    | (596,975.35)      | 7  |
| 8        | Maintenance                          | 71,916.22       | 132,000      | (60,083.78)             | 121,389.66            | 381,048.00      | 660,000.00              | (278,952.00)     | 383,888.88      | (2,840.88)        | 8  |
| 9        | Depreciation                         | 545,335.42      | 544,000      | 1,335.42                | 34,412.79             | 2,726,648.39    | 2,720,000.00            | 6,648.39         | 2,554,613.15    | 172,035.24        | 9  |
| 10       | Taxes - other than income taxes      | 160,344.09      | 199,000      | (38,655.91)             | 154,129.51            | 831,655.28      | 707,000.00              | 124,655.28       | 761,201.76      | 70,453.52         | 10 |
| 11       | Shared Services - direct             | (64,518.46)     | 0            | 64,518.46               | (64,518.46)           | 797,612.74      | 0.00                    | 797,612.74       | 855,835.90      | (58,223.16)       | 11 |
| 12       | Shared Services - billed             | 358,186.47      | 584,000      | (225,813.53)            | 408,909.11            | 1,617,882.95    | 2,884,000.00            | (1,266,117.05)   | 2,238,269.84    | (640,386.89)      | 12 |
| 13       | Provision for income taxes           | 937,302.17      | 2,049,000    | (1,111,697.83)          | 1,034,771.22          | 4,044,003.25    | 5,331,000.00            | (1,286,996.75)   | 3,209,348.67    | 834,654.58        | 13 |
| 14       | Total operating expenses             | 3,369,268.38    | 4,798,000    | (1,428,731.62)          | 3,820,585.42          | 16,719,742.54   | 18,728,000.00           | (2,008,257.46)   | 16,941,025.48   | (221,282.94)      | 14 |
| 15       | Operating income (loss)              | 1,597,620.75    | 3,508,000    | (1,910,379.25)          | 1,940,451.39          | 8,092,724.04    | 10,104,000.00           | (2,011,275.96)   | 6,221,354.31    | 1,871,369.73      | 15 |
| 16       | Other income                         |                 |              |                         |                       |                 |                         |                  |                 |                   |    |
| 16       | Merchandise                          | 19,766.84       | (2,000)      | 21,766.84               | 17,030.10             | 135,806.82      | (10,000.00)             | 145,806.82       | 255,296.26      | (119,489.44)      | 16 |
| 17       | Interest income                      | 3,409.76        | 4,000        | (590.24)                | 4,567.92              | 11,257.78       | 20,000.00               | (8,742.22)       | 11,774.77       | (516.99)          | 17 |
| 18       | Other nonoperating income            | (2,888.59)      | 35,000       | (37,888.59)             | (14,696.60)           | (30,727.45)     | 175,000.00              | (205,727.45)     | (17,189.73)     | (13,537.72)       | 18 |
| 19       | Total other income (loss)            | 20,288.01       | 37,000       | (16,411.99)             | 6,901.42              | 116,337.15      | 185,000.00              | (68,662.85)      | 249,881.30      | (133,544.15)      | 19 |
| 20       | Income (loss) before interest charge | 1,618,208.76    | 3,545,000    | (1,926,791.24)          | 1,947,352.81          | 8,209,061.19    | 10,289,000.00           | (2,079,938.81)   | 6,471,235.61    | 1,737,825.58      | 20 |
| 21       | Interest charges                     | 304,271.88      | 406,000      | (101,728.12)            | 333,125.91            | 2,284,461.72    | 2,125,000.00            | 159,461.72       | 1,795,422.48    | 489,039.24        | 21 |
| 22       | Net income (loss)                    | \$1,313,936.88  | \$3,139,000  | (\$1,825,063.12)        | \$1,614,226.90        | \$5,924,599.47  | \$8,164,000.00          | (\$2,239,400.53) | \$4,675,813.13  | \$1,248,786.34    | 22 |

2191

WESTERN KENTUCKY GAS RESOURCES, INC.  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 02/28/98

| Line No. | Description (a)                       | Current Month |            |                                | Year to Date          |                                    |            | Actual Over (Under) Prior Year (k) | Line No.   |            |                                |                       |         |             |         |             |         |             |         |             |
|----------|---------------------------------------|---------------|------------|--------------------------------|-----------------------|------------------------------------|------------|------------------------------------|------------|------------|--------------------------------|-----------------------|---------|-------------|---------|-------------|---------|-------------|---------|-------------|
|          |                                       | Actual (b)    | Budget (c) | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Prior Year (f) | Actual (g) |                                    |            | Budget (h) | Actual Over (Under) Budget (i) | Prior Year Actual (j) |         |             |         |             |         |             |         |             |
| 1        | Operating revenues                    |               |            |                                |                       |                                    |            |                                    |            |            |                                |                       |         |             |         |             |         |             |         |             |
| 2        | Gas                                   | \$0.00        | \$0        | \$0.00                         | \$0.00                | \$0.00                             | \$0.00     | \$0.00                             | \$0.00     | \$0.00     | \$0.00                         | \$0.00                | \$0.00  | \$0.00      | \$0.00  | \$0.00      | \$0.00  | \$0.00      | \$0.00  | \$0.00      |
| 3        | Transportation                        | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00       | 0.00       | 0.00                           | 0.00                  | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        |
| 4        | Other                                 | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00       | 0.00       | 0.00                           | 0.00                  | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        |
| 4        | Total operating revenues              | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00       | 0.00       | 0.00                           | 0.00                  | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        |
| 5        | Purchased gas cost                    | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00       | 0.00       | 0.00                           | 0.00                  | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        |
| 6        | Gross profit                          | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00       | 0.00       | 0.00                           | 0.00                  | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        |
| 7        | Operating expenses                    |               |            |                                |                       |                                    |            |                                    |            |            |                                |                       |         |             |         |             |         |             |         |             |
| 8        | Operation                             | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00       | 0.00       | 0.00                           | 0.00                  | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        |
| 8        | Maintenance                           | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00       | 0.00       | 0.00                           | 0.00                  | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        |
| 9        | Depreciation                          | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00       | 0.00       | 0.00                           | 0.00                  | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        |
| 10       | Taxes - other than income taxes       | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00       | 0.00       | 0.00                           | 0.00                  | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        |
| 11       | Provision for income taxes            | 0.00          | 0          | 0.00                           | 0.00                  | 1,000.00                           | (1,000.00) | 1,000.00                           | 1,000.00   | (1,000.00) | 1,000.00                       | 1,000.00              | 10.00   | 10.00       | 10.00   | 10.00       | 10.00   | 10.00       | 10.00   | 10.00       |
| 12       | Total operating expenses              | 0.00          | 0          | 0.00                           | 0.00                  | 1,000.00                           | (1,000.00) | 1,000.00                           | 1,000.00   | (1,000.00) | 1,000.00                       | 10.00                 | 10.00   | 10.00       | 10.00   | 10.00       | 10.00   | 10.00       | 10.00   | 10.00       |
| 13       | Operating income (loss)               | 0.00          | 0          | 0.00                           | 0.00                  | (1,000.00)                         | 1,000.00   | (1,000.00)                         | (1,000.00) | 1,000.00   | (1,000.00)                     | 0                     | (10.00) | (10.00)     | (10.00) | (10.00)     | (10.00) | (10.00)     | (10.00) | (10.00)     |
| 14       | Other income                          |               |            |                                |                       |                                    |            |                                    |            |            |                                |                       |         |             |         |             |         |             |         |             |
| 14       | Merchandise                           | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00       | 0.00       | 0.00                           | 0.00                  | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        |
| 15       | Interest income                       | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00       | 0.00       | 0.00                           | 0.00                  | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        | 0.00    | 0.00        |
| 16       | Shared Services - Billed              | (3,56.70)     | 3,000      | (3,356.70)                     | 880.50                | (1,237.20)                         | 880.50     | (1,237.20)                         | 880.50     | (1,786.96) | 15,000                         | (16,786.96)           | 15,000  | (16,786.96) | 15,000  | (16,786.96) | 15,000  | (16,786.96) | 15,000  | (16,786.96) |
| 17       | Other nonoperating income             | 347.87        | 0          | 347.87                         | 5,113.22              | (4,765.35)                         | 5,113.22   | (4,765.35)                         | 5,113.22   | 1,615.96   | 0                              | 1,615.96              | 0       | 1,615.96    | 0       | 1,615.96    | 0       | 1,615.96    | 0       | 1,615.96    |
| 18       | Total other income (loss)             | (8.83)        | 3,000      | (3,008.83)                     | 3,876.02              | (3,884.85)                         | 3,876.02   | (3,884.85)                         | 3,876.02   | (171.00)   | 15,000                         | (15,171.00)           | 15,000  | (15,171.00) | 15,000  | (15,171.00) | 15,000  | (15,171.00) | 15,000  | (15,171.00) |
| 19       | Income (loss) before interest charges | (8.83)        | 3,000      | (3,008.83)                     | 2,876.02              | (2,884.85)                         | 2,876.02   | (2,884.85)                         | 2,876.02   | (181.00)   | 15,000                         | (15,181.00)           | 15,000  | (15,181.00) | 15,000  | (15,181.00) | 15,000  | (15,181.00) | 15,000  | (15,181.00) |
| 20       | Interest charges                      | 0.00          | 0          | 0.00                           | 0.00                  | 0.00                               | 0.00       | 0.00                               | 0.00       | 0.00       | 0                              | 0.00                  | 0       | 0.00        | 0       | 0.00        | 0       | 0.00        | 0       | 0.00        |
| 21       | Net income (loss)                     | (8.83)        | 3,000      | (3,008.83)                     | 2,876.02              | (2,884.85)                         | 2,876.02   | (2,884.85)                         | 2,876.02   | (181.00)   | 15,000                         | (15,181.00)           | 15,000  | (15,181.00) | 15,000  | (15,181.00) | 15,000  | (15,181.00) | 15,000  | (15,181.00) |

ATMOS ENERGY SERVICES, INC.  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 02/28/98

| Line No. | Description (a)                      | Current Month |             |                                |                       | Year to Date                   |             |                                |                       | Actual Over (Under) Prior Year (k) | Line No.   |    |
|----------|--------------------------------------|---------------|-------------|--------------------------------|-----------------------|--------------------------------|-------------|--------------------------------|-----------------------|------------------------------------|------------|----|
|          |                                      | Actual (b)    | Budget* (c) | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Budget (f) | Budget* (g) | Actual Over (Under) Budget (h) | Prior Year Actual (i) |                                    |            |    |
| 1        | Operating revenues                   |               |             |                                |                       |                                |             |                                |                       |                                    |            |    |
| 2        | Gas                                  | \$0.00        | \$0         | \$0.00                         | \$0.00                | \$0.00                         | \$0.00      | \$0.00                         | \$0.00                | \$0.00                             | \$0.00     | 1  |
| 3        | Transportation                       | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                           | 0.00        | 0.00                           | 0.00                  | 0.00                               | 0.00       | 2  |
| 3        | Other                                | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                           | 0.00        | 0.00                           | 0.00                  | 0.00                               | 0.00       | 3  |
| 4        | Total operating revenues             | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                           | 0.00        | 0.00                           | 0.00                  | 0.00                               | 0.00       | 4  |
| 5        | Purchased gas cost                   | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                           | 0.00        | 0.00                           | 0.00                  | 0.00                               | 0.00       | 5  |
| 6        | Gross profit                         | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                           | 0.00        | 0.00                           | 0.00                  | 0.00                               | 0.00       | 6  |
| 7        | Operating expenses                   |               |             |                                |                       |                                |             |                                |                       |                                    |            |    |
| 7        | Operation                            | 50.00         | 0           | 50.00                          | 105.00                | (55.00)                        | 160.00      | 0                              | 160.00                | 2,464.91                           | (2,304.91) | 7  |
| 8        | Maintenance                          | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                           | 0.00        | 0                              | 0.00                  | 0.00                               | 0.00       | 8  |
| 9        | Depreciation                         | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                           | 0.00        | 0                              | 0.00                  | 0.00                               | 0.00       | 9  |
| 10       | Taxes - other than income taxes      | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                           | 0.00        | 0                              | 0.00                  | 0.00                               | 0.00       | 10 |
| 11       | Shared Services - Billed             | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                           | 0.00        | 0                              | 0.00                  | 0.00                               | 0.00       | 11 |
| 12       | Provision for income taxes           | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                           | 0.00        | 0                              | 0.00                  | 0.00                               | 0.00       | 12 |
| 13       | Total operating expenses             | 50.00         | 0           | 50.00                          | 105.00                | (55.00)                        | 160.00      | 0                              | 160.00                | 2,464.91                           | (2,304.91) | 13 |
| 14       | Operating income (loss)              | (50.00)       | 0           | (50.00)                        | (105.00)              | 55.00                          | (160.00)    | 0                              | (160.00)              | (2,464.91)                         | 2,304.91   | 14 |
| 15       | Other income                         |               |             |                                |                       |                                |             |                                |                       |                                    |            |    |
| 15       | Merchandise                          | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                           | 0.00        | 0                              | 0.00                  | 0.00                               | 0.00       | 15 |
| 16       | Interest income                      | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                           | 0.00        | 0                              | 0.00                  | 0.00                               | 0.00       | 16 |
| 17       | Other nonoperating income            | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                           | 0.00        | 0                              | 0.00                  | 0.00                               | 0.00       | 17 |
| 18       | Total other income (loss)            | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                           | 0.00        | 0                              | 0.00                  | 0.00                               | 0.00       | 18 |
| 19       | Income (loss) before interest charge | (50.00)       | 0           | (50.00)                        | (105.00)              | 55.00                          | (160.00)    | 0                              | (160.00)              | (2,464.91)                         | 2,304.91   | 19 |
| 20       | Interest charges                     | 0.00          | 0           | 0.00                           | 0.00                  | 0.00                           | 0.00        | 0                              | 0.00                  | 0.00                               | 0.00       | 20 |
| 21       | Net income (loss)                    | (\$50.00)     | \$0         | (\$50.00)                      | (\$105.00)            | \$55.00                        | (\$160.00)  | \$0                            | (\$160.00)            | (\$2,464.91)                       | \$2,304.91 | 21 |

\* Atmos Energy Services budget not available.

ATMOS ENERGY CORPORATION  
COMBINING BALANCE SHEETS\*  
AS OF 02/28/98

| Line No.      | Description (a)   | ATMOS (b)        | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)    | Line No. |
|---------------|---|------------------|-------------------|--------------------------------|--------------------|----------|
| <b>ASSETS</b> |   |                  |                   |                                |                    |          |
| 1             | Property, plant and equipment                             |                  |                   |                                |                    | 1        |
| 2             | Utility plant   | \$741,301,808.69 | \$505,391,891.00  | \$0.00                         | \$1,246,693,699.69 | 2        |
| 3             | Nonutility plant  | 3,304,494.99     | 0.00              | 0.00                           | 3,304,494.99       | 3        |
| 4             | Construction work in progress                             | 59,794,562.42    | 4,233,261.00      | 0.00                           | 64,027,823.42      | 4        |
| 5             | Less accumulated depreciation and amortization            | 804,400,866.10   | 509,625,152.00    | 0.00                           | 1,314,026,018.10   | 5        |
| 6             | Net property, plant and equipment                         | 306,938,814.91   | 195,772,832.00    | 0.00                           | 502,711,646.91     | 6        |
| 7             | Investments in & advances to subsidiaries                 | 497,462,051.19   | 313,852,320.00    | 0.00                           | 811,314,371.19     | 7        |
| 8             | Current assets  | 3,900,881.01     | 4,452,327.00      | 0.00                           | 8,353,208.01       | 8        |
| 9             | Cash and temporary cash investments                       | (709,681.39)     | 1,703,096.00      | 0.00                           | 993,414.61         | 9        |
| 10            | Accounts receivable, less allowance for doubtful accounts | 75,167,998.61    | 57,097,075.00     | 0.00                           | 132,265,073.61     | 10       |
| 11            | Inventories   | 7,584,524.02     | 5,117,652.00      | 0.00                           | 12,702,176.02      | 11       |
| 12            | Gas stored underground                                    | 10,030,812.65    | 12,596,359.00     | 0.00                           | 22,627,171.65      | 12       |
| 13            | Other current assets                                      | 2,424,666.49     | 1,183,642.00      | 0.00                           | 3,608,308.49       | 13       |
| 14            | Intercompany accounts                                     | 56,015,097.92    | (45,974,044.00)   | 0.00                           | 10,041,053.92      | 14       |
| 15            | Total current assets                                      | 150,513,418.30   | 31,723,780.00     | 0.00                           | 182,237,198.30     | 15       |
| 16            | Deferred charges and other assets                         | 62,434,666.78    | 37,845,624.00     | 0.00                           | 100,280,290.78     | 16       |
|               | Total assets  | \$714,311,017.28 | \$387,874,051.00  | \$0.00                         | \$1,102,185,068.28 |          |

\*This balance sheet combines Energas, Trans La, Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.



ATMOS ENERGY CORPORATION  
COMBINING BALANCE SHEETS\*  
AS OF 02/28/98

| Line No.  | Description (a)                            | ATMOS (b)        | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)    | Line No. |
|---|--|------------------|-------------------|--------------------------------|--------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |  |                  |                   |                                |                    |          |
| Shareholders' equity                              |  |                  |                   |                                |                    |          |
| 1   | Common stock                               | \$83,097.60      | \$66,601.11       | \$0.00                         | \$149,698.71       | 1        |
| 2   | Common stock subscribed                    | 0.00             | 0.00              | 0.00                           | 0.00               | 2        |
| 3   | Additional paid-in capital                 | 126,330,778.38   | 132,664,593.89    | 0.00                           | 258,995,372.27     | 3        |
| 4   | Retained earnings                          | 55,982,080.60    | 24,139,011.00     | 0.00                           | 80,121,091.60      | 4        |
| 5   | Total shareholders' equity                 | 182,395,956.58   | 156,870,206.00    | 0.00                           | 339,266,162.58     | 5        |
| Long-term debt (including current maturities) (1) |  |                  |                   |                                |                    |          |
| 6   |  | 157,303,308.00   | 135,000,000.00    | 0.00                           | 292,303,308.00     | 6        |
| 7   | Total capitalization                       | 339,699,264.58   | 291,870,206.00    | 0.00                           | 631,569,470.58     | 7        |
| Current liabilities                               |  |                  |                   |                                |                    |          |
| 8   | Notes payable                              | 163,800,000.00   | 0.00              | 0.00                           | 163,800,000.00     | 8        |
| 9   | Accounts payable                           | 57,890,188.45    | 17,777,291.00     | 0.00                           | 75,667,479.45      | 9        |
| 10  | Accrued taxes                              | 5,246,338.25     | 5,640,892.00      | 0.00                           | 10,887,230.25      | 10       |
| 11  | Income taxes payable                       | 4,723,650.64     | 4,213,096.00      | 0.00                           | 8,936,746.64       | 11       |
| 12  | Dividends declared                         | 7,938,462.43     | 0.00              | 0.00                           | 7,938,462.43       | 12       |
| 13  | Customers' deposits                        | 8,197,415.85     | 5,659,001.00      | 0.00                           | 13,856,416.85      | 13       |
| 14  | Other current liabilities                  | 29,385,924.73    | 23,255,999.00     | 0.00                           | 52,641,923.73      | 14       |
| 15  | Intercompany accounts                      | 0.00             | 1,729,259.00      | 0.00                           | 1,729,259.00       | 15       |
| 16  | Total current liabilities                  | 277,181,980.35   | 58,275,538.00     | 0.00                           | 335,457,518.35     | 16       |
| 17  | Deferred federal income taxes              | 56,094,379.30    | 24,953,993.00     | 0.00                           | 81,048,372.30      | 17       |
| 18  | Deferred credits                           | 41,335,393.05    | 12,774,314.00     | 0.00                           | 54,109,707.05      | 18       |
| 19  | Total liabilities and shareholders' equity | \$714,311,017.28 | \$387,874,051.00  | \$0.00                         | \$1,102,185,068.28 | 19       |

\*This balance sheet combines Energas, Trans La, Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

ATMOS ENERGY CORPORATION  
 COMBINING STATEMENTS OF INCOME\*  
 FOR THE MONTH ENDED FEBRUARY 28, 1998

| Line No. | Description (a)                       | ATMOS (b)       | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e) | Line No. |
|----------|---------------------------------------|-----------------|-------------------|--------------------------------|-----------------|----------|
| 1        | Operating revenues                    |                 |                   |                                |                 | 1        |
| 2        | Gas                                   | \$42,641,207.72 | \$38,030,448.00   | \$0.00                         | \$80,671,655.72 | 2        |
| 3        | Transportation                        | 932,642.00      | 962,446.00        | 0.00                           | 1,895,088.00    | 3        |
|          | Other                                 | 0.00            | 0.00              | 0.00                           | 0.00            |          |
| 4        | Total operating revenues              | 43,573,849.72   | 38,992,894.00     | 0.00                           | 82,566,743.72   | 4        |
| 5        | Purchased gas cost                    | 20,537,043.47   | 23,352,175.00     | 0.00                           | 43,889,218.47   | 5        |
| 6        | Gross profit                          | 23,036,806.25   | 15,640,719.00     | 0.00                           | 38,677,525.25   | 6        |
| 7        | Operating expenses                    |                 |                   |                                |                 | 7        |
| 8        | Operation                             | 5,699,655.70    | 3,828,006.83      | 0.00                           | 9,527,662.53    | 8        |
| 9        | Maintenance                           | 234,681.69      | 375,067.00        | 0.00                           | 609,748.69      | 9        |
| 10       | Depreciation                          | 2,084,380.82    | 1,525,471.00      | 0.00                           | 3,609,851.82    | 10       |
| 11       | Taxes - other than income taxes       | 2,062,338.15    | 1,015,006.00      | 0.00                           | 3,077,344.15    | 11       |
|          | Provision for income taxes            | 4,412,000.00    | 3,043,376.60      | 0.00                           | 7,455,376.60    |          |
| 12       | Total operating expenses              | 14,493,056.36   | 9,786,927.43      | 0.00                           | 24,279,983.79   | 12       |
| 13       | Operating income (loss)               | 8,543,749.89    | 5,853,791.57      | 0.00                           | 14,397,541.46   | 13       |
| 14       | Other income                          |                 |                   |                                |                 | 14       |
| 15       | Merchandise                           | 56,293.82       | (5,326.00)        | 0.00                           | 50,967.82       | 15       |
| 16       | Interest income                       | 34,047.80       | 212,596.00        | 0.00                           | 246,643.80      | 16       |
|          | Other nonoperating income             | (18,752.84)     | 2,449.00          | 0.00                           | (16,303.84)     |          |
| 17       | Total other income (loss)             | 71,588.78       | 209,719.00        | 0.00                           | 281,307.78      | 17       |
| 18       | Income (loss) before interest charges | 8,615,338.67    | 6,063,510.57      | 0.00                           | 14,678,849.24   | 18       |
| 19       | Interest charges                      | 1,401,924.43    | 1,081,011.00      | 0.00                           | 2,482,935.43    | 19       |
| 20       | Net income (loss)                     | \$7,213,414.24  | \$4,982,499.57    | \$0.00                         | \$12,195,913.81 | 20       |

\*This statement of income combines Energas, Trans La., Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

ATMOS ENERGY CORPORATION  
COMBINING STATEMENTS OF INCOME\*  
FOR FIVE MONTHS ENDED FEBRUARY 28, 1998

| Line No. | Description (a)                       | ATMOS (b)        | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)  | Line No. |
|----------|---------------------------------------|------------------|-------------------|--------------------------------|------------------|----------|
| 1        | Operating revenues                    |                  |                   |                                |                  | 1        |
| 2        | Gas                                   | \$249,967,461.52 | 200,360,658.00    | \$0.00                         | \$450,328,119.52 | 2        |
| 3        | Transportation                        | 5,869,998.09     | 6,186,002.00      | 0.00                           | 12,056,000.09    | 3        |
|          | Other                                 | 0.00             | 0.00              | 0.00                           | 0.00             |          |
| 4        | Total operating revenues              | 255,837,459.61   | 206,546,660.00    | 0.00                           | 462,384,119.61   | 4        |
| 5        | Purchased gas cost                    | 156,867,638.92   | 130,952,797.00    | 0.00                           | 287,820,435.92   | 5        |
| 6        | Gross profit                          | 98,969,820.69    | 75,593,863.00     | 0.00                           | 174,563,683.69   | 6        |
|          | Operating expenses                    |                  |                   |                                |                  |          |
| 7        | Operation                             | 30,575,492.03    | 21,805,782.05     | 0.00                           | 52,381,274.08    | 7        |
| 8        | Maintenance                           | 1,296,780.21     | 2,247,683.00      | 0.00                           | 3,544,463.21     | 8        |
| 9        | Depreciation                          | 10,413,762.56    | 7,642,233.00      | 0.00                           | 18,055,995.56    | 9        |
| 10       | Taxes - other than income taxes       | 8,968,090.03     | 5,130,198.00      | 0.00                           | 14,098,288.03    | 10       |
| 11       | Provision for income taxes            | 14,614,000.00    | 12,790,903.75     | 0.00                           | 27,404,903.75    | 11       |
| 12       | Total operating expenses              | 65,968,124.83    | 49,616,799.80     | 0.00                           | 115,584,924.63   | 12       |
| 13       | Operating income (loss)               | 33,001,695.86    | 25,977,063.20     | 0.00                           | 58,978,759.06    | 13       |
|          | Other income                          |                  |                   |                                |                  |          |
| 14       | Merchandise                           | 173,391.31       | (50,942.00)       | 0.00                           | 122,449.31       | 14       |
| 15       | Interest income                       | 105,407.72       | 673,883.00        | 0.00                           | 779,290.72       | 15       |
| 16       | Other nonoperating income             | (125,560.64)     | (26,524.00)       | 0.00                           | (152,084.64)     | 16       |
| 17       | Total other income (loss)             | 153,238.39       | 596,417.00        | 0.00                           | 749,655.39       | 17       |
| 18       | Income (loss) before interest charges | 33,154,934.25    | 26,573,480.20     | 0.00                           | 59,728,414.45    | 18       |
| 19       | Interest charges                      | 9,290,479.48     | 5,458,983.00      | 0.00                           | 14,749,462.48    | 19       |
| 20       | Net income (loss)                     | \$23,864,454.77  | \$21,114,497.20   | \$0.00                         | \$44,978,951.97  | 20       |

\*This statement of income combines Energas, Trans La, Western Kentucky & Greedley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

**ATMOS ENERGY CORPORATION  
PROPERTY, PLANT AND EQUIPMENT  
AS OF FEBRUARY 28, 1998**

|  | Year to Date          |                     |                   |               |                       |
|--|-----------------------|---------------------|-------------------|---------------|-----------------------|
|  | Balance 9/30/97       | Additions           | Retirements       | Transfers     | Balance 02/28/98      |
| <b>GAS PLANT</b>                         |                       |                     |                   |               |                       |
| <b>Atmos</b>                             |                       |                     |                   |               |                       |
| Atmos General Office(2)                  | \$39,305,772.63       | \$0.00              | \$0.00            | \$655.12      | \$39,306,427.75       |
| Total Atmos                              | <u>39,305,772.63</u>  | <u>0.00</u>         | <u>0.00</u>       | <u>655.12</u> | <u>39,306,427.75</u>  |
| <b>Energas</b>                           |                       |                     |                   |               |                       |
| Amarillo Transmission Div.(1)            | 3,209,615.20          | 0.00                | 0.00              | 0.00          | 3,209,615.20          |
| Amarillo City Plant Dist. Div.(3)        | 48,276,563.22         | 335,056.77          | 0.00              | 0.00          | 48,611,619.99         |
| Fritch & Sanford City Pit. Dist. Div.(4) | 953,581.61            | 0.00                | 0.00              | 0.00          | 953,581.61            |
| West Texas City Plant Dist. Div.(5)      | 158,615,097.05        | 1,278,573.07        | 0.00              | 0.00          | 159,893,670.12        |
| Dalhart City Plant Dist. Div.(6)         | 2,108,641.38          | 0.00                | 0.00              | 0.00          | 2,108,641.38          |
| West Texas Rural Irrigation Div.(8)      | 23,269,273.27         | 0.00                | 0.00              | 0.00          | 23,269,273.27         |
| Energas General Office(10)               | 2,437,569.38          | 0.00                | 0.00              | 0.00          | 2,437,569.38          |
| Fain-Amarillo Creek Transmission(11)     | 71,230.00             | 0.00                | 0.00              | 0.00          | 71,230.00             |
| Amarillo Rural Dist. Div.(13)            | 371,855.76            | 0.00                | 0.00              | 0.00          | 371,855.76            |
| Dalhart Rural Dist. Div.(17)             | 61,651.11             | 0.00                | 0.00              | 0.00          | 61,651.11             |
| Dalhart Rural Irrigation Div.(18)        | 333,690.52            | 0.00                | 0.00              | 0.00          | 333,690.52            |
| West Texas Rural Dist. Div.(21)          | 11,127,951.62         | 0.00                | 0.00              | 0.00          | 11,127,951.62         |
| Meter Shop Facilities & Meters(22)       | 0.00                  | 0.00                | 0.00              | 0.00          | 0.00                  |
| Total Energas                            | <u>250,836,720.12</u> | <u>1,613,629.84</u> | <u>0.00</u>       | <u>0.00</u>   | <u>252,450,349.96</u> |
| <b>Trans La</b>                          |                       |                     |                   |               |                       |
| Trans La Dist. Div.(7)                   | 111,390,280.93        | 783,887.98          | 156,731.48        | 0.00          | 112,017,437.43        |
| Total Trans La                           | <u>111,390,280.93</u> | <u>783,887.98</u>   | <u>156,731.48</u> | <u>0.00</u>   | <u>112,017,437.43</u> |
| <b>Western Kentucky Gas</b>              |                       |                     |                   |               |                       |
| Western Kentucky Gas Div.(9)             | 189,388,594.45        | 2,138,250.79        | 0.00              | 0.00          | 191,526,845.24        |
| Total Western Kentucky Gas               | <u>189,388,594.45</u> | <u>2,138,250.79</u> | <u>0.00</u>       | <u>0.00</u>   | <u>191,526,845.24</u> |

ATMOS ENERGY CORPO ATION  
PROPERTY, PLANT AND EQUIPMENT  
AS OF FEBRUARY 28, 1998

|                                    | Year to Date              |                       |                     |                      |                           |
|------------------------------------|---------------------------|-----------------------|---------------------|----------------------|---------------------------|
|                                    | Balance 9/30/97           | Additions             | Retirements         | Transfers            | Balance 02/28/98          |
| <b>GAS PLANT</b>                   |                           |                       |                     |                      |                           |
| <b>Greeley</b>                     |                           |                       |                     |                      |                           |
| Meter Shop Facilities & Meters(24) | \$11,380,596.90           | \$0.00                | \$0.00              | \$0.00               | \$11,380,596.90           |
| Missouri Dist. Div.(29)            | 690,434.01                | 9,621.50              | 418.56              | 0.00                 | 699,636.95                |
| Denver Company Office(30)          | 1,797,536.72              | 0.00                  | 0.00                | 0.00                 | 1,797,536.72              |
| Greeley Dist. Div.(33)             | 23,770,593.23             | 1,077,650.65          | 34,411.62           | 0.00                 | 24,813,832.26             |
| Northwest Colorado Dist. Div.(34)  | 17,345,814.60             | 4,879.86              | 2,734.36            | 0.00                 | 17,347,960.10             |
| Fremont County Dist. Div.(35)      | 23,294,862.37             | 11,805.15             | 46.86               | 0.00                 | 23,306,620.66             |
| Durango Dist. Div.(36)             | 15,387,957.07             | 14,551.75             | 0.00                | 0.00                 | 15,402,508.82             |
| Central Colorado Dist. Div.(37)    | 0.00                      | 0.00                  | 0.00                | 0.00                 | 0.00                      |
| Cortez Dist. Div.(38)              | 0.00                      | 0.00                  | 0.00                | 0.00                 | 0.00                      |
| Southeast Colorado Dist. Div.(39)  | 0.00                      | 0.00                  | 0.00                | 0.00                 | 0.00                      |
| Kaw Valley Dist. Div.(82)          | 14,012,329.00             | 351,646.29            | 39,490.23           | 0.00                 | 14,324,485.06             |
| Central Kansas Dist. Div.(83)      | 8,127,974.64              | 0.00                  | 0.00                | 0.00                 | 8,127,974.64              |
| Cane Dist. Div.(84)                | 5,305,815.42              | 0.00                  | 0.00                | 0.00                 | 5,305,815.42              |
| Eastern Kansas Dist. Div.(85)      | 3,667,121.03              | 5,533.91              | 14,536.25           | 0.00                 | 3,658,118.69              |
| Southwest Kansas Dist. Div.(86)    | 13,003,584.57             | 0.00                  | 0.00                | 0.00                 | 13,003,584.57             |
| <b>Total Greeley Gas</b>           | <b>137,784,619.56</b>     | <b>1,475,689.11</b>   | <b>91,637.88</b>    | <b>0.00</b>          | <b>139,168,670.79</b>     |
| <b>United Cities</b>               |                           |                       |                     |                      |                           |
| United Cities Dist. Divisions      | 495,033,830.05            | 3,454,721.52          | 357,785.76          | (22,162.29)          | 498,108,603.52            |
| <b>Total United Cities Gas</b>     | <b>495,033,830.05</b>     | <b>3,454,721.52</b>   | <b>357,785.76</b>   | <b>(22,162.29)</b>   | <b>498,108,603.52</b>     |
| <b>Total Gas Plant</b>             | <b>\$1,223,739,817.74</b> | <b>\$9,466,179.24</b> | <b>\$606,155.12</b> | <b>(\$21,507.17)</b> | <b>\$1,232,578,334.69</b> |

**ATMOS ENERGY CORPORATION  
PROPERTY, PLANT AND EQUIPMENT  
AS OF FEBRUARY 28, 1998**

|   | Year to Date       |                 |                |                |                    |
|---|--------------------|-----------------|----------------|----------------|--------------------|
|   | Balance 9/30/97    | Additions       | Retirements    | Transfers      | Balance 02/28/98   |
| <b>OTHER GAS PLANT &amp;<br/>NON-UTILITY PROPERTY</b> |                    |                 |                |                |                    |
| Atmos   |                    |                 |                |                |                    |
| Atmos General Office                                  |                    |                 |                |                |                    |
| Construction Work In Progress                         | \$31,465,556.99    | \$18,363,317.61 | \$0.00         | \$0.00         | \$49,828,874.60    |
| Non-utility Plant                                     | 1,132,200.02       | 1,185,831.60    | 460,023.56     | 0.00           | 1,858,008.06       |
| Total Atmos   | 32,597,757.01      | 19,549,149.21   | 460,023.56     | 0.00           | 51,686,882.66      |
| Energas   |                    |                 |                |                |                    |
| Construction Work In Progress                         | 1,379,247.81       | 2,962,219.51    | 0.00           | 0.00           | 4,341,467.32       |
| Non-utility Plant                                     | 517,520.24         | 0.00            | 0.00           | 0.00           | 517,520.24         |
| Total Energas   | 1,896,768.05       | 2,962,219.51    | 0.00           | 0.00           | 4,858,987.56       |
| Trans La  |                    |                 |                |                |                    |
| Construction Work In Progress                         | 340,764.90         | 1,486,664.95    | 0.00           | 0.00           | 1,827,429.85       |
| Acquisition Adj. - Trans La                           | 2,048,887.47       | 0.00            | 0.00           | 0.00           | 2,048,887.47       |
| Non-utility Plant                                     | 215,890.91         | 0.00            | 0.00           | 0.00           | 215,890.91         |
| Total Trans La  | 2,605,543.28       | 1,486,664.95    | 0.00           | 0.00           | 4,092,208.23       |
| Western Kentucky Gas                                  |                    |                 |                |                |                    |
| Construction Work In Progress                         | 779,599.09         | 2,501,883.45    | 0.00           | 0.00           | 3,281,482.54       |
| Acquisition Adj. - W.K.G.                             | 3,336,783.64       | 0.00            | 0.00           | 0.00           | 3,336,783.64       |
| Total Western Kentucky Gas                            | 4,116,382.73       | 2,501,883.45    | 0.00           | 0.00           | 6,618,266.18       |
| Greeley   |                    |                 |                |                |                    |
| Construction Work In Progress                         | (1,956,742.97)     | 2,472,051.08    | 0.00           | 0.00           | 515,308.11         |
| Acquisition Adj. - G.G.C. Prior                       | 1,446,406.41       | 0.00            | 0.00           | 0.00           | 1,446,406.41       |
| Non-utility Plant                                     | 713,075.78         | 0.00            | 0.00           | 0.00           | 713,075.78         |
| Total Greeley Gas                                     | 202,739.22         | 2,472,051.08    | 0.00           | 0.00           | 2,674,790.30       |
| United Cities   |                    |                 |                |                |                    |
| Construction Work In Progress                         | 631,379.28         | 4,133,567.13    | 0.00           | (531,685.41)   | 4,233,261.00       |
| Acquisition Adj. - U.C.G.C. - Prior                   | 7,283,287.48       | 0.00            | 0.00           | 0.00           | 7,283,287.48       |
| Total United Cities Gas                               | 7,914,666.76       | 4,133,567.13    | 0.00           | (531,685.41)   | 11,516,548.48      |
| Total Other Gas Pit & Non-utility Prop                | 49,333,857.05      | 33,105,535.33   | 460,023.56     | (531,685.41)   | 81,447,683.41      |
| Total Property, Pit. and Equipment                    | \$1,273,073,674.79 | \$42,571,714.57 | \$1,066,178.68 | (\$553,192.58) | \$1,314,026,018.10 |

**ATMOS ENERGY CORPORATION**  
**ACCUMULATED PROVISION**  
**FOR DEPRECIATION AND AMORTIZATION**  
**AS OF FEBRUARY 28, 1998**

|  | Year to Date    |              |                | Balance 02/28/98 |
|--|-----------------|--------------|----------------|------------------|
|  | Balance 9/30/97 | Provision    | Adjustment     |                  |
| <b>GAS PLANT</b>                         |                 |              |                |                  |
| Atmos                                    |                 |              |                |                  |
| Retirement work in progress              | \$4,900.00      | \$0.00       | \$0.00         | \$4,900.00       |
| Atmos General Office(2)                  | 15,625,575.32   | 1,172,625.62 | (200.00)       | 16,798,000.94    |
| Total accum. prov. for depr. - Atmos     | 15,630,475.32   | 1,172,625.62 | (200.00)       | 16,802,900.94    |
| Energas                                  |                 |              |                |                  |
| Retirement work in progress              | 28,638.26       | 0.00         | (75,409.76)    | (46,771.50)      |
| Amarillo Transmission Div.(1)            | 2,302,858.65    | 28,820.60    | 0.00           | 2,331,679.25     |
| Amarillo City Plant Dist. Div.(3)        | 18,510,022.40   | 564,732.25   | 0.00           | 19,074,754.65    |
| Fritch & Sauford City Plt. Dist. Div.(4) | 384,725.27      | 9,044.75     | 0.00           | 393,770.02       |
| West Texas City Plant Dist. Div.(5)      | 61,038,208.57   | 2,291,724.65 | 0.00           | 63,329,933.22    |
| Dalhart City Plant Dist. Div.(6)         | 999,800.33      | 30,095.75    | 0.00           | 1,029,896.08     |
| West Texas Rural Irrigation Div.(8)      | 9,943,565.84    | 205,239.12   | 0.00           | 10,148,804.96    |
| Energas General Office(10)               | 1,135,624.24    | 156,474.95   | 0.00           | 1,292,099.19     |
| Fain-Amarillo Creek Transmission(11)     | 71,230.00       | 0.00         | 0.00           | 71,230.00        |
| Amarillo Rural Dist. Div.(13)            | 154,218.32      | 3,560.82     | 0.00           | 157,779.14       |
| Dalhart Rural Dist. Div.(17)             | 53,743.97       | 704.10       | 0.00           | 54,448.07        |
| Dalhart Rural Irrigation Div.(18)        | 262,696.11      | 4,260.05     | 0.00           | 266,956.16       |
| West Texas Rural Dist. Div.(21)          | 3,139,533.57    | 121,456.60   | 0.00           | 3,260,990.17     |
| Total accum. prov. for depr. - Energas   | 98,024,865.53   | 3,416,113.64 | (75,409.76)    | 101,365,569.41   |
| Trans La(7)                              |                 |              |                |                  |
| Retirement work in progress              | 0.00            | 0.00         | (12,276.05)    | (12,276.05)      |
| Trans La Dist. Div.                      | 31,633,759.74   | 1,767,902.09 | (222,950.25) * | 33,178,711.58    |
| Total accum. prov. for depr. - Trans La  | 31,633,759.74   | 1,767,902.09 | (235,226.30)   | 33,166,435.53    |
| Western Kentucky Gas(9)                  |                 |              |                |                  |
| Retirement work in progress              | (938.81)        | 0.00         | (12,421.34)    | (13,360.15)      |
| Western Kentucky Gas Div.                | 85,835,926.91   | 2,837,228.13 | 0.00           | 88,673,155.04    |
| Total accum. prov. for depr. - WKG       | 85,834,988.10   | 2,837,228.13 | (12,421.34)    | 88,659,794.89    |

ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF FEBRUARY 28, 1998

|   | Year to Date            |                        |                       |                         |
|---|-------------------------|------------------------|-----------------------|-------------------------|
|   | Balance 9/30/97         | Provision              | Adjustment            | Balance 02/28/98        |
| <b>GAS PLANT</b>  |                         |                        |                       |                         |
| Greeley   |                         |                        |                       |                         |
| Retirement work in progress                                 | \$10,580.22             | \$0.00                 | \$2,102.30            | \$12,682.52             |
| Meter Shop Facilities & Meters(24)                          | 1,863,396.75            | 167,181.36             | 0.00                  | 2,030,578.11            |
| Missouri Dist. Div.(29)                                     | 171,052.82              | 7,466.07               | 1,042.89              | 179,561.78              |
| Denver Company Office(30)                                   | 445,376.43              | 92,535.67              | 23,133.91             | 561,046.01              |
| Greeley Dist. Div.(33)                                      | 8,401,512.44            | 318,169.65             | 28,103.62             | 8,747,785.71            |
| Northwest Colorado Dist. Div.(34)                           | 5,398,662.61            | 231,337.85             | 54,446.84             | 5,684,447.30            |
| Fremont County Dist. Div.(35)                               | 13,159,784.27           | 341,429.34             | 84,361.66             | 13,585,575.27           |
| Durango Dist. Div.(36)                                      | 5,489,406.90            | 206,612.52             | 52,128.13             | 5,748,147.55            |
| Central Colorado Dist. Div.(37)                             | 0.00                    | 0.00                   | 0.00                  | 0.00                    |
| Cortez Dist. Div.(38)                                       | 0.00                    | 0.00                   | 0.00                  | 0.00                    |
| Southeast Colorado Dist. Div.(39)                           | 0.00                    | 0.00                   | 0.00                  | 0.00                    |
| Kaw Valley Dist. Div.(82)                                   | 3,793,572.47            | 177,233.45             | (16,883.66)           | 3,953,922.26            |
| Central Kansas Dist. Div.(83)                               | 3,116,646.02            | 107,213.34             | 26,879.25             | 3,250,738.61            |
| Cane Dist. Div.(84)   | 2,616,430.15            | 68,046.99              | 17,066.03             | 2,701,543.17            |
| Eastern Kansas Dist. Div.(85)                               | 879,665.10              | 48,353.03              | 1,347.07              | 929,365.20              |
| Southwest Kansas Dist. Div.(86)                             | 7,430,702.63            | 176,454.80             | 44,164.12             | 7,651,321.55            |
| Total accum. prov. for depr. - GGC                          | 52,776,788.81           | 1,942,034.07           | 317,892.16            | 55,036,715.04           |
| United Cities   |                         |                        |                       |                         |
| Retirement work in progress                                 | (\$6,748.17)            | \$0.00                 | \$316,791.17          | \$310,043.00            |
| United Cities Dist. Divisions                               | 184,836,303.91          | 4,766,748.29           | 0.00                  | 189,603,052.20          |
| Total United Cities Gas                                     | 184,829,555.74          | 4,766,748.29           | 316,791.17            | 189,913,095.20          |
| <b>Total accumulated prov. for depreciation.- Gas Plant</b> | <b>\$468,730,433.24</b> | <b>\$15,902,651.84</b> | <b>\$311,425.93 *</b> | <b>\$484,944,511.01</b> |



**ATMOS ENERGY CORPORATION**  
**ACCUMULATED PROVISION**  
**FOR DEPRECIATION AND AMORTIZATION**  
**AS OF FEBRUARY 28, 1998**

|  | Year to Date    |                |                  |
|--|-----------------|----------------|------------------|
|  | Balance 9/30/97 | Provision      | Adjustment       |
| <b>OTHER GAS PLANT IN SERVICE</b>                                    |                 |                | Balance 02/28/98 |
| Atmos  |                 |                |                  |
| Atmos General Office Division(2)                                     | \$829,702.44    | \$186,767.20   | \$1,016,469.64   |
| Total Atmos  | 829,702.44      | 186,767.20     | 1,016,469.64     |
| Energas  |                 |                |                  |
| Amarillo City Plant Dist. Div.(3)                                    | 158,220.56      | 17,346.15      | 175,566.71       |
| Fritch & Sanford City Plant Dist. Div.(4)                            | 5,916.44        | (14.75)        | 5,901.69         |
| West Texas City Plant Dist. Div.(5)                                  | 1,091,563.86    | 71,577.69      | 1,163,141.55     |
| Dalhart Div.(6)  | 7,189.97        | 927.85         | 8,117.82         |
| West Texas Irrigation Div.(8)  | 7,091.04        | 379.70         | 7,470.74         |
| Energas General Office(10)   | 1,875.32        | 876.75         | 2,752.07         |
| Amarillo Rural Div.(13)  | 516.26          | 45.65          | 561.91           |
| Dalhart Irrigation Div.(18)  | 311.30          | 22.75          | 334.05           |
| West Texas Rural Div.(21)  | 31,889.52       | 2,631.85       | 34,521.37        |
| Total Energas  | 1,304,574.27    | 93,793.64      | 1,398,367.91     |
| Trans La   |                 |                |                  |
| Trans La Distribution Division(7)                                    | 220,015.31      | 79,450.26      | 299,465.57       |
| Total Trans La   | 220,015.31      | 79,450.26      | 299,465.57       |
| Western Kentucky Gas   |                 |                |                  |
| Western Kentucky Gas Division(9)                                     | 564,100.18      | 0.00           | 564,100.18       |
| Total WKG  | 564,100.18      | 0.00           | 564,100.18       |
| Greeley  |                 |                |                  |
| Greeley Dist. Div.(33)   | 60,232.62       | 0.00           | 60,232.62        |
| Northwest Colorado Dist. Div.(34)                                    | 66,924.56       | 0.00           | 66,924.56        |
| Fremont County Dist. Div.(35)  | 94,718.87       | 0.00           | 94,718.87        |
| Durango Dist. Div.(36)   | 23,493.78       | 0.00           | 23,493.78        |
| Central Colorado Dist. Div.(37)                                      | 0.00            | 0.00           | 0.00             |
| Cortez Dist. Div.(38)  | 0.00            | 0.00           | 0.00             |
| Southeast Colorado Dist. Div.(39)                                    | 0.00            | 0.00           | 0.00             |
| Kaw Valley Dist. Div.(82)  | 84,791.05       | 347.33         | 85,138.38        |
| Central Kansas Dist. Div.(83)  | 10,901.94       | 0.00           | 10,901.94        |
| Cane Dist. Div.(84)  | 3,106.06        | 237.35         | 3,343.41         |
| Southwest Kansas(86)   | 88.02           | 73.32          | 161.34           |
| Total Greeley Gas  | 344,256.90      | 658.00         | 344,914.90       |
| United Cities  |                 |                |                  |
| United Cities Dist. Divisions  | 1,022,940.53    | 3,238,584.47   | 4,261,525.00     |
| Total United Cities Gas  | 1,022,940.53    | 3,238,584.47   | 4,261,525.00     |
| Total accumulated provision for amort. of other gas plant in service | \$4,285,589.63  | \$3,599,253.57 | \$7,884,843.20   |

**ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF FEBRUARY 28, 1998**

|   | Year to Date            |                        |                     |                         |
|---|-------------------------|------------------------|---------------------|-------------------------|
|   | Balance 9/30/97         | Provision              | Adjustment          | Balance 02/28/98        |
| <b>NON-UTILITY PLANT IN SERVICE (CNG)</b>                                     |                         |                        |                     |                         |
| Texas   |                         |                        |                     |                         |
| Energas   | \$284,635.61            | \$21,563.30            | \$0.00              | \$306,198.91            |
| Total Texas   | 284,635.61              | 21,563.30              | 0.00                | 306,198.91              |
| Louisiana   |                         |                        |                     |                         |
| Trans La  | 118,740.55              | 8,995.50               | 0.00                | 127,736.05              |
| Total Louisiana   | 118,740.55              | 8,995.50               | 0.00                | 127,736.05              |
| Greeley   |                         |                        |                     |                         |
| Greeley Gas   | 434,287.68              | 19,823.50              | 0.00                | 454,111.18              |
| Total Greeley Gas   | 434,287.68              | 19,823.50              | 0.00                | 454,111.18              |
| Total accumulated provision for amort.<br>of non-utility plant in service     | <u>837,663.84</u>       | <u>50,382.30</u>       | <u>0.00</u>         | <u>888,046.14</u>       |
| <b>UTILITY PLANT ACQUISITION ADJUSTMENT</b>                                   |                         |                        |                     |                         |
| Louisiana   |                         |                        |                     |                         |
| Trans La  | 3,762,016.75            | (75,959.15)            | 0.00                | 3,686,057.60            |
| Total Louisiana   | 3,762,016.75            | (75,959.15)            | 0.00                | 3,686,057.60            |
| Kentucky  |                         |                        |                     |                         |
| W.K.G.  | 2,277,713.90            | 85,408.85              | 0.00                | 2,363,122.75            |
| Total Kentucky  | 2,277,713.90            | 85,408.85              | 0.00                | 2,363,122.75            |
| Greeley   |                         |                        |                     |                         |
| G.G.C.  | 1,341,129.41            | 5,725.00               | 0.00                | 1,346,854.41            |
| Total Greeley Gas   | 1,341,129.41            | 5,725.00               | 0.00                | 1,346,854.41            |
| United Cities   |                         |                        |                     |                         |
| Acquisition Adj. - U.C.G.C. Prior   | 1,528,772.50            | 69,439.30              | 0.00                | 1,598,211.80            |
| Total United Cities Gas   | 1,528,772.50            | 69,439.30              | 0.00                | 1,598,211.80            |
| Total Accumulated Prov. for Amort. of Utility Plant<br>Acquisition Adjustment | <u>8,909,632.56</u>     | <u>84,614.00</u>       | <u>0.00</u>         | <u>8,994,246.56</u>     |
| Total accumulated provision for depreciation<br>& amortization                | <u>\$482,763,319.27</u> | <u>\$19,636,901.71</u> | <u>\$311,425.93</u> | <u>\$502,711,646.91</u> |

|  |                        |
|--|------------------------|
| Total Depreciation Provision as per Balance Sheet            | \$19,636,901.71        |
| Less: Depreciation Provision charged to other accounts       | 9,172,756.85           |
| Less: Depreciation Provision charged to other accounts (CNG) | <u>50,382.30</u>       |
| Total Depreciation Expense as per Income Statement           | <u>\$10,413,762.56</u> |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF FEBRUARY 28

03/26/98  
07:04 PM

Reference

| Page No. | Line No. | Acct. No. | Description   | 1998           | 1997           | As of September 30, 1997 |
|----------|----------|-----------|---|----------------|----------------|--------------------------|
|          |          |           | <b>NET PROPERTY, PLANT, AND EQUIPMENT</b>                           |                |                |                          |
|          |          |           | Atmos - Net Property, Plant and Equipment                           | 497,462,051.19 | 427,047,131.46 | 474,743,400.28           |
|          |          |           | United Cities Gas - Net Property Plant and Equipment                | 313,853,320.00 | 303,362,584.00 | 314,590,548.00           |
|          |          |           | Total Net Property, Plant and Equipment                             | 811,314,371.19 | 730,409,715.46 | 789,333,948.28           |
| 59       | 6        |           |   |                |                |                          |
|          |          |           | <b>INVESTMENTS IN &amp; ADVANCES TO SUBSIDIARIES</b>                |                |                |                          |
|          |          |           | 1230 Investments In Associated Companies                            |                |                |                          |
|          |          |           | Atmos Energy Services, Inc.   | 1,000.00       | 1,000.00       | 1,000.00                 |
|          |          |           | Egasco, Inc.  | 1,000.00       | 1,000.00       | 1,000.00                 |
|          |          |           | Enermart, Inc.  | 1,000.00       | 1,000.00       | 1,000.00                 |
|          |          |           | Trans La Industrial Gas Company, Inc.                               | 2,293,047.89   | 2,293,047.89   | 2,293,047.89             |
|          |          |           | Western Kentucky Gas Resources                                      | 1,604,833.12   | 1,604,833.12   | 1,604,833.12             |
|          |          |           | Atmos - Total Investments in & Advances to Subsidiaries             | 3,900,881.01   | 3,900,881.01   | 3,900,881.01             |
|          |          |           | United Cities Gas - Total Investments in & Advances to Subsidiaries | 4,452,327.00   | 4,452,327.00   | 4,452,327.00             |
|          |          |           | Total Investments in & Advances to Subsidiaries                     | 8,353,208.01   | 8,353,208.01   | 8,353,208.01             |
| 59       | 7        |           |   |                |                |                          |
|          |          |           | <b>CASH AND TEMPORARY CASH INVESTMENTS</b>                          |                |                |                          |
|          |          |           | 1310 Cash in Banks  |                |                |                          |
|          |          |           | Cash - ACIS Refund  | (75,314.50)    | (48,391.55)    | (116,646.66)             |
|          |          |           | Cash - Auxiliary Accounts   | 279,362.73     | 1,691,329.48   | 540,950.76               |
|          |          |           | Cash - Concentration Account - ANB - 523                            | (3,619,889.40) | (2,635,403.63) | (2,639,517.39)           |
|          |          |           | Cash - Concentration Account - Nations Bank                         | 2,564,640.61   | 3,400,782.85   | 1,267,873.91             |
|          |          |           | Cash - Customer Refund  | (106,544.11)   | (109,226.39)   | (78,087.66)              |
|          |          |           | Cash - Other  | 28,736.93      | 29,434.52      | 29,112.43                |
|          |          |           | Cash - Fleet Bank   | 178,372.00     | 178,372.00     | 178,372.00               |
|          |          |           | Total Cash in Banks   | (750,635.74)   | 2,486,897.28   | (817,942.61)             |
|          |          |           | 1350 Working Funds  | 40,954.35      | 62,065.00      | 52,355.00                |
|          |          |           | 1360 Temporary Cash Investments                                     | 0.00           | 0.00           | 3,000,000.00             |
|          |          |           | Atmos - Total Cash and Temporary Cash Investments                   | (709,681.39)   | 2,548,962.28   | 2,234,412.39             |
|          |          |           | United Cities Gas - Total Cash and Temporary Cash Investments       | 1,703,096.00   | 5,741,873.00   | 487,507.00               |
|          |          |           | Total Cash and Temporary Cash Investments                           | 993,414.61     | 8,290,835.28   | 2,721,919.39             |
| 59       | 8        |           |   |                |                |                          |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF FEBRUARY 28

03/26/98  
02:04 PM

Reference

| Page No.                                  | Line No. | Acct. No. | Description                    | Due Dates | 1998      | 1997      | As of September 30, 1997 |
|---|----------|-----------|--------------------------------|-----------|-----------|-----------|--------------------------|
| <b>ACCOUNTS RECEIVABLE LESS ALLOWANCE</b> |          |           |                                |           |           |           |                          |
| <b>FOR INDEBTED ACCOUNTS</b>              |          |           |                                |           |           |           |                          |
| 1410 Notes Receivable                     |          |           |                                |           |           |           |                          |
| (Main Extension Notes)                    |          |           |                                |           |           |           |                          |
|   |          |           | Tom King & Dr. Thomas Fields   | 09-26-97  | 2,680.00  | 2,680.00  | 2,680.00                 |
|   |          |           | Bowers, Michael and Mellia     | 03-19-98  | 1,785.00  | 1,785.00  | 1,785.00                 |
|   |          |           | Hayes Estates                  | 03-31-98  | 39.02     | 301.00    | 154.20                   |
|   |          |           | Murphy and Rochester, Inc.     | 09-01-98  | 16,510.00 | 16,510.00 | 16,510.00                |
|   |          |           | Ida Road                       | 09-23-99  | 230.00    | 230.00    | 230.00                   |
|   |          |           | The Gardens Subdivision        | 05-11-02  | 1,060.00  | 1,060.00  | 1,060.00                 |
|   |          |           | Dwight W. Andrus, Jr.          | 10-28-02  | 0.00      | 4,480.00  | 4,480.00                 |
|   |          |           | Regency Development Co.        | 03-25-03  | 0.00      | 3,156.00  | 3,156.00                 |
|   |          |           | Herbert Construction Co., Inc. | 04-22-03  | 8,240.00  | 8,240.00  | 8,240.00                 |
|   |          |           | Oak Park Inc.                  | 07-26-03  | 0.00      | 1,630.00  | 1,630.00                 |
|   |          |           | Charles Bourgeois              | 08-29-03  | 1,470.00  | 1,470.00  | 1,470.00                 |
|   |          |           | Meyers, Tom                    | 09-01-03  | 462.00    | 462.00    | 462.00                   |
|   |          |           | Bailes, Julian                 | 09-06-03  | 1,318.00  | 1,318.00  | 1,318.00                 |
|   |          |           | Dupuis, Jason                  | 10-05-03  | 3,439.00  | 3,439.00  | 3,439.00                 |
|   |          |           | Chitimacha Tribe of LA         | 11-29-03  | 4,415.00  | 4,415.00  | 4,415.00                 |
|   |          |           | Bell Meade Sub-Division        | 02-05-04  | 1,170.00  | 1,170.00  | 1,170.00                 |
|   |          |           | River Ridge Estates            | 04-02-04  | 1,933.00  | 1,933.00  | 1,933.00                 |
|   |          |           | Austin Village Phase II        | 04-25-04  | 0.00      | 11,360.00 | 11,360.00                |
|   |          |           | Vermillion Bluff               | 04-25-04  | 2,680.00  | 2,680.00  | 2,680.00                 |
|   |          |           | Fernwood Sub. Ph VIII          | 05-05-04  | 0.00      | 3,210.00  | 3,210.00                 |
|   |          |           | Patin Place Subdivision        | 06-29-04  | 4,260.00  | 4,260.00  | 4,260.00                 |
|   |          |           | Oak Place Subdivision          | 09-25-04  | 9,010.00  | 9,010.00  | 9,010.00                 |
|   |          |           | Shenadoah Estates Ph VIII      | 11-07-04  | 7,970.00  | 7,970.00  | 7,970.00                 |
|   |          |           | Chinquapin Acres Ext. #1       | 01-13-05  | 2,228.00  | 2,228.00  | 2,228.00                 |
|   |          |           | Cambridge Drive Ext.           | 02-16-05  | 5,250.00  | 5,250.00  | 5,250.00                 |
|   |          |           | Beaulieu Estates               | 03-09-05  | 9,557.00  | 9,557.00  | 9,557.00                 |
|   |          |           | Sugar Ridge                    | 03-17-05  | 6,750.00  | 6,750.00  | 6,750.00                 |
|   |          |           | Silver Maple                   | 03-30-05  | 5,909.00  | 5,909.00  | 5,909.00                 |
|   |          |           | Albern Acres                   | 05-02-05  | 990.00    | 990.00    | 990.00                   |
|   |          |           | Bayou Bend                     | 06-13-05  | 1,620.00  | 2,985.00  | 1,620.00                 |
|   |          |           | Ingrams Subdivision            | 07-18-05  | 8,715.00  | 8,715.00  | 8,715.00                 |
|   |          |           | Magnolia Landing Ext.          | 07-26-05  | 15,041.00 | 15,041.00 | 15,041.00                |
|   |          |           | Hideaway Acres #2 Ext.         | 07-28-05  | 475.00    | 475.00    | 475.00                   |
|   |          |           | Pin Oak Estates                | 09-08-05  | 5,681.00  | 5,681.00  | 5,681.00                 |
|   |          |           | Austin Village III             | 10-02-05  | 0.00      | 8,970.00  | 8,970.00                 |
|   |          |           | Fernwood Phase IV              | 10-12-05  | 0.00      | 4,675.00  | 4,675.00                 |
|   |          |           | Broussard Park Est., Phase #5  | 11-28-05  | 8,695.00  | 8,695.00  | 8,695.00                 |
|   |          |           | Summerfield Subdivision        | 01-15-06  | 7,500.00  | 7,500.00  | 7,500.00                 |
|   |          |           | Bear Creek Subdivision         | 03-19-06  | 8,030.00  | 8,030.00  | 8,030.00                 |
|   |          |           | Acadiana Plaza Subdivision     | 04-10-06  | 7,900.00  | 7,900.00  | 7,900.00                 |
|   |          |           | Summerset Place                | 04-24-06  | 2,640.00  | 2,640.00  | 2,640.00                 |
|   |          |           | Woodridge Subdivision Phase I  | 04-26-06  | 4,125.00  | 4,125.00  | 4,125.00                 |
|   |          |           | Kings Pointe Development       | 05-06-06  | 0.00      | 5,325.00  | 5,325.00                 |
|   |          |           | Austin Village Phase 4         | 05-06-06  | 8,990.00  | 8,990.00  | 8,990.00                 |
|   |          |           | New Center Commons             | 06-05-06  | 0.00      | 4,745.00  | 4,745.00                 |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF FEBRUARY 28

03/26/98  
02:04 PM

| Reference |     | Page |     | Line |     | Act. |     | Description |                                      | 1998       | 1997       | As of<br>September 30,<br>1997 |
|-----------|-----|------|-----|------|-----|------|-----|-------------|--------------------------------------|------------|------------|--------------------------------|
| No.       | No. | No.  | No. | No.  | No. | No.  | No. |             |                                      |            |            |                                |
|           |     |      |     |      |     |      |     | 07-10-06    | Beallieu Estates Subd. #1            | 5,970.00   | 5,970.00   | 5,970.00                       |
|           |     |      |     |      |     |      |     | 07-10-06    | Beallieu Estates Subd. #2            | 4,465.00   | 4,465.00   | 4,465.00                       |
|           |     |      |     |      |     |      |     | 07-11-06    | Enclave Development                  | 1,810.00   | 1,810.00   | 1,810.00                       |
|           |     |      |     |      |     |      |     | 07-18-06    | Ozere Road                           | 3,520.00   | 3,520.00   | 3,520.00                       |
|           |     |      |     |      |     |      |     | 07-31-06    | Sugarland Estates Phase A            | 4,130.00   | 4,130.00   | 4,130.00                       |
|           |     |      |     |      |     |      |     | 08-05-06    | The Oaks Subdivision                 | 8,900.00   | 8,900.00   | 8,900.00                       |
|           |     |      |     |      |     |      |     | 10-14-06    | Acadian Place Estates                | 1,907.00   | 1,907.00   | 1,907.00                       |
|           |     |      |     |      |     |      |     | 10-14-06    | St. Clair V Subdivision              | 10,044.00  | 10,044.00  | 10,044.00                      |
|           |     |      |     |      |     |      |     | 10-14-06    | Jean Chair Subdivision               | 8,453.00   | 8,453.00   | 8,453.00                       |
|           |     |      |     |      |     |      |     | 10-23-06    | Judice Estates                       | 7,415.00   | 7,415.00   | 7,415.00                       |
|           |     |      |     |      |     |      |     | 11-14-06    | Twin Pines Mobile Home               | 12,950.00  | 12,950.00  | 12,950.00                      |
|           |     |      |     |      |     |      |     | 01-28-07    | Brunswick Place                      | 3,235.00   | 3,235.00   | 3,235.00                       |
|           |     |      |     |      |     |      |     | 02-24-07    | Lectronphe Tract II                  | 7,070.00   | 7,070.00   | 7,070.00                       |
|           |     |      |     |      |     |      |     | 02-24-07    | Lectronphe Tract J. PHII             | 3,300.00   | 3,300.00   | 3,300.00                       |
|           |     |      |     |      |     |      |     | 04-14-07    | Copperfield South                    | 22,000.00  | 22,000.00  | 22,000.00                      |
|           |     |      |     |      |     |      |     | 04-23-07    | Woodlake Subdivision                 | 3,295.00   | 3,295.00   | 3,295.00                       |
|           |     |      |     |      |     |      |     | 05-01-07    | Beallieu Place Subdivision - Phase 3 | 6,260.00   | 6,260.00   | 6,260.00                       |
|           |     |      |     |      |     |      |     | 05-06-07    | B.F. Miller Extension                | 7,790.00   | 7,790.00   | 7,790.00                       |
|           |     |      |     |      |     |      |     | 06-09-07    | Hackberry Place                      | 10,420.00  | 10,420.00  | 10,420.00                      |
|           |     |      |     |      |     |      |     | 06-11-07    | E. Bayou Oaks                        | 10,620.00  | 10,620.00  | 10,620.00                      |
|           |     |      |     |      |     |      |     | 09-03-07    | Kingspointe Phase 2                  | 12,120.00  | 12,120.00  | 12,120.00                      |
|           |     |      |     |      |     |      |     | 09-22-08    | Amy Estates                          | 8,490.00   | 8,490.00   | 8,490.00                       |
|           |     |      |     |      |     |      |     | 11-14-07    | Summerfield Phase II                 | 5,077.00   | 5,077.00   | 5,077.00                       |
|           |     |      |     |      |     |      |     | 09-03-07    | Austin Village Phase 6               | 11,543.00  | 11,543.00  | 11,543.00                      |
|           |     |      |     |      |     |      |     | 03-08-05    | Giverny Gardens                      | 0.00       | 0.00       | 0.00                           |
|           |     |      |     |      |     |      |     | 12-19-07    | Fernewood Sub. Ph XII                | 8,790.00   | 8,790.00   | 8,790.00                       |
|           |     |      |     |      |     |      |     | 11-13-07    | Sugar Ridge Subdivision              | 9,291.00   | 9,291.00   | 9,291.00                       |
|           |     |      |     |      |     |      |     |             | Total Notes Receivable               | 377,514.02 | 302,294.00 | 366,487.20                     |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF FEBRUARY 28

01/26/98  
02:04 PM

Reference

| Page No. | Line No. | Acct. No. | Description                                    | 1998           | 1997           | As of September 30, 1997 |
|----------|----------|-----------|--|----------------|----------------|--------------------------|
|          | 1420     |           | Customer Accounts Receivable                   |                |                |                          |
|          | 1420     | 1,2       | - Gas Ledger                                   |                |                |                          |
|          |          |           | General Office                                 |                |                |                          |
|          |          |           | Unbilled revenue - Energas                     | 11,248,000.00  | 10,724,000.00  | 2,261,000.00             |
|          |          |           | Unbilled revenue - GGC                         | 4,865,000.00   | 4,619,000.00   | 1,409,000.00             |
|          |          |           | Unbilled revenue - Trans La                    | 1,943,000.00   | 3,129,000.00   | 889,000.00               |
|          |          |           | Unbilled revenue - WKG                         | 7,198,000.00   | 4,991,000.00   | 2,373,000.00             |
|          |          |           | PGA - Correcting Account - Energas             | (1,627,000.00) | (182,000.00)   | 623,000.00               |
|          |          |           | PGA - Correcting Account - GGC                 | 2,760,034.00   | 6,832,000.00   | 8,709,594.00             |
|          |          |           | PGA - Correcting Account - Trans La            | 1,198,000.00   | (1,159,000.00) | 225,000.00               |
|          |          |           | PGA - Correcting Account - WKG                 | (7,646,000.00) | 2,045,000.00   | 5,010,000.00             |
|          |          |           | Handbilled Industrial Accounts - Energas       | 313,779.70     | 515,598.43     | 137,781.35               |
|          |          |           | Handbilled Industrial Accounts - Trans La      | 129,602.95     | 330,974.56     | 90,031.55                |
|          |          |           | Handbilled Industrial Accounts - WKG           | 1,660,164.42   | 6,232,519.02   | 2,286,869.50             |
|          |          |           | Energas Div - Amarillo System (City and Rural) | 3,683,075.39   | 4,942,509.26   | 746,816.67               |
|          |          |           | Dalhart City Plant System (City and Rural)     | 171,907.83     | 277,637.06     | 51,269.30                |
|          |          |           | Fritch & Sanford System                        | 125,422.50     | 115,697.44     | 11,311.17                |
|          |          |           | West Texas City Plant System (City and Rural)  | 17,297,574.35  | 20,253,912.06  | 12,102,455.58            |
|          |          |           | Greeley Gas Company Division                   | 12,012,016.40  | 10,919,568.42  | 2,257,484.51             |
|          |          |           | Trans La Division                              | 3,343,217.24   | 5,458,989.38   | 1,302,481.08             |
|          |          |           | Western Kentucky Gas Division                  | 15,031,331.38  | 10,943,631.77  | 516,088.24               |
|          |          |           | Total Gas Ledger Receivables                   | 73,773,126.16  | 90,990,037.40  | 41,002,182.95            |
|          | 1420     | 3         | - Merchandise Ledger                           | 2,134,419.05   | 2,193,985.09   | 2,172,375.34             |
|          | 1420     | 4         | - Service Ledger                               | 566,548.96     | 259,905.35     | 270,995.33               |
|          | 1420     | 6         | - Customer Surcharge - GGC                     | 9,555.10       | 21,329.69      | 11,088.80                |
|          |          |           | Total Customer Accounts Receivable             | 76,423,649.27  | 93,405,257.53  | 43,456,586.42            |
|          | 1430     |           | Other Accounts Receivable                      |                |                |                          |
|          | 1430     | 1         | - Miscellaneous                                |                |                |                          |
|          |          |           | Additional Billing                             |                |                |                          |
|          |          |           | Additional Billing - WKG                       | 0.00           | 9,214.65       | (93,443.42)              |
|          |          |           | Eddins - Watcher Rent                          | (2,650.00)     | 0.00           | 0.00                     |
|          |          |           | Clyde Plant Extraction - Koch                  | 23,360.04      | 14,057.50      | (1,488.09)               |
|          |          |           | Forsan Outage                                  | 4,800.96       | 0.00           | 0.00                     |
|          |          |           | KN - Tahoka Outage                             | 14.60          | 10,184.32      | 0.00                     |
|          |          |           | GGC Auto Salvage A/R                           | (30.00)        | 47,011.58      | 0.00                     |
|          |          |           | Greeley Outage                                 | (6,144.35)     | 0.00           | 0.00                     |
|          |          |           | Breaux Bridge Outage                           | 4,077.14       | 0.00           | 0.00                     |
|          |          |           | KN - Plainview Linecut                         | 48.70          | 0.00           | 528.22                   |
|          |          |           | KN - Big Spring OVR/ODOR                       | 1,227.04       | 0.00           | 0.00                     |
|          |          |           | Monroe Outage                                  | 330.74         | 0.00           | 5,033.34                 |
|          |          |           | Platteville Outage                             | 41,903.25      | 53,740.15      | 41,903.25                |
|          |          |           | Thibodaux Outage                               | 0.00           | 9,053.95       | 0.00                     |
|          |          |           | Wester - Post Outage                           | 0.00           | 1,178.31       | 0.00                     |
|          |          |           | Winfield Outage                                | (169.19)       | 5,865.36       | 5,865.36                 |
|          |          |           | CNG - Amarillo                                 | (169.57)       | 65.65          | (173.32)                 |
|          |          |           | CNG - Canyon                                   | 7.09           | 1,708.39       | 510.08                   |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF FEBRUARY 28

01/26/98  
02:04 PM

| Reference | Page | Line | Acct. | Description  | 1998           | 1997           | As of<br>September 30,<br>1997 |
|-----------|------|------|-------|--|----------------|----------------|--------------------------------|
| No.       | No.  | No.  | No.   |  |                |                |                                |
|           |      |      |       | CNG - Lafayette  | 0.00           | 131.75         | 0.00                           |
|           |      |      |       | Meter Salvage Receivable   | 2,775.00       | 7,474.60       | 8,056.10                       |
|           |      |      |       | Midwestern/Equitable Cash  | 13,111.76      | 4,877.62       | 12,926.26                      |
|           |      |      |       | Miscellaneous  | 75,218.07      | (46,645.52)    | 83,624.16                      |
|           |      |      |       | Steamboat Springs Incident (Reimbursable Expense)                  | 0.00           | 179,722.33     | 12,126.80                      |
|           |      |      |       | Total Miscellaneous Receivable                                     | 157,711.28     | 297,640.64     | 75,468.74                      |
|           |      |      |       | 1430 2 0541 - Employees' Expense Advances(Incl. Bridge Loans)      | 100,383.07     | 28,954.32      | 81,131.23                      |
|           |      |      |       | 1430 2 06XX - Merchandise Employees' Payroll Deductions            | 121,734.96     | 181,367.32     | 139,500.82                     |
|           |      |      |       | 1431 2 0601 - Employee Rent  | 48.10          | 0.00           | 0.00                           |
|           |      |      |       | 1430 7 - Trans La Miscellaneous                                    | 18,917.48      | 428,071.99     | 428,071.99                     |
|           |      |      |       | State Dept. of Transportation                                      | 60.00          | 60.00          | 90.00                          |
|           |      |      |       | Acadia Parish Police Jury  | 3,668.80       | 19,255.46      | 8,440.79                       |
|           |      |      |       | LIG  |                |                |                                |
|           |      |      |       | Total Trans La Miscellaneous Receivables                           | 22,646.28      | 447,387.45     | 436,602.78                     |
|           |      |      |       | 1430 9 0500 - WKG PAC  | 2,326.02       | 598.46         | 575.98                         |
|           |      |      |       | 1430 9 07XX - Westar - Chart Reading & Misc.                       | 3,104.38       | 3,444.37       | 3,838.09                       |
|           |      |      |       | Total Other Accounts Receivable                                    | 407,954.09     | 959,392.56     | 737,117.64                     |
|           |      |      |       | 1440 Allowance for Doubtful Accounts                               | (2,041,118.77) | (1,643,444.22) | (966,451.32)                   |
|           |      |      |       | Atmos - Total Receivable, Less Allowance                           | 75,167,998.61  | 93,023,499.86  | 43,593,739.94                  |
|           |      |      |       | United Cities Gas - Total Receivable, Less Allowance               | 57,097,075.00  | 78,454,467.00  | 24,162,577.00                  |
| 59        | 9    |      |       | Total Accounts Receivable, Less Allowance<br>for Doubtful Accounts | 132,265,073.61 | 171,477,966.86 | 67,756,316.94                  |
|           |      |      |       | <b>INVENTORIES</b>   |                |                |                                |
|           |      |      |       | 1540 Plant Materials and Supplies                                  | 5,453,764.30   | 5,465,519.10   | 5,148,721.93                   |
|           |      |      |       | 1550 Merchandise   | 153,502.42     | 178,653.98     | 160,233.09                     |
|           |      |      |       | 1630 Stores Expense Undistributed                                  | 1,977,257.40   | 1,624,192.04   | 1,785,741.60                   |
|           |      |      |       | Atmos - Total Inventories  | 7,384,524.02   | 7,268,395.12   | 7,094,696.62                   |
|           |      |      |       | United Cities Gas - Total Inventories                              | 5,117,652.00   | 5,277,923.00   | 4,115,542.00                   |
| 59        | 10   |      |       | Total Inventories  | 12,702,176.02  | 12,546,318.12  | 11,210,238.62                  |
|           |      |      |       | <b>GAS STORED UNDERGROUND</b>                                      |                |                |                                |
|           |      |      |       | Atmos - Total Gas Stored Underground, current                      | 10,030,812.65  | 6,534,391.61   | 14,683,860.36                  |
|           |      |      |       | United Cities Gas - Total Gas Stored Underground, current          | 12,596,359.00  | 14,216,009.00  | 26,905,596.00                  |
| 59        | 11   |      |       | Total Gas Stored Underground, current                              | 22,627,171.65  | 20,750,400.61  | 41,589,456.36                  |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF FEBRUARY 28

03/26/98  
02:04 PM

| Reference | Page | Line | Acct. | Description  | 1998            | 1997            | As of<br>September 30,<br>1997 |
|-----------|------|------|-------|--|-----------------|-----------------|--------------------------------|
|           | No.  | No.  | No.   |  |                 |                 |                                |
|           |      |      |       | <b>OTHER CURRENT ASSETS</b>  |                 |                 |                                |
|           |      |      |       | 1340 Other Special Deposits  |                 |                 |                                |
|           |      |      |       | Guaranty Deposits  | 16,887.74       | 14,762.74       | 16,887.74                      |
|           |      |      |       | Total Other Special Deposits   | 16,887.74       | 14,762.74       | 16,887.74                      |
|           |      |      |       | 1660 Prepayments   |                 |                 |                                |
|           |      |      |       | Prepaid Gas:   |                 |                 |                                |
|           |      |      |       | Alliance Prepaid Gas   | 82,643.27       | 0.00            | 1,172,398.13                   |
|           |      |      |       | Term Alliance Prepaid Gas  | 192,804.34      | 0.00            | 16,816.84                      |
|           |      |      |       | Cambridge Energy Research (Amort \$2,500/mo thru 01/98)                  | 0.00            | 0.00            | 5,000.00                       |
|           |      |      |       | Software Maintenance:  |                 |                 |                                |
|           |      |      |       | SCT Billing Software (Escalating amort to capital 02/97 thru 12/99)      | 642,351.69      | 452,913.59      | 750,601.09                     |
|           |      |      |       | Oracle Database Maint (Escalating amort to IS clearing 02/97 thru 01/00) | 171,191.96      | (5,349.86)      | 192,591.16                     |
|           |      |      |       | Dues - AGA   | 12,978.23       | (39,371.72)     | 0.00                           |
|           |      |      |       | Dues - SGA   | 13,333.40       | 13,333.32       | 3,999.94                       |
|           |      |      |       | Franchise Tax - City   | 512.31          | 2,561.55        | 1,366.16                       |
|           |      |      |       | Franchise Tax - Louisiana  | 0.00            | 363,371.60      | 0.00                           |
|           |      |      |       | Franchise Tax - Texas  | 28,000.00       | 90,000.00       | 0.00                           |
|           |      |      |       | Gas - Excess Nominations   | 181,491.70      | 183,026.48      | 181,898.76                     |
|           |      |      |       | Gross Receipts Tax - Texas   | (363,537.45)    | 0.00            | 0.00                           |
|           |      |      |       | Institute of Gas Technology (Amort \$2,108/mo thru 12/97)                | 8,434.00        | 21,080.00       | 6,324.00                       |
|           |      |      |       | Insurance - Prop., Gen. Liab., Auto, etc.                                | 737,056.62      | 738,651.11      | 358,470.88                     |
|           |      |      |       | Insurance - Retirement Cost  | 316,473.48      | 328,676.13      | 559,450.12                     |
|           |      |      |       | CPSC Assessment (Quarterly)  | (18.64)         | 4,844.74        | 12,797.16                      |
|           |      |      |       | KPSC Assessment (Amort \$13,368/mo thru 6/97)                            | 0.00            | 53,472.00       | 0.00                           |
|           |      |      |       | Occupational License   | 52,783.00       | 60,608.00       | 17,508.00                      |
|           |      |      |       | Postage  | 16,689.46       | 99,310.93       | 96,346.64                      |
|           |      |      |       | Prepaid Debt, Exp.-Nations (Amort \$5,000/mo thru 8/98)                  | 29,999.97       | 17,499.99       | 54,999.97                      |
|           |      |      |       | Rent - Gilliland Group (Oper Co)   | 284,592.01      | 284,592.01      | 284,592.01                     |
|           |      |      |       | Total Prepayments  | 2,407,778.75    | 2,669,019.87    | 3,715,160.86                   |
|           |      |      |       | Amos - Total Other Current Assets  | 2,424,666.49    | 2,683,782.61    | 3,732,048.60                   |
|           |      |      |       | United Cities Gas - Total Other Current Assets                           | 1,183,642.00    | 1,202,345.00    | 1,807,255.00                   |
|           |      |      |       | Total Other Current Assets   | 3,608,308.49    | 3,886,127.61    | 5,539,303.60                   |
|           |      |      |       | <b>INTERCOMPANY ACCOUNTS - NET</b>                                       |                 |                 |                                |
|           |      |      |       | 1460 Accounts Receivable from Assoc. Co.                                 |                 |                 |                                |
|           |      |      |       | Amos Energy Services, Inc.   | 5,609.98        | 2,870.91        | 5,609.98                       |
|           |      |      |       | Egasco, Inc.   | 1,162,839.85    | 946,063.70      | 808,349.49                     |
|           |      |      |       | Enermart, Inc.   | 23,033,872.71   | 8,228,813.23    | 21,120,195.01                  |
|           |      |      |       | Enermart Trust   | (21,904,977.53) | (1,807,090.07)  | (23,708,148.28)                |
|           |      |      |       | Trans La Industrial Gas Company, Inc.                                    | (2,242,010.27)  | (18,824,461.52) | (2,738,776.04)                 |
|           |      |      |       | United Cities Gas Company  | 56,928,273.00   | 0.00            | 66,906,326.59                  |
|           |      |      |       | Western Kentucky Gas Resources   | (968,509.82)    | (943,010.34)    | (967,305.90)                   |
|           |      |      |       | Amos - Total Intercompany Accounts                                       | 56,015,097.92   | (12,396,814.09) | 61,426,250.85                  |
|           |      |      |       | United Cities Gas - Total Intercompany Accounts                          | (45,974,044.00) | 4,646,261.00    | (58,606,626.59)                |
|           |      |      |       | Total Intercompany Accounts - Net  | 10,041,053.92   | (7,750,553.09)  | 2,819,624.26                   |
|           | 59   | 12   |       |  |                 |                 |                                |
|           | 59   | 13   |       |  |                 |                 |                                |



ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF FEBRUARY 28

03/26/98  
07:04 PM

| Reference                                | Page No. | Line No. | Acct. No. | Description  | 1998           | 1997           | As of September 30, 1997 |
|--|----------|----------|-----------|--|----------------|----------------|--------------------------|
|  | 59       | 14       |           | Total Current Assets                                       | 182,237,198.30 | 209,301,095.39 | 131,636,859.17           |
| <b>DEFERRED CHARGES AND OTHER ASSETS</b> |          |          |           |  |                |                |                          |
|  |          |          |           | 1280 Gilliland Lease Deposits                              | 733,624.05     | 737,624.05     | 737,624.05               |
|  |          |          |           | Total Other Special Funds                                  | 733,624.05     | 737,624.05     | 737,624.05               |
|  |          |          |           | 1240 Other Investments                                     | 8,301.00       | 8,301.00       | 8,301.00                 |
|  |          |          |           | Club Memberships   | 250.00         | 250.00         | 250.00                   |
|  |          |          |           | Herrington Industrial Development                          | 750.00         | 750.00         | 750.00                   |
|  |          |          |           | Windom Industrial Development                              | 100.00         | 100.00         | 100.00                   |
|  |          |          |           | Werthington Industries Inc                                 | 9,401.00       | 9,401.00       | 9,401.00                 |
|  |          |          |           | Total Other Investments                                    | 9,401.00       | 9,401.00       | 9,401.00                 |
|  |          |          |           | 1810 Unamortized Debt Expense                              | 39,749.84      | 47,973.92      | 43,176.54                |
|  |          |          |           | John Hancock Notes (11.2% through 12/30/02)                | 86,694.82      | 101,556.82     | 92,887.32                |
|  |          |          |           | John Hancock Notes (9.76% through 12/30/04)                | 68,978.11      | 77,093.11      | 72,359.36                |
|  |          |          |           | Var. Annuity Life Ins. (9.57% through 9/30/06)             | 34,050.24      | 38,056.20      | 35,719.39                |
|  |          |          |           | Var. Annuity Life Ins. (7.95% through 9/01/06)             | 87,149.34      | 97,204.98      | 91,339.19                |
|  |          |          |           | Var. Annuity Life Ins. (8.07% through 10/01/06)            | 99,999.44      | 105,999.08     | 102,499.29               |
|  |          |          |           | New York Life Ins. (8.26% through 10/01/14)                | 526,715.96     | 549,289.52     | 536,121.61               |
|  |          |          |           | First Mortgage Bonds (9.4% through 2021)                   |                |                |                          |
|  |          |          |           | Total Unamortized Debt Expense                             | 943,331.75     | 1,017,167.63   | 974,096.70               |
|  |          |          |           | 1840 Clearing Accounts                                     | 219.35         | 8,524.96       | 0.00                     |
|  |          |          |           | Ditchers & Backhoes  | 9,537.66       | 0.00           | 0.00                     |
|  |          |          |           | Information Services                                       | 96.45          | 0.00           | 0.00                     |
|  |          |          |           | Meter Shop   | 334.40         | 13,628.67      | 1,738.76                 |
|  |          |          |           | Payroll/Taxes  | 22,677.24      | 0.00           | (25,448.08)              |
|  |          |          |           | Vehicle System   | 17,278.15      | 144,785.96     | 0.00                     |
|  |          |          |           | Welders  | 927.77         | (3,949.61)     | 0.00                     |
|  |          |          |           | Total Clearing Accounts                                    | 51,071.02      | 162,989.98     | (23,709.32)              |
|  |          |          |           | 1860 Miscellaneous Deferred Debits                         | 409,992.32     | 43,991.32      | 218,605.61               |
|  |          |          |           | Advanced Payments to Employees                             | 7,256.25       | 0.00           | 0.00                     |
|  |          |          |           | Kentucky PBR   | 150,700.00     | 156,050.00     | 47,907.00                |
|  |          |          |           | Car Allowance (Amort calendar year)                        |                |                |                          |
|  |          |          |           | Company Facilities:  |                |                |                          |
|  |          |          |           | Monroe Office  | 25,188.96      | 25,188.96      | 25,188.96                |
|  |          |          |           | Natchitoches Service Center (Reimbursable Upon Completion) | (6,951.48)     | 4,635.73       | (7,435.32)               |
|  |          |          |           | Podreah Remodeling (Reimbursable Upon Completion)          | 97,503.81      | 97,503.81      | 97,503.81                |
|  |          |          |           | Tibbodaux Office   | 38,357.48      | 0.00           | 38,357.48                |
|  |          |          |           | Colorado Pipeline Refunds                                  | 0.00           | 31,372.00      | 0.00                     |
|  |          |          |           | Consulting   | 13,333.31      | 30,000.00      | 80,000.00                |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF FEBRUARY 28

03/26/98  
02:04 PM

| Reference | Page | Line | Acct. | Description  | 1998           | 1997           | As of<br>September 30,<br>1997 |
|-----------|------|------|-------|--|----------------|----------------|--------------------------------|
| No.       | No.  | No.  | No.   |  |                |                |                                |
|           |      |      |       | Danville Incident - KY   | 17,333.79      | 0.00           | 17,333.79                      |
|           |      |      |       | Deferred Take or Pay - GGC   | 346,302.66     | 238,595.49     | 322,550.59                     |
|           |      |      |       | Department Projects:   |                |                |                                |
|           |      |      |       | Texas Gas Rate Case  | 5,267.07       | 0.00           | 722.36                         |
|           |      |      |       | Add O&M Standards to ALMS  | 64,729.49      | 60,847.00      | 64,729.49                      |
|           |      |      |       | Functional Standard Costing  | 24,101.43      | 24,101.43      | 24,101.43                      |
|           |      |      |       | Gas Contract Management System   | 29,293.79      | 22,438.34      | 27,209.90                      |
|           |      |      |       | Internet Requirements Project  | 0.00           | 3,850.00       | 0.00                           |
|           |      |      |       | KN Meter Trf-Retirement  | 0.00           | 840,044.42     | 0.00                           |
|           |      |      |       | Odessa Service Center Remodel  | 10,206.62      | 0.00           | 0.00                           |
|           |      |      |       | Remote Paycemer Project  | 25,785.59      | 1,738.59       | 25,785.59                      |
|           |      |      |       | Rate System Modification   | 21,637.93      | 0.00           | 0.00                           |
|           |      |      |       | Quality Review - CIS Project   | 290,003.04     | 229,362.73     | 245,383.88                     |
|           |      |      |       | DHS Installs A/P   | 0.00           | 89,985.49      | 0.00                           |
|           |      |      |       | Drilling Permits - Energas   | 0.00           | 0.00           | 1,000.00                       |
|           |      |      |       | Execurain - Sd. P.C. Training Cost   | 0.00           | 29,199.99      | 0.00                           |
|           |      |      |       | GGC ACH Cash Clearing  | (27,897.87)    | (12,316.54)    | (784.36)                       |
|           |      |      |       | GGC Cash Reconciliation  | 410.64         | 73.35          | 154.13                         |
|           |      |      |       | Lincoln Center Rent  | 235,006.86     | 0.00           | 171,776.49                     |
|           |      |      |       | LPSC Settlement (Amort. Heating Sea., Fiscal 96 & 97)                      | 0.00           | 96,212.59      | 0.00                           |
|           |      |      |       | Misc. Charges to be Cleared Currently                                      | 418,675.20     | 68,791.20      | 74,834.22                      |
|           |      |      |       | Other Work in Progress   | 101,991.05     | 100,578.81     | 102,306.21                     |
|           |      |      |       | Pension Assets - Atmos   | (1,374,245.03) | (1,253,263.65) | (1,409,859.03)                 |
|           |      |      |       | Pension Assets - WKG   | 11,429,671.94  | 11,315,526.94  | 11,294,519.94                  |
|           |      |      |       | Pension Assets - GGC   | (523,419.00)   | (313,532.00)   | (450,570.00)                   |
|           |      |      |       | Rate Cases:  |                |                |                                |
|           |      |      |       | Rate Case Exp - CO - Phase II (Amort \$1,225/mo. thru 12/98)               | 12,249.50      | 26,948.50      | 18,374.25                      |
|           |      |      |       | Rate Case Exp - CO (1999)(Amort \$7,166/mo. 5/94 thru 4/97)                | 0.00           | 14,333.00      | 0.00                           |
|           |      |      |       | Rate Case 95-010 - WKG (Amort \$6,828.50/mo. 11/95 thru 10/98)             | 54,627.87      | 136,569.87     | 88,770.37                      |
|           |      |      |       | Rate Case - West Texas (Amort \$1,534.38/mo. thru 11/99)                   | 50,691.46      | 50,826.05      | 38,364.36                      |
|           |      |      |       | Restricted Stock Grant Plan  | 5,463,265.95   | 919,599.03     | 3,117,164.34                   |
|           |      |      |       | Retirement Cost (Rabbi Trusts and CVI)                                     | 22,319,985.29  | 18,068,961.59  | 21,209,828.66                  |
|           |      |      |       | Trans La Lawsuit & COG Investigation<br>(Amort \$27,000/mo 3/94 thru 2001) | 1,124,572.73   | 1,448,572.73   | 1,259,572.73                   |
|           |      |      |       | Trans La Post Settlement   | 172,863.06     | 122,989.66     | 153,746.06                     |
|           |      |      |       | United Cities Acquisition: (1)   |                |                |                                |
|           |      |      |       | Acquisition Costs - Atmos  | 8,630,645.65   | 1,925,856.27   | 6,677,252.48                   |
|           |      |      |       | Acquisition Costs - United Cities  | 14,216,142.00  | 0.00           | 13,869,229.87                  |
|           |      |      |       | Conflict Costs   | 258,138.10     | 258,138.10     | 258,138.10                     |
|           |      |      |       | Leadership Conference  | 250,034.05     | 0.00           | 0.00                           |
|           |      |      |       | Atmos/UICG Integration - Atmos   | 18,067,739.55  | 0.00           | 11,270,693.98                  |
|           |      |      |       | Atmos/UICG Integration - United Cities                                     | 10,076,379.00  | 0.00           | 0.00                           |
|           |      |      |       | Separation/Integration Costs   | 12,500,000.00  | 0.00           | 0.00                           |
|           |      |      |       | Business Unit Review Meetings  | 4,147.14       | 0.00           | 0.00                           |
|           |      |      |       | Sean - Delaney Retreat   | 420.13         | 0.00           | 0.00                           |
|           |      |      |       | Finance Team Meetings  | 0.00           | 0.00           | 0.00                           |
|           |      |      |       | Regulatory Summit  | 1,548.61       | 0.00           | 0.00                           |
|           |      |      |       | Five Year Plan Meetings  | 0.00           | 0.00           | 0.00                           |
|           |      |      |       | Marketing Initiative   | 156,664.38     | 0.00           | 0.00                           |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF FEBRUARY 28

03/26/98  
07:04 PM

| Reference | Page No. | Line No. | Acct. No. | Description   | 1998               | 1997               | As of September 30, 1997 |
|-----------|----------|----------|-----------|---|--------------------|--------------------|--------------------------|
|           |          |          |           | Shared Services Meetings                                      | 149,500.00         | 0.00               | 0.00                     |
|           |          |          |           | Diversity Council   | 3,929.64           | 0.00               | 0.00                     |
|           |          |          |           | General Reserve - Accrual                                     | (20,334,000.00)    | 0.00               | (20,334,000.00)          |
|           |          |          |           | Total Miscellaneous Deferred Debits                           | 84,989,759.96      | 34,893,772.10      | 48,638,057.37            |
|           |          |          |           | Atmos   |                    |                    |                          |
|           |          |          |           | United Cities Gas Deferred Debit less Acquisition Costs above | 86,727,187.78      | 36,820,954.76      | 67,331,469.80            |
| 59        | 15       |          |           | Total Deferred Charges and Other Assets                       | 13,533,103.00      | 18,968,069.00      | 14,970,607.13            |
|           |          |          |           |   | 100,260,290.78     | 55,789,023.76      | 82,302,076.93            |
| 59        | 16       |          |           | TOTAL ASSETS  | \$1,102,185,068.28 | \$1,003,753,043.62 | \$1,011,626,092.39       |

(1) Total UCG Acquisition: \$ 43,981,288.23

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF FEBRUARY 28

01:55 PM

| Reference                   | Page | Line | Acct. | Description                                | 1998           | 1997           | As of<br>September 30,<br>1997 |
|-----------------------------|------|------|-------|--|----------------|----------------|--------------------------------|
| No.                         | No.  | No.  | No.   |  |                |                |                                |
| <b>SHAREHOLDERS' EQUITY</b> |      |      |       |  |                |                |                                |
|                             |      |      |       | Amos - Total Shareholders' Equity          | 182,395,956.58 | 189,165,978.78 | 166,536,416.24                 |
|                             |      |      |       | United Cities - Total Shareholders' Equity | 156,870,206.00 | 143,026,555.00 | 135,755,714.49                 |
| 60                          | 5    |      |       | Total Shareholders' Equity                 | 339,266,162.58 | 332,192,533.78 | 302,292,130.73                 |
| <b>LONG-TERM DEBT</b>       |      |      |       |  |                |                |                                |
|                             |      |      |       | Amos - Total Long Term Debt                | 157,303,308.00 | 165,303,308.00 | 162,303,308.00                 |
|                             |      |      |       | United Cities Gas - Total Long Term Debt   | 135,000,000.00 | 135,000,000.00 | 135,000,000.00                 |
| 60                          | 6    |      |       | Total Long-Term Debt                       | 292,303,308.00 | 300,303,308.00 | 297,303,308.00                 |
| <b>TOTAL CAPITALIZATION</b> |      |      |       |  |                |                |                                |
| 60                          | 7    |      |       |  | 631,569,470.58 | 632,495,841.78 | 599,595,438.73                 |
| <b>NOTES PAYABLE</b>        |      |      |       |  |                |                |                                |
|                             |      |      |       | Amarillo National Bank Master Note/Other   | 2,000,000.00   | 10,000,000.00  | 12,000,000.00                  |
|                             |      |      |       | Nations Bank                               | 141,800,000.00 | 0.00           | 140,600,000.00                 |
|                             |      |      |       | PNC Bank of Pittsburgh                     | 10,000,000.00  | 0.00           | 7,800,000.00                   |
|                             |      |      |       | 1st National Bank of Commerce              | 0.00           | 10,000,000.00  | 0.00                           |
|                             |      |      |       | Sanwa Bank                                 | 10,000,000.00  | 0.00           | 0.00                           |
|                             |      |      |       | Amos - Total Notes Payable                 | 163,800,000.00 | 20,000,000.00  | 160,400,000.00                 |
|                             |      |      |       | United Cities Gas - Total Notes Payable    | 0.00           | 51,141,000.00  | 0.00                           |
| 60                          | 8    |      |       | Total Notes Payable                        | 163,800,000.00 | 71,141,000.00  | 160,400,000.00                 |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF FEBRUARY 28

01:53 PM

| Reference               | Page | Line | Acct. | Description                                     | 1998          | 1997         | As of<br>September 30,<br>1997 |
|-------------------------|------|------|-------|---|---------------|--------------|--------------------------------|
| No.                     | No.  | No.  | No.   |   |               |              |                                |
| <b>ACCOUNTS PAYABLE</b> |      |      |       |   |               |              |                                |
| 2320                    |      |      |       | Accounts Payable                                | (2,469,06)    | 46,395.06    | 179,431.90                     |
|                         |      |      |       | Accrued Annual Report Costs                     | 109,050.00    | 76,200.00    | 9,900.00                       |
|                         |      |      |       | Accrued Audit Fees                              | 13,332.01     | (3,131.31)   | 111,487.85                     |
|                         |      |      |       | Accrued Employee Awards                         | 1,228,764.94  | 71,158.73    | 30,654.03                      |
|                         |      |      |       | Accrued Payroll Labor Distribution              | 527,955.87    | 527,955.87   | 527,955.87                     |
|                         |      |      |       | Accrued Vacation                                | 30,259,790.50 | 0.00         | 0.00                           |
|                         |      |      |       | Estimated Gas Cost                              | (660,309.07)  | 27,680.90    | 334,402.02                     |
|                         |      |      |       | Def Cr Cleared Currently                        |               |              |                                |
|                         |      |      |       | DSM Program                                     |               |              |                                |
|                         |      |      |       | DSM Program - KY                                | 135,652.87    | 208,338.00   | 250,000.00                     |
|                         |      |      |       | DSM Program - KY Payments                       | (77,370.07)   | (52,573.69)  | (217,687.77)                   |
|                         |      |      |       | Employees' AD & D Insurance                     | 3,787.63      | 6,026.10     | (123.00)                       |
|                         |      |      |       | Employees' College Donation Deductions          | 78.20         | 14.00        | 28.00                          |
|                         |      |      |       | Employees' Dependent Life Ins.                  | 1,420.48      | 2,056.00     | (21.00)                        |
|                         |      |      |       | Employees' Egarpac                              | 27.50         | 0.00         | 55.00                          |
|                         |      |      |       | Employees' WKG Pac                              | 1.84          | 0.00         | 377.25                         |
|                         |      |      |       | Employees' Trans La PAC                         | 9.69          | 0.00         | 0.00                           |
|                         |      |      |       | Employees' Credit Union                         | 0.00          | 0.00         | 64,398.70                      |
|                         |      |      |       | Employees' Long-Term Disability Insurance       | 0.00          | 0.00         | 0.00                           |
|                         |      |      |       | Employees' Medical/Dental Insurance:            | 8,227.76      | 1,077.76     | (27,513.07)                    |
|                         |      |      |       | Medical/Dental Liability                        |               |              |                                |
|                         |      |      |       | Medical/Dental Prems/Claims Clearing            | 2,440,634.55  | 1,432,170.28 | 1,428,983.46                   |
|                         |      |      |       | Employees' Supplemental Life Insurance          | (512,475.98)  | 338,279.77   | 289,638.31                     |
|                         |      |      |       | Employees' United Way                           | 8,690.54      | 15,235.67    | (2,184.92)                     |
|                         |      |      |       | Employees' Universal Life Ins.                  | 1,829.89      | 1,862.06     | 1,725.18                       |
|                         |      |      |       | Employees' U.S. Savings Bonds Deductions        | (1,829.89)    | 10,891.94    | (104.25)                       |
|                         |      |      |       | Employer's Annuity Expense                      | 4,690.78      | 7,881.96     | 6,410.06                       |
|                         |      |      |       | Employer's ESOP Contributions                   | 0.00          | (135.63)     | 0.00                           |
|                         |      |      |       | Employer's ESOP Other Expense                   | (6,236.85)    | 249,998.37   | 87,652.07                      |
|                         |      |      |       | Employees' ESOP Withholding                     | (3,730.49)    | 26,476.38    | 13,957.66                      |
|                         |      |      |       | Employee's Group Life Ins.                      | (313.88)      | (1,711.87)   | 138,345.58                     |
|                         |      |      |       | KN Master Mtr Transfer                          | 38,744.76     | 31,222.08    | 47.87                          |
|                         |      |      |       | Mailed Refunds                                  | 200,000.00    | 300,000.00   | 300,000.00                     |
|                         |      |      |       | Miscellaneous Employee Insurance Accruals - GGC | 4,386.13      | 5,029.17     | 3,600.00                       |
|                         |      |      |       | Miscellaneous Contingent Liabilities            | (18.33)       | 1,385.24     | (1,200.28)                     |
|                         |      |      |       | Net Payroll Payable                             | 2,295.88      | 0.00         | 509,331.40                     |
|                         |      |      |       | Purchase Order Clearing                         | 326,581.95    | 267,202.57   | 2,129,272.93                   |
|                         |      |      |       | Contract Retainage                              | 175,916.95    | 274,185.18   | 234,018.06                     |
|                         |      |      |       | Uncashed Checks                                 | 6,562.36      | 0.00         | 12,266.33                      |
|                         |      |      |       | Unclaimed Pipeline Refund                       | 80,770.89     | 85,244.00    | 108,890.30                     |
|                         |      |      |       | Vouchers Payable                                | 0.00          | 1,164.87     | 0.00                           |
|                         |      |      |       | Total Accrued Payables                          | 2,409,570.14  | 1,071,468.69 | 6,859,380.12                   |
|                         |      |      |       |   | 36,723,990.49 | 5,029,011.25 | 13,383,375.86                  |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF FEBRUARY 28

01:55 PM

Reference

| Page No. | Line No. | Acct. No. | Description                          | 1998         | 1997           | As of September 30, 1997 |
|----------|----------|-----------|--------------------------------------|--------------|----------------|--------------------------|
|          |          |           | Gas Purchased - Accounts Payable     | 0.00         | 242,681.13     | 58,363.45                |
|          |          |           | Acadiana Natural Gas, Co.            | 213,840.00   | 75,487.43      | 135,000.00               |
|          |          |           | AMOCO                                | 0.00         | (273.22)       | 0.00                     |
|          |          |           | ANR Pipeline Company                 | 0.00         | 5,278.50       | 893.25                   |
|          |          |           | Brenco Gas Transmission, Inc.        | 66,000.00    | 0.00           | 5,000.00                 |
|          |          |           | City of Odessa - Purchase            | (509,760.00) | 866,196.50     | 154,000.00               |
|          |          |           | Coastal Gas Marketing                | 27,473.93    | 66,856.31      | 132,731.89               |
|          |          |           | Colorado Interstate Gas Company      | 0.69         | 352,073.57     | 78,344.67                |
|          |          |           | Colorado Natural Gas                 | 0.00         | 32,203.80      | 22,658.40                |
|          |          |           | Costilla Petroleum Corp.             | 0.00         | 39,738.50      | 17,241.95                |
|          |          |           | Crescent Oil & Gas Company           | 0.00         | 2,029,806.44   | 0.00                     |
|          |          |           | Delhi                                | 438,688.70   | 0.00           | 0.00                     |
|          |          |           | Engage Energy                        | 0.00         | (2,518,814.95) | 0.00                     |
|          |          |           | Enron                                | (164,838.75) | (116,376.24)   | (404,739.03)             |
|          |          |           | Exchange Gas                         | 45,209.23    | 46,210.29      | 45,714.17                |
|          |          |           | Gas Payable - LA Imbalance           | 19,516.96    | 59,073.20      | 8,264.75                 |
|          |          |           | Hugoton                              | (953,022.14) | 497,906.78     | 122,552.36               |
|          |          |           | Increnergy Resource Corp.            | 65,899.25    | 116,331.85     | 85,337.69                |
|          |          |           | K N Gas Supply Services              | 100.00       | 28,518.24      | 3,280.57                 |
|          |          |           | Kansas Pipeline Partners             | (0.11)       | 521,040.59     | 49,695.82                |
|          |          |           | Kimball Energy Corp.                 | 27.67        | (37,970.15)    | 28,439.97                |
|          |          |           | KN Energy                            | 3,679,741.45 | 22,765,099.51  | 1,207,958.30             |
|          |          |           | KN Marketing                         | 22,275.61    | 147,249.74     | 22,275.61                |
|          |          |           | KPL Gas Services                     | 110,424.53   | 2,093,742.54   | 554,227.95               |
|          |          |           | LG & E Natural Plains Energy         | (379,706.60) | 0.00           | 0.00                     |
|          |          |           | LIG Imbalance                        | 16,104.27    | 62,303.22      | 159,402.62               |
|          |          |           | Local Gas Production                 | 17,283.36    | 613,471.54     | 274,824.95               |
|          |          |           | Local Gas Purchases - Fremont County | 1,832.88     | 2,055,199.18   | 343,409.77               |
|          |          |           | Louisiana Interstate Gas Corp.       | 0.00         | 1,362,891.89   | 0.00                     |
|          |          |           | Louisiana Land/Exploration Company   | 0.00         | 2,251.47       | 466.02                   |
|          |          |           | Mid-Louisiana Gathering              | 191.97       | 22,250.49      | 9,811.97                 |
|          |          |           | Moffat Pipeline Corp.                | (3.00)       | 7,063,181.84   | 692,739.65               |
|          |          |           | Natural Gas Clearinghouse            | 0.00         | 0.00           | (234,603.04)             |
|          |          |           | Natural Gas Clearinghouse            | 0.00         | (1,299.95)     | 0.00                     |
|          |          |           | Noble Gas Marketing                  | 0.00         | 44,507.36      | 0.00                     |
|          |          |           | Noram Energy Services                | 131,400.55   | 12,373.38      | 7,000.23                 |
|          |          |           | Noram Gas Transm Corp                | 0.00         | (0.04)         | 0.00                     |
|          |          |           | Northwest Pipeline Corp.             | 924,643.42   | 594,908.00     | 1,322,632.19             |
|          |          |           | Other Payables                       | 0.00         | 1,403.60       | 101.50                   |
|          |          |           | Oxy U.S.A., Inc.                     | 1,461,272.30 | 1,343,291.40   | 174,795.17               |
|          |          |           | Panenergy Trading/Market             | 1,173,992.63 | 0.00           | 0.00                     |
|          |          |           | Patina Oil and Gas Corp              | 200.00       | 147,601.16     | 101,585.66               |
|          |          |           | Pennumion Energy Services            | (14,432.85)  | 30,546.88      | (5,307.85)               |
|          |          |           | Peoples Natural Gas                  | 3,064,136.52 | 10,605,091.97  | 848,830.50               |
|          |          |           | Pioneer Natural Resources Co.        | 712,475.48   | 237,794.29     | 470,641.21               |
|          |          |           | Pipeline Refunds - FGCC              | 5,686,022.64 | 0.00           | 9,789,532.64             |
|          |          |           | Pipeline Refunds - Trans La (LIG)    | (45,233.43)  | 553,211.50     | 363,063.98               |
|          |          |           | Public Service                       |              |                |                          |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF FEBRUARY 28

01:33 PM

| Reference | Page | Line | Acct. | Description                                      | 1998           | 1997          | As of<br>September 30,<br>1997 |
|-----------|------|------|-------|--|----------------|---------------|--------------------------------|
| No.       | No.  | No.  | No.   |  |                |               |                                |
|           |      |      |       | Sonat Marketing                                  | 6,563.43       | 17,919.51     | 7,375.55                       |
|           |      |      |       | Tennessee Gas Pipeline                           | (787.10)       | 627,177.18    | 259,695.35                     |
|           |      |      |       | Texasco Natural Gas Inc.                         | 41.60          | 0.00          | 1,698,702.24                   |
|           |      |      |       | Texasco, Inc.                                    | 0.00           | 841,638.00    | 785,502.00                     |
|           |      |      |       | Texas Gas Transmission                           | 3,621,269.02   | 1,735,665.00  | 1,242,989.87                   |
|           |      |      |       | Transportation Bank Gas                          | 201,880.35     | 181,528.01    | 782,886.61                     |
|           |      |      |       | Trunkline Gas Company                            | 0.00           | 62,728.07     | 2,321.16                       |
|           |      |      |       | Tascalosa Pipeline Company                       | 0.00           | (12,922.93)   | 7,836.04                       |
|           |      |      |       | Union Pacific Fuels                              | (1,369,950.37) | 1,034,084.39  | 2,136,910.37                   |
|           |      |      |       | United Gas Services                              | 161,157.07     | 187,740.29    | 61,386.95                      |
|           |      |      |       | Vastar Gas                                       | 0.00           | 799,910.24    | 0.00                           |
|           |      |      |       | Westar Gas Marketing                             | (4.14)         | 219,892.49    | 91,647.28                      |
|           |      |      |       | Williams Energy Services                         | (710,691.57)   | 3,014,761.79  | 129,674.70                     |
|           |      |      |       | Williams Natural Gas Company                     | 750,213.32     | 341,342.76    | 330,074.51                     |
|           |      |      |       | WKG Supplier Imbalance                           | 26,728.80      | 31,195.95     | 29,718.34                      |
|           |      |      |       | Woodward Marketing                               | 808,177.17     | 0.00          | 2,125,876.36                   |
|           |      |      |       | Total Gas Purchased Payable                      | 19,324,356.76  | 61,145,738.29 | 26,338,735.27                  |
|           |      |      |       | 2410 Tax Collections Payable                     |                |               |                                |
|           |      |      |       | Astor Sales Tax                                  | (4,449.77)     | (4,449.77)    | (4,449.77)                     |
|           |      |      |       | Astor Franchise Tax                              | 33,812.79      | 33,812.79     | 33,812.79                      |
|           |      |      |       | City Franchise Fees - Louisiana                  | 89,530.13      | 0.00          | 0.00                           |
|           |      |      |       | City Sales Tax - Cannon City                     | 8,142.40       | 8,447.12      | 330.84                         |
|           |      |      |       | City Sales Tax - Durango                         | 11,420.75      | 5,641.59      | 2,614.46                       |
|           |      |      |       | City Sales Tax - Mount Crested Butte             | 511.44         | 3,302.12      | 1,536.18                       |
|           |      |      |       | City Sales Tax - Steamboat Springs               | 31,854.11      | 22,346.91     | 9,684.81                       |
|           |      |      |       | City Sales/Use Tax                               | 70,795.96      | 62,555.98     | 15,295.05                      |
|           |      |      |       | City Sales/Use Tax - Cortez                      | 9,133.63       | 8,174.36      | 2,708.80                       |
|           |      |      |       | City Sales/Use Tax - Greeley                     | 55,243.03      | 59,743.17     | 13,958.94                      |
|           |      |      |       | City Sales/Use Tax - Gunnison                    | (26.81)        | (5.61)        | 107.24                         |
|           |      |      |       | City Sales/Use Tax - Lamar                       | 11,558.98      | 11,263.91     | 2,273.62                       |
|           |      |      |       | City & Parish Sales Tax - Louisiana              | 121.31         | (0.13)        | (9.65)                         |
|           |      |      |       | County City/Use Tax - Prowers                    | 221.44         | 158.31        | 210.99                         |
|           |      |      |       | County Sales/Use Tax                             | (18,093.58)    | 60,899.25     | 10,277.10                      |
|           |      |      |       | County Use Tax - Fremont                         | 732.71         | 368.85        | 499.93                         |
|           |      |      |       | Employees' Federal Income Tax Withheld           | 322,254.19     | 406,613.47    | 754,344.31                     |
|           |      |      |       | Employees' FICA Tax                              | 55,136.75      | 196,022.00    | 235,029.75                     |
|           |      |      |       | Employees' Local Tax Withheld - KY               | 15,361.03      | 17,828.52     | 29,424.88                      |
|           |      |      |       | Employees' State Income Tax Withheld - Colorado  | 12,158.50      | 13,825.99     | 15,877.08                      |
|           |      |      |       | Employees' State Income Tax Withheld - Kansas    | 2,758.65       | 3,298.07      | 3,007.67                       |
|           |      |      |       | Employees' State Income Tax Withheld - Kentucky  | 25,818.70      | 27,597.97     | 93,394.37                      |
|           |      |      |       | Employees' State Income Tax Withheld - Louisiana | 5,225.78       | 5,857.66      | 12,678.35                      |
|           |      |      |       | Employees' State Income Tax Withheld - Missouri  | 81.47          | 0.00          | 509.41                         |
|           |      |      |       | Franchise Tax Collected - Colorado               | 192,335.40     | 164,602.07    | 161,783.77                     |
|           |      |      |       | Franchise Tax Collected - Kansas                 | 147,171.21     | 170,853.62    | 47,495.98                      |
|           |      |      |       | Franchise Tax Collected - Kentucky               | 152,575.00     | 128,724.60    | 44,798.56                      |
|           |      |      |       | Franchise Tax Collected - Louisiana              | 34,657.30      | 228,595.79    | 74,436.73                      |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF FEBRUARY 28

01:35 PM

| Reference | Page | Line | Acct. | Description                                | 1998          | 1997          | As of<br>September 30,<br>1997 |
|-----------|------|------|-------|--|---------------|---------------|--------------------------------|
| No.       | No.  | No.  | No.   |  |               |               |                                |
|           |      |      |       | Franchise Tax Collected - Missouri         | 2,808.53      | 3,194.98      | 6,301.08                       |
|           |      |      |       | Local Tax - Colorado                       | 143.75        | 155.25        | 149.50                         |
|           |      |      |       | Occupational Tax Collections               | 178,149.87    | 23,230.03     | 21,763.20                      |
|           |      |      |       | State Sales Tax - Colorado                 | 212,311.11    | 100,389.42    | 83,057.13                      |
|           |      |      |       | State Sales Tax - Kentucky                 | 176,758.94    | 198,569.55    | 123,327.75                     |
|           |      |      |       | State Sales Tax - Louisiana                | 1,500.83      | (5,933.04)    | 17,311.93                      |
|           |      |      |       | State Sales Tax - Texas                    | (782,853.95)  | 0.00          | (69,631.80)                    |
|           |      |      |       | State Use Tax - Kansas                     | 2,228.47      | 997.05        | 638.66                         |
|           |      |      |       | Utility School Tax (Remit monthly)         | 784,690.75    | 989,936.44    | 47,730.41                      |
|           |      |      |       | Total Tax Collections Payable              | 1,841,841.20  | 2,946,718.29  | 1,794,270.05                   |
|           |      |      |       | Atmos - Total Accounts Payable             | 57,890,188.45 | 69,121,467.83 | 41,516,381.18                  |
|           |      |      |       | United Cities Gas - Total Accounts Payable | 17,777,291.00 | 28,523,502.00 | 14,933,663.54                  |
| 60        | 9    |      |       | Total Accounts Payable                     | 75,667,479.45 | 97,644,969.83 | 56,450,044.72                  |
|           |      |      |       | ACCRUED TAXES                              |               |               |                                |
|           |      |      |       | 2360 Accrued Taxes - Other                 |               |               |                                |
|           |      |      |       | Ad Valorem                                 | 2,893,398.10  | 2,403,243.25  | 4,992,989.56                   |
|           |      |      |       | Employer's Denver City Tax                 | (54.50)       | 108.00        | 104.00                         |
|           |      |      |       | Employer's FICA Tax                        | 367,241.09    | 196,072.00    | 235,029.75                     |
|           |      |      |       | Federal Motor Fuel Tax-CNG                 | (10,030.08)   | (10,075.41)   | (8,448.90)                     |
|           |      |      |       | Franchise - City                           | 1,256,238.59  | 1,420,220.72  | 408,345.05                     |
|           |      |      |       | Louisiana State Supervision & Inspection   | 8,069.06      | 5,634.88      | (3,183.38)                     |
|           |      |      |       | Parish & City Use Tax - Louisiana          | 6,310.49      | (1,560.36)    | 6,363.31                       |
|           |      |      |       | Severance Tax                              | (39,291.85)   | (5,206.19)    | (7,737.26)                     |
|           |      |      |       | State Franchise Tax - Texas                | 587,957.68    | 637,116.52    | 462,957.68                     |
|           |      |      |       | State Gross Receipts - Texas               | 0.00          | 727,103.34    | 41,357.44                      |
|           |      |      |       | State Transportation Tax - Texas           | 3,359.22      | 3,289.49      | 2,784.31                       |
|           |      |      |       | State Use Tax - Louisiana                  | 3,991.89      | 1,534.46      | 2,995.15                       |
|           |      |      |       | Unemployment Tax - Federal                 | 74,683.57     | 79,144.29     | 696.83                         |
|           |      |      |       | Unemployment Tax - State - Colorado        | 4,516.86      | 3,432.77      | 149.25                         |
|           |      |      |       | Unemployment Tax - State - Tennessee       | 45.50         | 0.00          | 0.00                           |
|           |      |      |       | Unemployment Tax - State - Kentucky        | 6,454.26      | 7,384.17      | (13.12)                        |
|           |      |      |       | Unemployment Tax - State - Louisiana       | 2,334.89      | 3,147.27      | (4.67)                         |
|           |      |      |       | Unemployment Tax - State - Texas           | 36,971.68     | 37,723.17     | 616.47                         |
|           |      |      |       | Use Tax (City & State) - Texas             | 44,141.80     | 21,622.30     | 76,522.75                      |
|           |      |      |       | Atmos - Total Accrued Taxes                | 5,246,338.25  | 5,529,896.66  | 6,211,524.22                   |
|           |      |      |       | United Cities Gas - Total Accrued Taxes    | 5,640,892.00  | 3,463,655.00  | 5,488,677.46                   |
| 60        | 10   |      |       | Total Accrued Taxes                        | 10,887,230.25 | 8,993,551.66  | 11,700,201.68                  |



ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF FEBRUARY 28

01:55 PM

| Reference                        | Page | Line | Acct. | Description                                    | 1998           | 1997          | As of<br>September 30,<br>1997 |
|----------------------------------|------|------|-------|--|----------------|---------------|--------------------------------|
| No.                              | No.  | No.  | No.   |  |                |               |                                |
| <b>INCOME TAXES PAYABLE</b>      |      |      |       |  |                |               |                                |
|                                  | 2360 |      |       | Accrued Income Taxes                           | 5,978,038.49   | 6,570,144.05  | (6,384,148.36)                 |
|                                  |      |      |       | Accrued Income Taxes - Federal                 | (1,254,387.85) | 1,045,584.43  | (2,236,201.00)                 |
|                                  |      |      |       | Accrued Income Taxes - State                   | 4,723,650.64   | 7,615,738.48  | (8,620,349.36)                 |
|                                  |      |      |       | Atmos - Total Income Taxes Payable             | 4,213,096.00   | 6,191,042.00  | (9,714,291.17)                 |
|                                  |      |      |       | United Cities Gas - Total Income Taxes Payable | 8,936,746.64   | 13,806,770.48 | (18,334,640.53)                |
| 60                               | 11   |      |       | Total Income Taxes Payable                     |                |               |                                |
| <b>DIVIDEND DECLARED</b>         |      |      |       |  |                |               |                                |
|                                  |      |      |       | Atmos  | 7,938,462.43   | 4,035,777.75  | 0.00                           |
|                                  |      |      |       | United Cities Gas                              | 0.00           | 3,377,516.00  | 0.00                           |
| 60                               | 12   | 2380 |       | Dividend Declared                              | 7,938,462.43   | 7,413,293.75  | 0.00                           |
| <b>CUSTOMERS' DEPOSITS</b>       |      |      |       |  |                |               |                                |
|                                  | 2350 |      |       | Customers' Deposits                            | 2,858,870.67   | 3,393,577.48  | 3,256,848.10                   |
|                                  |      |      |       | Customers' Deposits - Colorado                 | 1,602,251.80   | 2,183,768.25  | 1,792,339.06                   |
|                                  |      |      |       | Customers' Deposits - Kentucky                 | 1,406,554.82   | 1,701,407.76  | 1,472,377.99                   |
|                                  |      |      |       | Customers' Deposits - Louisiana                | 2,329,738.56   | 3,026,619.54  | 2,765,269.87                   |
|                                  |      |      |       | Customers' Deposits - Texas                    | 8,197,415.85   | 10,305,373.03 | 9,287,035.02                   |
|                                  |      |      |       | Atmos - Total Customers' Deposits              | 5,659,091.00   | 7,011,484.00  | 5,751,958.00                   |
|                                  |      |      |       | United Cities Gas - Total Customers' Deposits  | 13,836,416.85  | 17,316,857.03 | 15,038,993.02                  |
| 60                               | 13   |      |       | Total Customers' Deposits                      |                |               |                                |
| <b>OTHER CURRENT LIABILITIES</b> |      |      |       |  |                |               |                                |
|                                  | 2370 |      |       | Interest Accrued                               | 2,699.47       | 13,869.87     | 1,251.00                       |
|                                  |      |      |       | Commitment Fee                                 | 472,843.09     | 459,472.45    | 481,751.04                     |
|                                  |      |      |       | Customers' Deposits - Colorado                 | 6,890.74       | 5,739.55      | 63,697.94                      |
|                                  |      |      |       | Customers' Deposits - Kentucky                 | 6,793.92       | 5,893.07      | 44,735.02                      |
|                                  |      |      |       | Customers' Deposits - Louisiana                | 28,920.24      | 29,459.14     | 96,217.80                      |
|                                  |      |      |       | Customers' Deposits - Texas                    | 3,659,513.01   | 3,460,855.14  | 3,007,982.43                   |
|                                  |      |      |       | Long-Term Debt                                 | 117,555.07     | 3,161.15      | 34,568.61                      |
|                                  |      |      |       | Notes Payable                                  |                |               |                                |
|                                  |      |      |       | Total Interest Accrued                         | 4,295,215.54   | 3,978,450.37  | 3,750,203.84                   |
|                                  | 2420 |      |       | Misc. Current & Accrued Liabilities            | 12,500,000.00  | 0.00          | 17,000,000.00                  |
|                                  |      |      |       | Separation/Integration Costs                   | (79,994.86)    | (70,259.25)   | (79,994.86)                    |
|                                  |      |      |       | Capacity Release Credits                       | 6,545,230.45   | 3,518,107.92  | 5,246,416.08                   |
|                                  |      |      |       | FAS 106 - OPEB                                 | 525,025.15     | 794,714.00    | 1,450,000.00                   |
|                                  |      |      |       | Performance Plan                               | (4,060.00)     | 0.00          | 0.00                           |
|                                  |      |      |       | UPFI Exchange                                  | (8,625.00)     | 0.00          | 0.00                           |
|                                  |      |      |       | UPFI Exchange #2                               | 3,579,690.58   | 6,451,916.76  | 2,737,498.56                   |
|                                  |      |      |       | Texas Gas Storage                              |                |               |                                |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF FEBRUARY 28

01:53 PM

| Reference                                     | Page No. | Line No. | Acct. No. | Description  | 1998           | 1997           | As of September 30, 1997 |
|---|----------|----------|-----------|--|----------------|----------------|--------------------------|
|   |          |          |           | Total Misc. Current & Accrued Liabilities              | 23,057,326.32  | 10,694,509.43  | 26,353,979.78            |
|   |          |          |           | 2620 Self Insurance Reserve                            |                |                |                          |
|   |          |          |           | General Liability                                      | 1,700,000.00   | 1,500,000.00   | 1,000,000.00             |
|   |          |          |           | Auto Liability Claims                                  | (3,816.34)     | 0.00           | 0.00                     |
|   |          |          |           | Gen. Liab. (Each \$50M Claim Amortized over 12 months) | (862,800.79)   | 58,387.08      | 0.00                     |
|   |          |          |           | Workers Compensation                                   | 1,200,000.00   | 1,200,000.00   | 1,200,000.00             |
|   |          |          |           | Total Self Insurance Reserve                           | 2,033,382.87   | 2,758,387.08   | 2,200,000.00             |
|   |          |          |           | Atmos - Total Other Current Liabilities                | 29,385,924.73  | 17,471,346.88  | 32,284,183.62            |
|   |          |          |           | United Cities Gas - Total Other Current Liabilities    | 23,255,999.00  | 16,873,398.00  | 19,297,929.41            |
| 60  | 14       |          |           | Total Other Current Liabilities                        | 32,641,923.73  | 34,304,744.88  | 51,582,113.03            |
| 60  | 15       |          |           | Intercompany Accounts - United Cities Gas              | 1,729,259.00   | 2,175,556.00   | 276,957.00               |
| 60  | 16       |          |           | Total Current Liabilities                              | 335,457,518.35 | 253,796,743.63 | 277,113,668.92           |
|   |          |          |           | 282 Deferred Federal Income Taxes                      | 49,605,758.12  | 36,888,382.47  | 48,721,572.57            |
|   |          |          |           | 283 Deferred State Income Taxes                        | 6,488,621.18   | 3,417,617.55   | 6,372,806.73             |
|   |          |          |           | Atmos - Deferred Income Taxes                          | 56,094,379.30  | 40,306,000.02  | 55,094,379.30            |
|   |          |          |           | United Cities Gas - Deferred Income Taxes              | 24,953,993.00  | 25,496,353.00  | 26,234,437.68            |
| 60  | 17       |          |           | Total Deferred Income Taxes                            | 81,048,372.30  | 65,802,353.02  | 81,328,816.98            |
| <b>DEFERRED CREDITS AND OTHER LIABILITIES</b> |          |          |           |  |                |                |                          |
|   |          |          |           | 2520 Customer Advances for Construction                | 8,962,037.30   | 8,397,290.78   | 8,776,173.29             |
|   |          |          |           | 2530 Other Deferred Credits                            |                |                |                          |
|   |          |          |           | Advance from UP Alliance                               | 0.00           | 225,000.00     | 0.00                     |
|   |          |          |           | Directors' Fees  | 119,951.82     | 87,850.00      | 107,850.00               |
|   |          |          |           | Outside Directors' Retirement Plan                     | 187,012.34     | 65,111.64      | 134,289.92               |
|   |          |          |           | FAS 106 - OPEB   | 6,398,423.61   | 6,159,790.61   | 6,171,915.61             |
|   |          |          |           | FAS 109 - Regulatory Liability / Protected             | 2,291,234.63   | 2,291,234.63   | 2,291,234.63             |
|   |          |          |           | KN Master Mtr Transfer                                 | 0.00           | 200,000.00     | 200,000.00               |
|   |          |          |           | LPSC Settlement (Amort. Heating Sea., Fiscal 96 & 97)  | 0.00           | 96,212.59      | 0.00                     |
|   |          |          |           | Protected Excess Deferred Tax - GGC                    | 221,780.62     | 221,780.62     | 221,780.62               |
|   |          |          |           | Regulatory Liability - ITC                             | 392,454.15     | 392,454.15     | 392,454.15               |
|   |          |          |           | Rent Amortization - Lafayette Office                   | 112,469.39     | 173,331.12     | 160,546.89               |
|   |          |          |           | Rent Amortization - Midway Bldg.                       | 0.00           | 86,238.29      | 0.00                     |
|   |          |          |           | Rent Amortization - Three Lincoln Centre               | 0.00           | (144,680.10)   | 0.00                     |
|   |          |          |           | Retirement Cost  | 21,838,528.38  | 19,553,192.05  | 20,500,905.84            |
|   |          |          |           | Total Other Deferred Credits                           | 31,561,854.94  | 29,407,515.60  | 30,270,977.66            |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF FEBRUARY 28

01:51 PM

| Reference | Page | Line | Acct. | Description  | 1998               | 1997               | As of<br>September 30,<br>1997 |
|-----------|------|------|-------|--|--------------------|--------------------|--------------------------------|
| No.       | No.  | No.  | No.   |  |                    |                    |                                |
|           |      | 2550 |       | Deferred Credits - Accrued I.T.C                           | 811,500.81         | 811,500.81         | 811,500.81                     |
|           |      |      |       | Atmos - Total Deferred Credits and Other Liab.             | 41,335,393.05      | 38,616,307.19      | 39,858,651.76                  |
|           |      |      |       | United Cities Gas - Total Deferred Credits and Other Liab. | 12,774,314.00      | 14,041,797.00      | 13,729,516.00                  |
| 60        | 18   |      |       | Total Deferred Credits and Other Liab.                     | 54,109,707.05      | 52,658,104.19      | 53,588,167.76                  |
| 60        | 19   |      |       | TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY                 | \$1,102,185,068.28 | \$1,003,753,042.62 | \$1,011,626,092.39             |

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATED OPERATING REVENUE AND STATISTICS  
FOR THE MONTH AND YEAR TO DATE ENDED 02/28/98

| Line No. | Description (a)   | Current Month |                       | Year to Date |                       |             |
|----------|---|---------------|-----------------------|--------------|-----------------------|-------------|
|          |   | Actual (b)    | Budget (c)            | Actual (e)   | Budget (f)            |             |
|          |   |               | Prior Year Actual (d) |              | Prior Year Actual (g) |             |
| 1        | Degree Days   | 575           | 701                   | 633          | 3,128                 | 3,018       |
|          | Meters in service (1)                                     |               |                       |              |                       |             |
| 2        | Residential   | 891,352       | N/A                   | 874,536      | N/A                   | 869,468     |
| 3        | Commercial  | 96,244        |                       | 94,637       |                       | 93,605      |
| 4        | Industrial  | 1,869         |                       | 1,873        |                       | 1,912       |
| 5        | Public Authority & Other                                  | 4,873         |                       | 4,791        |                       | 4,774       |
| 6        | Agricultural  | 15,031        |                       | 15,704       |                       | 16,974      |
| 7        | Total meters in service                                   | 1,009,369     | N/A                   | 991,541      | N/A                   | 986,733     |
|          | Utility Sales Customers - Regulated (1)                   |               |                       |              |                       |             |
| 8        | Residential   | 875,822       | N/A                   | 861,874      | N/A                   | 853,254     |
| 9        | Commercial  | 93,984        |                       | 92,821       |                       | 91,045      |
| 10       | Industrial  | 1,448         |                       | 1,378        |                       | 1,383       |
| 11       | Public Authority & Other                                  | 3,636         |                       | 3,535        |                       | 3,512       |
| 12       | Agricultural  | 298           |                       | 374          |                       | 309         |
| 13       | Total Regulated Sales Customers                           | 975,188       | N/A                   | 959,914      | N/A                   | 949,503     |
|          | Utility Sales Customers - Non Regulated (1)               |               |                       |              |                       |             |
| 14       | Industrial  | 196           | N/A                   | 193          | N/A                   | 186         |
| 15       | Agricultural  | 6,284         |                       | 6,605        |                       | 6,659       |
| 16       | Total Non Regulated Sales Customers                       | 6,480         | N/A                   | 6,798        | N/A                   | 6,845       |
| 17       | Total Sales Customers (1)                                 | 981,668       | N/A                   | 966,712      | N/A                   | 956,348     |
| 18       | Transportation Customers (1) (2)                          | 661           | N/A                   | 485          | N/A                   | 506         |
| 19       | Total Utility Customers (1) (2)                           | 982,329       | N/A                   | 967,197      | N/A                   | 956,854     |
|          | Utility Gas Volumes Sold - Regulated (mcf as metered)     |               |                       |              |                       |             |
| 20       | Residential   | 11,470,108    | N/A                   | 13,372,321   | N/A                   | 47,344,548  |
| 21       | Commercial  | 5,293,214     |                       | 6,132,674    |                       | 22,784,237  |
| 22       | Industrial  | 2,049,220     |                       | 2,670,159    |                       | 13,926,110  |
| 23       | Public Authority & Other                                  | 745,712       |                       | 902,503      |                       | 3,367,126   |
| 24       | Agricultural  | 3,405         |                       | 12,049       |                       | 88,268      |
| 25       | Unbilled  | (1,897,920)   |                       | (3,915,261)  |                       | 5,536,657   |
| 26       | Total Regulated Gas Volumes                               | 17,663,739    | N/A                   | 19,174,445   | N/A                   | 93,046,946  |
|          | Utility Gas Volumes Sold - Non Regulated (mcf as metered) |               |                       |              |                       |             |
| 27       | Industrial  | 536,568       | N/A                   | 542,209      | N/A                   | 2,745,268   |
| 28       | Agricultural  | 63,035        |                       | 158,752      |                       | 1,365,477   |
| 29       | Total Non Regulated Gas Volumes                           | 599,603       | N/A                   | 700,961      | N/A                   | 4,110,745   |
| 30       | Total Gas Volumes Sold                                    | 18,263,342    | N/A                   | 19,875,406   | N/A                   | 97,157,691  |
| 31       | Transport volumes (mcf as metered) (2)                    | 4,118,207     | N/A                   | 4,164,899    | N/A                   | 20,783,446  |
| 32       | Total Operating Volumes (2)                               | 22,381,549    | N/A                   | 24,040,305   | N/A                   | 117,941,137 |

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATED OPERATING REVENUE AND STATISTICS  
FOR THE MONTH AND YEAR TO DATE ENDED 02/28/98

| Line No. | Description (a)                           | Current Month    |                   |                       | Year to Date      |                   |                       |
|----------|---|------------------|-------------------|-----------------------|-------------------|-------------------|-----------------------|
|          |   | Actual (b)       | Budget (c)        | Prior Year Actual (d) | Actual (e)        | Budget (f)        | Prior Year Actual (g) |
| 1        | Utility Gas Sales Revenue - Regulated     |                  |                   |                       |                   |                   |                       |
| 2        | Residential                               | \$ 60,271,051.99 | N/A               | \$ 78,448,980.04      | \$ 257,587,359.57 | N/A               | \$ 273,038,185.81     |
| 3        | Commercial                                | 26,477,876.66    |                   | 34,564,695.76         | 114,486,520.02    |                   | 121,562,232.66        |
| 4        | Industrial                                | 8,172,312.25     |                   | 12,644,826.68         | 50,775,772.66     |                   | 59,280,530.29         |
| 5        | Public Authority & Other                  | 2,878,070.76     |                   | 4,101,419.56          | 13,843,799.80     |                   | 16,146,865.28         |
| 6        | Agricultural                              | 19,004.52        |                   | 50,496.06             | 360,032.71        |                   | 306,346.34            |
| 7        | Unbilled                                  | (18,355,143.00)  |                   | (24,915,846.00)       | 8,793,633.00      |                   | 40,511,837.00         |
|          | Total Regulated Gas Sales Revenue         | 79,463,173.18    | N/A               | 104,894,572.10        | 443,847,117.76    | N/A               | 510,845,997.38        |
| 8        | Utility Gas Sales Revenue - Non Regulated |                  |                   |                       |                   |                   |                       |
| 9        | Industrial                                | 1,664,430.54     | N/A               | 1,651,719.36          | 8,670,421.21      | N/A               | 8,247,355.73          |
| 10       | Agricultural                              | 307,683.77       |                   | 469,341.75            | 2,896,179.16      |                   | 3,770,902.67          |
|          | Total Non Regulated Gas Sales Revenue     | 1,972,114.31     | N/A               | 2,121,061.11          | 11,566,600.37     | N/A               | 12,018,258.40         |
| 11       | Total Utility Gas Sales Revenue           | 81,435,287.49    | 115,065,000.00    | 107,015,633.21        | 457,413,718.13    | 482,507,000.00    | 522,864,255.78        |
| 12       | Other Gas Revenue                         | 1,209,674.55     | 935,000.00        | 666,330.57            | 4,486,060.55      | 3,379,000.00      | 2,751,649.10          |
| 13       | Total Utility Gas Revenue                 | 82,644,962.04    | 116,000,000.00    | 107,681,963.78        | 461,899,778.68    | 485,886,000.00    | 525,615,904.88        |
| 14       | Transportation Revenue (2)                | 1,746,994.96     | 1,685,000.00      | 1,653,179.67          | 11,157,772.82     | 8,095,000.00      | 8,518,080.79          |
| 15       | Other Operating Revenue                   | 0.00             | 0.00              | 0.00                  | 0.00              | 0.00              | 0.00                  |
| 16       | Total Utility Operating Revenue (2)       | \$ 84,391,957.00 | \$ 117,685,000.00 | \$ 109,335,143.45     | \$ 473,057,551.50 | \$ 493,981,000.00 | \$ 534,133,985.67     |
| 17       | Utility Purchased Gas Cost                |                  |                   |                       |                   |                   |                       |
| 18       | Regulated                                 | \$ 43,889,219.47 | N/A               | \$ 68,342,585.48      | \$ 287,820,435.92 | N/A               | \$ 349,582,873.05     |
| 19       | Non Regulated                             | 1,884,908.00     | N/A               | 1,963,839.43          | 10,156,700.85     | N/A               | 10,173,560.10         |
| 20       | Eliminations                              | (155,021.44)     | N/A               | (218,008.15)          | (934,117.85)      | N/A               | (1,154,507.07)        |
|          | Total Purchased Gas Cost                  | \$ 43,619,106.03 | \$ 74,341,000.00  | \$ 70,088,416.76      | \$ 297,043,018.92 | \$ 313,249,000.00 | \$ 358,601,926.08     |
| 21       | Gas Sales Margin - Regulated (3)          | \$ 33,573,953.71 | N/A               | \$ 36,551,986.62      | \$ 158,026,681.84 | N/A               | \$ 161,263,124.33     |
| 22       | Gas Sales Margin - Non Regulated (4)      | 87,206.31        | N/A               | 157,231.68            | 1,409,899.52      | N/A               | 1,844,698.30          |
| 23       | Gas Sales Margin - Total (5)              | 33,816,181.46    | 40,724,000.00     | 36,927,216.45         | 160,370,699.21    | 169,258,000.00    | 164,262,329.70        |
| 24       | Margin per MCF Sold - Regulated (6)       | \$ -             | N/A               | \$ 1.91               | \$ 1.80           | N/A               | \$ 1.73               |
| 25       | Margin per MCF Sold - Non Regulated (6)   | 0.15             | N/A               | 0.22                  | 0.41              | N/A               | 0.45                  |
| 26       | Margin per MCF Sold - Total (6)           | 1.96             | N/A               | 1.86                  | 1.76              | N/A               | 1.69                  |

N/A = Not Available

- (1) The current month reflects the actual for the respective period as per the Meter Inventory Mgmt System, year to date reflects the average for the respective period.
- (2) Reflects intercompany eliminations.
- (3) Regulated gas sales revenue minus regulated gas costs.
- (4) Non regulated gas sales revenue minus non regulated gas costs.
- (5) Total gas sales revenue minus total gas costs.
- (6) Gas sales margin divided by gas sales volumes as metered.

WESTERN KENTUCKY GAS UTILITY BUSINESS UNIT  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 02/28/98

| Line No. | Description (a)   | Current Month |            | Prior Year Actual |            | Year to Date |                       |
|----------|---|---------------|------------|-------------------|------------|--------------|-----------------------|
|          |   | Actual (b)    | Budget (c) | (d)               | (e)        | Budget (f)   | Prior Year Actual (g) |
| 1        | Degree Days   | 570           | 793        | 606               | 2,969      | 3,412        | 3,219                 |
|          | Meters in service (1)                                     |               |            |                   |            |              |                       |
| 2        | Residential   | 156,212       | N/A        | 153,878           | 155,800    | N/A          | 153,445               |
| 3        | Commercial  | 18,110        |            | 17,756            | 18,028     |              | 17,643                |
| 4        | Industrial  | 395           |            | 464               | 432        |              | 427                   |
| 5        | Public Authority & Other                                  | 1,596         |            | 1,562             | 1,587      |              | 1,553                 |
| 6        | Agricultural  | 0             |            | 0                 | 0          |              | 0                     |
| 7        | Total meters in service                                   | 176,313       | N/A        | 173,660           | 175,847    | N/A          | 173,068               |
|          | Utility Sales Customers - Regulated (1)                   |               |            |                   |            |              |                       |
| 8        | Residential   | 153,831       | N/A        | 152,161           | 189,954    | N/A          | 150,014               |
| 9        | Commercial  | 17,768        |            | 17,502            | 21,828     |              | 17,132                |
| 10       | Industrial  | 295           |            | 320               | 404        |              | 322                   |
| 11       | Public Authority & Other                                  | 1,588         |            | 1,550             | 1,970      |              | 1,544                 |
| 12       | Agricultural  | 0             |            | 0                 | 0          |              | 0                     |
| 13       | Total Regulated Sales Customers                           | 173,482       | N/A        | 171,533           | 214,155    | N/A          | 169,012               |
|          | Utility Sales Customers - Non Regulated (1)               |               |            |                   |            |              |                       |
| 14       | Industrial  | 0             | 0          | 0                 | 0          | 0            | 0                     |
| 15       | Agricultural  | 0             | 0          | 0                 | 0          | 0            | 0                     |
| 16       | Total Non Regulated Sales Customers                       | 0             | 0          | 0                 | 0          | 0            | 0                     |
| 17       | Total Sales Customers (1)                                 | 173,482       | N/A        | 171,533           | 214,155    | N/A          | 169,012               |
| 18       | Transportation Customers (1)(2)                           | 103           | N/A        | 56                | 84         | N/A          | 49                    |
| 19       | Total Utility Customers (1)(2)                            | 173,585       | N/A        | 171,589           | 214,239    | N/A          | 169,061               |
|          | Utility Gas Volumes Sold - Regulated (mcf as metered)     |               |            |                   |            |              |                       |
| 20       | Residential   | 2,090,355     | N/A        | 2,559,552         | 7,874,184  | N/A          | 8,402,814             |
| 21       | Commercial  | 844,082       |            | 1,038,624         | 3,361,426  |              | 3,697,352             |
| 22       | Industrial  | 303,540       |            | 608,921           | 2,137,000  |              | 3,582,922             |
| 23       | Public Authority & Other                                  | 218,137       |            | 286,297           | 913,972    |              | 965,522               |
| 24       | Agricultural  | 0             |            | 0                 | 0          |              | 0                     |
| 25       | Unbilled  | (543,737)     |            | (1,161,925)       | 1,118,905  |              | 1,281,112             |
| 26       | Total Regulated Gas Volumes                               | 2,912,377     | N/A        | 3,331,469         | 15,405,487 | N/A          | 17,929,722            |
|          | Utility Gas Volumes Sold - Non Regulated (mcf as metered) |               |            |                   |            |              |                       |
| 27       | Industrial  | 0             | 0          | 0                 | 0          | 0            | 0                     |
| 28       | Agricultural  | 0             | 0          | 0                 | 0          | 0            | 0                     |
| 29       | Total Non Regulated Gas Volumes                           | 0             | 0          | 0                 | 0          | 0            | 0                     |
| 30       | Total Gas Volumes Sold                                    | 2,912,377     | N/A        | 3,331,469         | 15,405,487 | N/A          | 17,929,722            |
| 31       | Transport volumes (mcf as metered) (2)                    | 1,588,663     | N/A        | 1,912,201         | 11,070,486 | N/A          | 9,361,178             |
| 32       | Total Operating Volumes (2)                               | 4,471,040     | N/A        | 5,243,670         | 26,475,973 | N/A          | 27,290,900            |

N/A - Not Available

WESTERN KENTUCKY GAS UTILITY BUSINESS UNIT  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 02/28/98

| Line No. | Description (a)                           | Current Month    |                  |                       | Year to Date     |                  |                       |
|----------|---|------------------|------------------|-----------------------|------------------|------------------|-----------------------|
|          |   | Actual (b)       | Budget (c)       | Prior Year Actual (d) | Actual (e)       | Budget (f)       | Prior Year Actual (g) |
| 1        | Utility Gas Sales Revenue - Regulated     |                  |                  |                       |                  |                  |                       |
| 2        | Residential                               | \$ 10,669,717.43 | N/A              | \$ 13,658,779.82      | \$ 47,024,360.19 | N/A              | \$ 44,129,382.57      |
| 3        | Commercial                                | 4,155,532.14     |                  | 5,337,653.06          | 19,066,698.45    |                  | 18,301,729.21         |
| 4        | Industrial                                | 1,278,002.40     |                  | 2,553,673.62          | 9,987,194.61     |                  | 14,301,221.42         |
| 5        | Public Authority & Other                  | 1,010,134.95     |                  | 1,403,688.59          | 4,941,187.34     |                  | 4,546,265.84          |
| 6        | Agricultural                              | 0.00             |                  | 0.00                  | 0.00             |                  | 0.00                  |
| 7        | Unbilled                                  | (7,047,000.00)   |                  | (7,949,000.00)        | (7,831,000.00)   |                  | 4,459,000.00          |
|          | Total Regulated Gas Sales Revenue         | 10,066,386.92    | 21,516,000.00    | 15,004,795.09         | 73,188,440.59    | 79,469,000.00    | 85,737,599.04         |
| 8        | Utility Gas Sales Revenue - Non Regulated |                  |                  |                       |                  |                  |                       |
| 9        | Industrial                                | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00             | 0.00                  |
| 10       | Agricultural                              | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00             | 0.00                  |
|          | Total Non Regulated Gas Sales Revenue     | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00             | 0.00                  |
| 11       | Total Utility Gas Sales Revenue           | 10,066,386.92    | 21,516,000.00    | 15,004,795.09         | 73,188,440.59    | 79,469,000.00    | 85,737,599.04         |
| 12       | Other Gas Revenue                         | 118,784.80       | 145,000.00       | 61,887.70             | 658,769.72       | 456,000.00       | 396,272.63            |
| 13       | Total Utility Gas Revenue                 | 10,185,171.72    | 21,661,000.00    | 15,066,682.79         | 73,847,210.31    | 79,925,000.00    | 86,133,871.67         |
| 14       | Transportation Revenue (2)                | 543,417.86       | 700,000.00       | 601,082.17            | 3,818,333.95     | 3,500,000.00     | 2,894,501.28          |
| 15       | Other Operating Revenue                   | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00             | 0.00                  |
| 16       | Total Utility Operating Revenue (2)       | 10,728,589.58    | 22,361,000.00    | 15,667,764.96         | 77,665,544.26    | 83,425,000.00    | 89,028,372.95         |
| 17       | Utility Purchased Gas Cost                |                  |                  |                       |                  |                  |                       |
| 18       | Regulated                                 | \$ 5,761,700.45  | \$ 14,055,000.00 | \$ 9,906,728.15       | \$ 52,853,077.68 | \$ 54,593,000.00 | \$ 65,865,993.16      |
| 19       | Non Regulated                             | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00             | 0.00                  |
| 20       | Eliminations                              | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00             | 0.00                  |
|          | Total Purchased Gas Cost                  | 5,761,700.45     | 14,055,000.00    | 9,906,728.15          | 52,853,077.68    | 54,593,000.00    | 65,865,993.16         |
| 21       | Gas Sales Margin - Regulated (3)          | \$ 4,304,686.47  | \$ 7,461,000.00  | \$ 5,098,066.94       | \$ 20,335,362.91 | \$ 24,876,000.00 | \$ 19,871,605.88      |
| 22       | Gas Sales Margin - Non Regulated (4)      |                  |                  |                       |                  |                  |                       |
| 23       | Gas Sales Margin - Total (5)              | 4,304,686.47     | 7,461,000.00     | 5,098,066.94          | 20,335,362.91    | 24,876,000.00    | 19,871,605.88         |
| 24       | Margin per MCF Sold - Regulated (6)       | \$ 1.48          | N/A              | \$ 1.53               | \$ 1.32          | N/A              | \$ 1.11               |
| 25       | Margin per MCF Sold - Non Regulated (6)   |                  |                  |                       |                  |                  |                       |
| 26       | Margin per MCF Sold - Total (6)           | 1.48             | N/A              | 1.53                  | 1.32             | N/A              | 1.11                  |

N/A = Not Available

- (1) The current month reflects the actual for the respective period as per the Meter Inventory Mgmt System, year to date reflects the average for the respective period.
- (2) Reflects intercompany eliminations.
- (3) Regulated gas sales revenue minus regulated gas costs.
- (4) Non regulated gas sales revenue minus non regulated gas costs.
- (5) Total gas sales revenue minus total gas costs.
- (6) Gas sales margin divided by gas sales volumes as metered.

ATMIOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED OPERATION EXPENSES  
FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 02/28/98

| Line No.                                | Description (a)                           | Current Month |              | Year to Date          |              | Twelve Months Ended   |              |
|---|---|---------------|--------------|-----------------------|--------------|-----------------------|--------------|
|   |   | Actual (b)    | Budget * (c) | Prior Year Actual (d) | Budget * (e) | Prior Year Actual (f) | Actual (g)   |
| <b>Manufactured Gas Production Exp.</b> |   |               |              |                       |              |                       |              |
| 1                                       | 717 Liquefied Petroleum Gas Expenses      | \$0.00        | \$0          | \$0.00                | \$0.00       | \$0.00                | \$0.00       |
| 2                                       | 723 Fuel for L-P Gas Process              | 0.00          | 0            | 0.00                  | 0            | 0.00                  | 0.00         |
| 3                                       | 728 L-P Gas - Raw Materials               | 0.00          | 0            | 0.00                  | 0            | 0.00                  | 0.00         |
| 4                                       | 735 Misc. Production Expenses             | 0.00          | 0            | 0.00                  | 0            | 0.00                  | 0.00         |
| 5                                       | 736 Rents                                 | 0.00          | 0            | 0.00                  | 0            | 0.00                  | 0.00         |
| 6                                       | Total Manufactured Gas Prod. Expense      | 0.00          | 0            | 0.00                  | 0            | 0.00                  | 0.00         |
| <b>Natural Gas Production Expenses</b>  |   |               |              |                       |              |                       |              |
| 7                                       | 750 Operation Supervision and Engineering | 6.80          | 0            | 298.15                | 0            | 1,823.48              | 2,150.83     |
| 8                                       | 751 Production Maps & Records             | 0.00          | 0            | 0.00                  | 0            | 0.00                  | 0.00         |
| 9                                       | 752 Gas Wells Expenses                    | 0.00          | 0            | 0.00                  | 0            | 0.00                  | 0.00         |
| 10                                      | 753 Field Lines Expenses                  | 2,636.01      | 0            | 468.64                | 0            | 5,277.33              | 11,442.03    |
| 11                                      | 754 Field Compressor Station Expenses     | 2,741.98      | 0            | 4,049.06              | 0            | 21,477.49             | 57,412.75    |
| 12                                      | 755 Field Compressor Station Fuel Exp.    | 4,332.63      | 0            | 0.00                  | 0            | 0.00                  | 139,344.00   |
| 13                                      | 756 Field Meas. & Reg. Station Expenses   | 8,298.57      | 0            | 6,462.15              | 0            | 34,377.40             | 79,644.13    |
| 14                                      | 757 Purification Expenses                 | 1,172.26      | 0            | 2,303.26              | 0            | 11,045.01             | 18,915.26    |
| 15                                      | 758 Gas Well Royalties                    | 0.00          | 0            | 100.00                | 0            | 0.00                  | 0.00         |
| 16                                      | 759 Operating Expenses - Other            | 0.00          | 0            | 0.00                  | 0            | 0.00                  | 0.00         |
| 17                                      | 760 Rents                                 | 0.00          | 0            | 0.00                  | 0            | 0.00                  | 0.00         |
| 18                                      | 798 Other Exploration Exp.                | 201.40        | 0            | 94.34                 | 0            | 471.70                | 1,144.80     |
| 19                                      | Total Natural Gas Prod. Expenses          | 19,389.65     | 0            | 13,775.60             | 0            | 74,574.41             | 310,033.82   |
| <b>Production Extraction</b>            |   |               |              |                       |              |                       |              |
| 20                                      | 770 Operation Supervision and Engineering | 0.00          | 0            | 0.00                  | 0            | 0.00                  | 839.27       |
| 21                                      | 771 Operation Labor                       | 1,400.71      | 0            | 1,197.72              | 0            | 9,071.13              | 16,826.03    |
| 22                                      | 772 Gas Shrinkage                         | 3,548.09      | 0            | 8,001.36              | 0            | 47,170.57             | 83,099.44    |
| 23                                      | 773 Fuel                                  | 937.44        | 0            | 1,133.02              | 0            | 4,115.77              | 9,454.76     |
| 24                                      | 774 Power                                 | 1,623.73      | 0            | 1,266.51              | 0            | 7,630.62              | 17,932.15    |
| 25                                      | 777 Gas Production By Others              | 0.00          | 0            | 261.99                | 0            | 839.16                | 1,984.42     |
| 26                                      | 781 Variation in Product Inv.             | 0.00          | 0            | 0.00                  | 0            | 0.00                  | 0.00         |
| 27                                      | Total Prod. Extraction Expenses           | \$7,511.97    | \$0          | \$11,860.60           | \$0          | \$68,847.25           | \$130,330.07 |
| <b>Other Gas Supply Expenses</b>        |   |               |              |                       |              |                       |              |
| 1                                       | 7990 1 Transf. to Purch. Gas Accts. - Cr. | \$0.00        | \$0          | \$0.00                | \$0          | \$0.00                | \$0.00       |
| 2                                       | 807 Purchased Gas Expenses                | 9,542.29      | 0            | 9,436.95              | 0            | 44,608.89             | 98,913.01    |
| 3                                       | 808 Gas Withdrawn from Storage - Dr.      | 0.00          | 0            | 0.00                  | 0            | 0.00                  | 0.00         |

\* Budget information not available by account and includes UCCO.



ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED OPERATION EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 02/28/98

| Line No.                                      | Description (a)                          | Current Month |              |                       | Year to Date |              |                       | Twelve Months Ended |
|---|--|---------------|--------------|-----------------------|--------------|--------------|-----------------------|---------------------|
|   |  | Actual (b)    | Budget * (c) | Prior Year Actual (d) | Actual (e)   | Budget * (f) | Prior Year Actual (g) |                     |
| 4   | Gas Delivered to Storage - Cr.           | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                |
| 5   | Gas Used for Other Util. Oper. - Cr.     | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                |
| 6   | Total Other Gas Supply Expenses          | 9,512.29      | 0            | 9,416.95              | 35,774.66    | 0            | 44,608.89             | 98,913.01           |
| <b>Underground Storage Operation Expenses</b> |  |               |              |                       |              |              |                       |                     |
| 7   | Oper. Supervision-Engineering            | 0.00          | 0            | 1,824.32              | (2,623.77)   | 0            | 6,804.86              | (7,042.92)          |
| 8   | Wells Expense                            | 5,199.08      | 0            | 5,519.26              | 25,195.75    | 0            | 26,805.86             | 74,293.85           |
| 9   | Lines Expense                            | 4,943.74      | 0            | 2,822.38              | 19,698.83    | 0            | 15,131.69             | 40,981.99           |
| 10  | Comp. Station Expenses                   | 4,900.23      | 0            | 9,677.59              | 23,825.27    | 0            | 44,629.91             | 68,823.48           |
| 11  | Comp. Station Fuel & Power               | 216.95        | 0            | 1,389.63              | 2,309.87     | 0            | 11,722.91             | 15,234.38           |
| 12  | Meas. Reg. Station Expenses              | 3,959.70      | 0            | 2,398.92              | 12,072.67    | 0            | 9,702.62              | 23,138.28           |
| 13  | Purification Expenses                    | 2,879.16      | 0            | 3,290.09              | 17,146.71    | 0            | 15,066.32             | 27,152.52           |
| 14  | Other Expenses                           | 676.99        | 0            | 680.36                | 2,141.90     | 0            | 2,625.19              | 4,589.83            |
| 15  | Storage Well Royalties                   | 796.01        | 0            | 3,561.24              | 15,753.77    | 0            | 17,574.33             | 35,656.63           |
| 16  | Rentals                                  | 0.00          | 0            | 1,296.67              | 0.00         | 0            | 6,483.35              | 9,076.69            |
| 17  | Total Underground Storage Operation Exp. | 23,621.86     | 0            | 32,460.66             | 115,521.02   | 0            | 156,547.04            | 292,286.73          |
| <b>Transmission Operation Expenses</b>        |  |               |              |                       |              |              |                       |                     |
| 18  | Oper. Supervision-Engineering            | 1,747.85      | 0            | 3,674.16              | 4,639.20     | 0            | 16,335.22             | 12,339.42           |
| 19  | System Control-Load Dispatch             | 0.00          | 0            | 1,551.19              | 439.00       | 0            | 8,678.90              | 9,224.14            |
| 20  | Communications System Expenses           | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                |
| 21  | Comp. Station Labor and Exp.             | 5,296.10      | 0            | 5,079.18              | 25,208.36    | 0            | 28,721.49             | 61,454.68           |
| 22  | Gas for Comp. Station Fuel               | 15,373.06     | 0            | 18,980.55             | 95,314.79    | 0            | 70,227.81             | 182,066.13          |
| 23  | Other Fuel and Pow. for Comp. Station    | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                |
| 24  | Mains Expense                            | 19,873.19     | 0            | 19,238.83             | 123,330.22   | 0            | 109,313.15            | 263,637.95          |
| 25  | Measuring and Reg. Sta. Exp.             | 17,426.47     | 0            | 13,260.62             | 62,367.90    | 0            | 77,199.27             | 153,297.82          |
| 26  | Trans. and Comp. of Gas by Oth.          | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                |
| 27  | Other Expenses                           | 0.00          | 0            | 558.36                | 29.76        | 0            | 2,289.88              | 2,383.76            |
| 28  | 8600 0 Rent                              | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                |
| 29  | 8600 8 Building Service                  | 0.00          | 0            | 0.00                  | 0.00         | 0            | 0.00                  | 0.00                |
| 30  | Total Transmission Operation Expenses    | \$59,716.67   | \$0          | \$62,342.89           | \$111,349.23 | \$0          | \$312,293.72          | \$684,403.50        |

\* Budget information not available by account and includes UCC.

**ATMOS ENERGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED OPERATION EXPENSES**  
**FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 02/28/98**

| Line No.   | Description (a)                                | Current Month |              |                       | Year to Date   |              |                       | Twelve Months Ended |          |
|--|--|---------------|--------------|-----------------------|----------------|--------------|-----------------------|---------------------|----------|
|  |  | Actual (b)    | Budget * (c) | Prior Year Actual (d) | Actual (e)     | Budget * (f) | Prior Year Actual (g) | Actual (h)          | Line No. |
| <b>Distribution Operation Expenses</b>           |  |               |              |                       |                |              |                       |                     |          |
| 1  | 870 Supervision & Engineering                  | \$291,076.56  | \$0          | \$469,799.76          | \$3,192,352.35 | \$0          | \$2,483,954.03        | \$6,903,212.33      | 1        |
| 2  | 8710 0 Distribution Load Dispatching           | 18,792.34     | 0            | 42,567.09             | 165,363.66     | 0            | 242,096.27            | 475,617.26          | 2        |
| 3  | 8710 3 Odorization Expense                     | 26,042.64     | 0            | 39,649.08             | 147,614.50     | 0            | 170,974.00            | 344,254.07          | 3        |
| 4  | 872 Comp. Station Labor & Expenses             | 0.00          | 0            | 0.00                  | 0.00           | 0            | 0.00                  | 0.00                | 4        |
| 5  | 873 Comp. Station Fuel and Power               | 0.00          | 0            | 0.00                  | 0.00           | 0            | 0.00                  | 0.00                | 5        |
| 6  | 874 Maint. & Services Expenses                 | 651,784.73    | 0            | 523,448.82            | 2,643,510.08   | 0            | 2,538,512.56          | 6,254,810.50        | 6        |
| 7  | 875 Meas. & Reg. Sta. Exp. Gen.                | 59,413.62     | 0            | 52,218.27             | 238,223.68     | 0            | 293,299.02            | 639,030.27          | 7        |
| 8  | 876 Meas. & Reg. Sta. Exp. Ind.                | 33,355.73     | 0            | 40,771.18             | 129,803.06     | 0            | 179,467.83            | 345,410.20          | 8        |
| 9  | 877 Meas. & Reg. Sta. Exp. City Gate           | 25,763.40     | 0            | 28,849.26             | 120,759.94     | 0            | 154,530.13            | 315,581.76          | 9        |
| 10   | 878 Meter & House Regulator Exp.               | 623,176.93    | 0            | 322,824.99            | 2,815,992.64   | 0            | 2,650,661.97          | 6,471,715.21        | 10       |
| 11   | 8790 0 Customer Installation Expenses          | 313,466.22    | 0            | 281,273.48            | 1,508,074.74   | 0            | 1,519,277.99          | 3,538,654.82        | 11       |
| 12   | 8790 1 Customer Installation Exp. - Flex Conn. | 0.00          | 0            | 0.00                  | 1,176.10       | 0            | 661.57                | 1,269.87            | 12       |
| 13   | 8790 8 Irrigation Operating Fee Lines          | (387.04)      | 0            | 178.76                | (8,003.95)     | 0            | (1,446)               | (1,832.66)          | 13       |
| 14   | 8800 0 Other Expenses                          | 15,639.19     | 0            | 30,193.53             | 192,292.30     | 0            | 134,491.45            | 373,854.24          | 14       |
| 15   | 8800 1 Distribution Maps & Records             | 15,703.00     | 0            | 9,763.34              | 56,256.45      | 0            | 48,877.52             | 126,015.91          | 15       |
| 16   | 8810 0 Reus                                    | 119,401.31    | 0            | 371,223.07            | 1,947,323.42   | 0            | 1,897,574.31          | 4,626,256.62        | 16       |
| 17   | 8810 8 Building Service                        | 39,038.27     | 0            | 38,965.19             | 189,086.49     | 0            | 206,547.10            | 500,951.70          | 17       |
| 18   |  |               |              |                       |                |              |                       |                     | 18       |
| 19   | Total Distribution Operation Expenses          | 2,232,286.90  | 0            | 2,450,862.05          | 13,360,330.25  | 0            | 12,522,548.93         | 30,936,915.01       | 19       |
| <b>Customer Accounts Expenses</b>                |  |               |              |                       |                |              |                       |                     |          |
| 20   | 901 Supervision                                | 84,358.58     | 0            | 116,203.42            | 358,338.88     | 0            | 594,809.68            | 1,098,334.34        | 20       |
| 21   | 902 Meter Reading Expenses                     | 399,069.61    | 0            | 364,552.60            | 1,783,333.38   | 0            | 1,777,606.52          | 4,267,170.91        | 21       |
| 22   | 903 Cust. Records & Coll. Expenses             | 763,458.48    | 0            | 1,022,148.76          | 3,996,200.73   | 0            | 5,135,102.72          | 11,125,118.64       | 22       |
| 23   | 904 Uncollectible Accounts                     | 237,250.35    | 0            | 336,011.89            | 1,022,671.26   | 0            | 833,773.94            | 2,189,782.18        | 23       |
| 24   | 905 Miscellaneous Expenses                     | 17,642.60     | 0            | 28,977.44             | 111,389.40     | 0            | 155,337.94            | 325,440.65          | 24       |
| 25   | Total Customer Accounts Expenses               | 1,515,779.62  | 0            | 1,867,846.11          | 7,271,933.65   | 0            | 8,498,630.80          | 19,005,966.73       | 25       |
| <b>Customer Service and Information Expenses</b> |  |               |              |                       |                |              |                       |                     |          |
| 26   | 909 Supervision                                | 58,112.07     | 0            | 56,684.97             | 239,631.18     | 0            | 274,337.61            | 648,313.12          | 26       |
| 27   | 910 Customer Assistance Expenses               | 182,108.83    | 0            | 180,881.54            | 968,344.14     | 0            | 1,140,500.98          | 2,174,174.83        | 27       |
| 28   | 911 Inform. Instruct. & Ad Expenses            | 37,147.93     | 0            | 26,164.01             | 201,061.26     | 0            | 118,009.93            | 497,626.98          | 28       |
| 29   | 912 Misc. Customer Serv. & Info. Exp.          | 0.00          | 0            | 842.19                | 3,174.22       | 0            | 4,233.42              | 7,656.86            | 29       |
| 30   | Total Customer Service & Info. Exp.            | \$277,368.83  | \$0          | \$264,572.71          | \$1,432,210.80 | \$0          | \$1,537,171.94        | \$3,327,771.79      | 30       |

\* Budget information not available by account and includes UCC.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED OPERATION EXPENSES  
FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 07/28/98

| Line No.   | Description (a)                        | Current Month   |                 | Year to Date          |                 | Twelve Months Ended |                       |                  |
|--|--|-----------------|-----------------|-----------------------|-----------------|---------------------|-----------------------|------------------|
|  |  | Actual (b)      | Budget * (c)    | Prior Year Actual (d) | Actual (e)      | Budget * (f)        | Prior Year Actual (g) | Actual (h)       |
| <b>Sales Promotional Expenses</b>                      |  |                 |                 |                       |                 |                     |                       |                  |
| 1  | 915 Supervision                        | \$16,868.36     | \$0             | \$13,623.23           | \$82,684.20     | \$0                 | \$67,971.57           | \$188,992.68     |
| 2  | 916 Demonstrating & Selling Expenses   | 32,630.35       | 0               | 37,593.59             | 147,497.18      | 0                   | 169,801.08            | 361,626.43       |
| 3  | 917 Advertising Expenses               | 177.75          | 0               | 140.00                | 2,533.53        | 0                   | 1,097.95              | 3,277.83         |
| 4  | 918 Miscellaneous Sales Expenses       | 855.00          | 0               | 1,090.44              | 1,730.56        | 0                   | 4,370.80              | 5,173.12         |
| 5  | Total Sales Promotion Expenses         | 50,531.46       | 0               | 52,447.06             | 234,445.47      | 0                   | 243,241.40            | 559,070.06       |
| <b>Administrative &amp; General Operation Expenses</b> |  |                 |                 |                       |                 |                     |                       |                  |
| 6  | 920 Salaries                           | 657,460.93      | 0               | 826,938.38            | 3,860,276.65    | 0                   | 3,847,019.52          | 9,238,832.31     |
| 7  | 921 Office Supplies and Expenses       | 294,771.20      | 0               | 327,463.39            | 1,761,425.83    | 0                   | 1,978,768.87          | 28,843,296.56    |
| 8  | 922 Admin. Exp. Transf. - Cr.          | (1,532,316.83)  | (1)             | (830,000.00)          | (7,110,648.72)  | 0                   | (4,150,000.00)        | (14,040,648.72)  |
| 9  | 923 Outside Services Employed          | 497,484.93      | 0               | 197,829.96            | 1,931,322.30    | 0                   | 1,215,275.05          | 3,361,603.49     |
| 10   | 924 Property Insurance                 | 8,457.90        | 0               | 13,070.50             | 44,208.50       | 0                   | 58,927.84             | 119,386.80       |
| 11   | 9250 Injuries and Damages              | 155,933.54      | 0               | 157,465.80            | 1,687,474.40    | 0                   | 1,140,819.12          | 2,297,617.64     |
| 12   | 9259 Workmen's Comp. Ins. - Cr.        | (15,451.26)     | 0               | (4,528.74)            | (86,401.90)     | 0                   | (120,221.32)          | (207,163.43)     |
| 13   | 9260 Employee Welfare Expenses - Db    | 2,034,792.24    | 0               | 1,736,532.17          | 8,749,332.03    | 0                   | 8,491,362.62          | 20,266,570.33    |
| 14   | 9260 1 Pensions                        | (276,797.00)    | 0               | 53,168.00             | (784,317.00)    | 0                   | 220,839.62            | (469,141.00)     |
| 15   | 9260 7 Emp. Welfare Exp. - Cr.         | (420,216.26)    | 0               | (338,773.92)          | (2,134,928.79)  | 0                   | (1,831,868.15)        | (4,883,979.52)   |
| 16   | 9260 9 Pensions - Cr.                  | 87,469.01       | 0               | (15,211.53)           | 28,809.02       | 0                   | (61,472.75)           | (77,768.27)      |
| 17   | 927 Franchise Requirements             | 80.75           | 0               | 73.00                 | 925.20          | 0                   | 5,673.35              | 18,277.70        |
| 18   | 928 Regulatory Commission Exp.         | 9,588.03        | 0               | 15,785.34             | 48,083.15       | 0                   | 89,810.81             | 132,749.41       |
| 19   | 929 Duplicate Charges-Cr.              | (9,043.09)      | 0               | (15,018.78)           | (46,321.95)     | 0                   | (58,957.15)           | (78,179.61)      |
| 20   | 9301 General Advertising Expenses      | 0.00            | 0               | 0.00                  | 0.00            | 0                   | 0.00                  | 0.00             |
| 21   | 9302 Miscellaneous General Expenses    | 295,512.61      | 0               | 198,675.55            | 1,085,783.87    | 0                   | 919,652.84            | 2,702,942.04     |
| 22   | 9310 0 Rents                           | 194,041.73      | 0               | 193,749.43            | 975,697.60      | 0                   | 969,617.50            | 2,339,730.87     |
| 23   | 9310 8 Building Service                | 0.00            | 0               | 0.00                  | 0.00            | 0                   | 0.00                  | 0.00             |
| 24   | Total Admin. & Gen. Operation Expenses | 1,981,768.41    | 0               | 2,497,238.55          | 10,010,742.19   | 0                   | 12,715,247.77         | 49,564,146.60    |
| 25   | Total Operation Expense                | \$6,171,517.68  | \$12,189,000    | \$7,262,843.18        | \$32,929,366.89 | \$63,154,000        | \$36,173,714.15       | \$104,209,879.72 |
| 26   | UCO Operation Expense                  | 4,543,311.83    | 0.00            | 5,363,188.00          | 25,653,701.87   | 0.00                | 27,825,763.00         | 63,357,010.87    |
| 27   | Consolidated Operation Expense         | \$10,728,209.51 | \$12,189,000.00 | \$12,626,031.18       | \$58,583,068.76 | \$63,154,000.00     | \$63,999,477.15       | \$168,266,890.59 |

(1) The total A & G capitalized year to date is \$4,405,000, remainder is offset by UCG Operation Expense (line 26)

\* Budget information not available by account and includes UCO.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED MAINTENANCE EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 02/28/98

| Line No.                                  | Description (a)                           | Current Month |             | Year to Date          |            | Twelve Months Ended |                       | Line No. |
|---|---|---------------|-------------|-----------------------|------------|---------------------|-----------------------|----------|
|   |   | Actual (b)    | Budget* (c) | Prior Year Actual (d) | Actual (e) | Budget* (f)         | Prior Year Actual (g) |          |
| <b>Manufactured Gas Prod. Maint. Exp.</b> |   |               |             |                       |            |                     |                       |          |
| 1   | 740 Maint. Supervision and Engineering    | \$0.00        | \$0         | \$0.00                | \$0.00     | \$0                 | \$0.00                | 1        |
| 2   | 741 Structures and Improvements           | 0.00          | 0           | 0.00                  | 0.00       | 0                   | 0.00                  | 2        |
| 3   | 742 Productive Equipment                  | 0.00          | 0           | 0.00                  | 0.00       | 0                   | 0.00                  | 3        |
| 4   | Total Manufactured Gas Prod. Maint. Exp.  | 0.00          | 0           | 0.00                  | 0.00       | 0                   | 0.00                  | 4        |
| <b>Natural Gas Production Maint. Exp.</b> |   |               |             |                       |            |                     |                       |          |
| 5   | 761 Maint. Supervision and Engineering    | 0.00          | 0           | 0.00                  | 0.00       | 0                   | 0.00                  | 5        |
| 6   | 762 Structures and Improvements           | 0.00          | 0           | 0.00                  | 0.00       | 0                   | 0.00                  | 6        |
| 7   | 763 Maint. of Producing Gas Wells         | 0.00          | 0           | 0.00                  | 0.00       | 0                   | 0.00                  | 7        |
| 8   | 764 Field Lines                           | 554.14        | 0           | 508.05                | 3,344.26   | 0                   | 5,579.62              | 8        |
| 9   | 765 Field Compressor Station Equipment    | 39.94         | 0           | 189.78                | 1,164.98   | 0                   | 11,321.79             | 9        |
| 10  | 766 Field Meas. and Reg. Station Equip.   | 0.00          | 0           | 79.41                 | 171.40     | 0                   | 3,048.42              | 10       |
| 11  | 767 Purification Equip.                   | 254.78        | 0           | 4,225.99              | 3,047.27   | 0                   | 10,664.47             | 11       |
| 12  | 769 Other Equip.                          | 0.00          | 0           | 0.00                  | 0.00       | 0                   | 0.00                  | 12       |
| 13  | 7950 2 Transf. to Purch. Gas Accts. - Cr. | 0.00          | 0           | 0.00                  | 0.00       | 0                   | 0.00                  | 13       |
| 14  | Total Natural Gas Prod. Maint. Exp.       | 848.86        | 0           | 5,003.23              | 7,727.91   | 0                   | 30,614.30             | 14       |
| <b>Production Extraction</b>              |   |               |             |                       |            |                     |                       |          |
| 15  | 784 Maint. Supervision-Engineering        | 0.00          | 0           | 148.04                | 372.60     | 0                   | 1,036.38              | 15       |
| 16  | 786 Extraction & Refining Equip.          | 523.34        | 0           | 1,189.48              | 2,770.85   | 0                   | 7,630.97              | 16       |
| 17  | 787 Maint. Of Pipe Lines                  | 0.00          | 0           | 0.00                  | 0.00       | 0                   | 0.00                  | 17       |
| 18  | Total Production Extraction               | \$523.34      | \$0         | \$1,337.52            | \$3,143.45 | \$0                 | \$8,667.35            | 18       |

\* Budget information not available by account and includes UCCO.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED MAINTENANCE EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 07/28/98

| Line No.  | Description (a)                                | Current Month |             |                       | Year to Date   |             |                       | Twelve Months Ended |  |
|---|--|---------------|-------------|-----------------------|----------------|-------------|-----------------------|---------------------|--|
|   |  | Actual (b)    | Budget* (c) | Prior Year Actual (d) | Actual (e)     | Budget* (f) | Prior Year Actual (g) | Actual (h)          |  |
| <b>Underground Storage Maintenance Expenses</b> |  |               |             |                       |                |             |                       |                     |  |
| 1   | 800 Supervision-Engineering                    | \$0.00        | \$0         | \$0.00                | \$0.00         | \$0         | \$0.00                | \$0.00              |  |
| 2   | 831 Structures & Improvements                  | 0.00          | 0           | 0.00                  | 2,252.89       | 0           | 173.78                | 7,000.98            |  |
| 3   | 832 Reservoirs & Wells                         | 0.00          | 0           | 0.00                  | 467.06         | 0           | 64.33                 | 1,186.97            |  |
| 4   | 833 Line Maintenance                           | 0.00          | 0           | 0.00                  | 0.00           | 0           | 0.00                  | 0.00                |  |
| 5   | 834 Compressor Station Equipment               | 238.91        | 0           | 378.10                | 828.91         | 0           | 3,336.32              | 3,622.32            |  |
| 6   | 835 Meas. & Reg. Station Equipment             | 37.17         | 0           | 75.55                 | 175.97         | 0           | 647.90                | 3,655.68            |  |
| 7   | 806 Purification Equipment                     | 376.46        | 0           | 803.48                | 603.56         | 0           | 952.01                | 4,387.41            |  |
| 8   | 837 Other Equipment                            | 0.00          | 0           | 0.00                  | 0.00           | 0           | 0.00                  | 0.00                |  |
| 9   | Total Underground Storage Maintenance Expenses | 652.54        | 0           | 1,257.13              | 4,330.39       | 0           | 5,194.34              | 19,833.36           |  |
| <b>Transmission Maintenance Expenses</b>        |  |               |             |                       |                |             |                       |                     |  |
| 10  | 861 Supervision-Engineering                    | 0.00          | 0           | 383.77                | 803.29         | 0           | 1,431.60              | 2,586.36            |  |
| 11  | 862 Structures & Improvements                  | 496.86        | 0           | 190.86                | 1,399.61       | 0           | 2,275.98              | 2,733.47            |  |
| 12  | 863 Maintenance of Mains                       | 3,649.33      | 0           | 4,641.23              | 19,008.00      | 0           | 14,974.58             | 39,455.63           |  |
| 13  | 864 Compressor Station Equipment               | 701.51        | 0           | 217.58                | 1,620.83       | 0           | 1,936.38              | 2,969.07            |  |
| 14  | 865 Meas. & Reg. Station Equipment             | 564.08        | 0           | 2,518.44              | 11,693.86      | 0           | 18,603.83             | 34,194.47           |  |
| 15  | 866 Communications Equipment                   | 0.00          | 0           | 0.00                  | 0.00           | 0           | 0.00                  | 0.00                |  |
| 16  | 867 Other Equipment                            | 0.00          | 0           | 617.81                | 563.42         | 0           | 1,614.74              | 3,141.79            |  |
| 17  | Total Transmission Maintenance Expenses        | 5,411.78      | 0           | 8,569.69              | 35,095.01      | 0           | 40,837.13             | 85,080.79           |  |
| <b>Distribution Maintenance Expenses</b>        |  |               |             |                       |                |             |                       |                     |  |
| 18  | 885 Supervision-Engineering                    | 72,182.10     | 0           | 91,815.93             | 348,540.20     | 0           | 451,441.38            | 980,002.36          |  |
| 19  | 886 Structures & Improvements                  | 2,726.53      | 0           | 7,307.39              | 29,123.53      | 0           | 45,079.56             | 94,639.89           |  |
| 20  | 887 Maintenance of Mains                       | 110,863.23    | 0           | 102,330.37            | 497,389.96     | 0           | 552,269.75            | 1,238,681.16        |  |
| 21  | 888 Compressor Station Equipment               | 0.00          | 0           | 0.00                  | 0.00           | 0           | 0.00                  | 0.00                |  |
| 22  | 889 Meas. & Reg. Station Equipment-Gm.         | 13,273.24     | 0           | 14,197.44             | 54,184.50      | 0           | 68,336.90             | 160,496.23          |  |
| 23  | 890 Meas. & Reg. Station Equipment-Ind.        | 5,902.01      | 0           | 8,721.93              | 33,233.45      | 0           | 50,620.14             | 116,543.61          |  |
| 24  | 891 Meas. & Reg. Station Equipment-C. Gate     | 4,044.32      | 0           | 4,442.70              | 20,234.08      | 0           | 26,154.57             | 77,767.86           |  |
| 25  | 892 Maintenance of Services                    | 15,937.03     | 0           | 27,334.08             | 105,083.33     | 0           | 126,453.63            | 305,527.31          |  |
| 26  | 893 Maintenance of Meter & House Regulator     | (18,809.57)   | 0           | 246,546.11            | 210,908.13     | 0           | 350,838.63            | 757,027.23          |  |
| 27  | 894 Other Equipment                            | 5,136.08      | 0           | 5,246.28              | 22,044.68      | 0           | 23,693.88             | 55,983.29           |  |
| 28  | Total Distribution Maintenance Expenses        | \$211,254.99  | \$0         | \$508,342.23          | \$1,320,743.86 | \$0         | \$1,694,890.46        | \$3,806,668.98      |  |

\* Budget information not available by account and includes UCCO.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED MAINTENANCE EXPENSES  
FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 02/28/98

| Line No.   | Description (a)                         | Current Month |              | Year to Date          |                | Twelve Months Ended |                       |                 |
|--|---|---------------|--------------|-----------------------|----------------|---------------------|-----------------------|-----------------|
|  |   | Actual (b)    | Budget * (c) | Prior Year Actual (d) | Actual (e)     | Budget * (f)        | Prior Year Actual (g) | Actual (h)      |
| <b>Administrative &amp; General Maintenance Expenses</b> |   |               |              |                       |                |                     |                       |                 |
| 1  | 932 Maintenance of General Plant        | \$15,990.18   | \$0          | \$12,833.71           | \$25,741.59    | \$0                 | \$12,919.23           | \$39,694.23     |
| 2  | Total Adm. & Gen. Maintenance Expenses  | 15,990.18     | 0            | 12,833.71             | 25,741.59      | 0                   | 12,919.23             | 39,694.23       |
| 3  | Total Maintenance Expenses              | \$234,681.69  | \$897,000    | \$337,343.51          | \$1,396,780.21 | \$4,485,000         | \$1,774,049.22        | \$3,990,559.03  |
| 4  | UCG Maintenance Expenses                | 443,380.00    | 0            | 701,333.00            | 2,388,658.00   | 0.00                | 2,948,142.00          | 7,246,102.33    |
| 5  | Total Consolidated Maintenance Expenses | \$678,061.69  | \$897,000.00 | \$1,238,676.51        | \$3,985,438.21 | \$4,485,000.00      | \$4,722,191.22        | \$11,236,661.36 |

\* Budget information not available by account and includes UCG.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
STATEMENTS OF LONG-TERM DEBT  
AS OF FEBRUARY 28, 1998

| Line No. | Description (a)   | Original Issue |                   |                        |                      | 1998                   |                      |    | 1997 |  |  | Line No. |
|----------|---|----------------|-------------------|------------------------|----------------------|------------------------|----------------------|----|------|--|--|----------|
|          |   | Date (b)       | Amount (c)        | Current Maturities (d) | Outstanding Debt (e) | Current Maturities (f) | Outstanding Debt (g) |    |      |  |  |          |
| 1        | 11.2% John Hancock Note, due 12-30-02   | 12-23-87       | \$ 20,000,000.00  | \$ 2,000,000.00        | \$ 10,000,000.00     | \$ 2,000,000.00        | \$ 12,000,000.00     | 1  |      |  |  |          |
| 2        | 9.76% John Hancock Note, due 12-30-04   | 10-11-89       | 30,000,000.00     | 3,000,000.00           | 21,000,000.00        | 3,000,000.00           | 24,000,000.00        | 2  |      |  |  |          |
| 3        | 9.57% Variable Annuity Life, due 09-30-06   | 09-30-91       | 20,000,000.00     | 2,000,000.00           | 18,000,000.00        | 2,000,000.00           | 20,000,000.00        | 3  |      |  |  |          |
| 4        | 7.95% Variable Annuity Life, due 08-31-06   | 08-31-92       | 10,000,000.00     | 1,000,000.00           | 9,000,000.00         | 1,000,000.00           | 10,000,000.00        | 4  |      |  |  |          |
| 5        | 10% Michael D. Fredericks, due 12-31-11   | 12-31-91       | 1,151,654.00      | 0.00                   | 1,151,654.00         | 0.00                   | 1,151,654.00         | 5  |      |  |  |          |
| 6        | 10% Kingdom Foundation, due 12-31-11  | 12-31-91       | 1,151,654.00      | 0.00                   | 1,151,654.00         | 0.00                   | 1,151,654.00         | 6  |      |  |  |          |
| 7        | 8.07% Variable Annuity Life, due 10-31-06   | 11-14-94       | 20,000,000.00     | 1,000,000.00           | 20,000,000.00        | 0.00                   | 20,000,000.00        | 7  |      |  |  |          |
| 8        | 8.26% New York Life, due 10-31-14   | 11-14-94       | 20,000,000.00     | 0.00                   | 20,000,000.00        | 0.00                   | 20,000,000.00        | 8  |      |  |  |          |
| 9        | 6.09% NationsBank of Texas, due 11-25-98  | 11-26-96       | 40,000,000.00     | 40,000,000.00          | 40,000,000.00        | 0.00                   | 40,000,000.00        | 9  |      |  |  |          |
| 10       | United Cities Gas Company   |                | 154,752,506.00    | 8,498,357.00           | 154,463,124.00       | 7,820,312.00           | 160,298,119.00       | 10 |      |  |  |          |
|          | First Mortgage Bonds  |                | 317,055,814.00    | 57,498,357.00          | 294,766,432.00       | 15,820,312.00          | 308,601,427.00       |    |      |  |  |          |
| 11       | 9.4% Series J, due 05-01-21   | 04-01-91       | 17,000,000.00     | 0.00                   | 17,000,000.00        | 0.00                   | 17,000,000.00        | 11 |      |  |  |          |
| 12       | Total Long-Term Debt  |                | \$ 334,055,814.00 | \$ 57,498,357.00       | \$ 311,766,432.00    | \$ 15,820,312.00       | \$ 325,601,427.00    | 12 |      |  |  |          |
| 13       | Annualized Weighted Average Cost of Long-Term Debt (Including Amort. of Debt Expense) |                |                   |                        | 7.64%                |                        | 8.55%                | 13 |      |  |  |          |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 LABOR STATISTICS BY COMPANY  
 FOR THE MONTH AND YEAR TO DATE ENDED 2/28/98

|   | Month          |                | Year to Date    |                 |
|---|----------------|----------------|-----------------|-----------------|
|   | Actual         | Prior Year     | Actual          | Prior Year      |
| <b>Labor Costs Distribution (000's):</b>  |                |                |                 |                 |
| Shared Services                           | \$1,109        | \$1,126        | \$5,631         | \$5,340         |
| Energas                                   | 1,472          | 1,613          | 7,205           | 8,119           |
| Greeley Gas                               | 793            | 914            | 4,242           | 4,611           |
| Trans La                                  | 429            | 484            | 2,199           | 2,384           |
| UCG                                       | 1,361          | 2,610          | 9,752           | 12,911          |
| UCG - Non Regulated                       | 297            | 316            | 1,542           | 1,464           |
| WKG                                       | 920            | 1,123          | 4,741           | 5,555           |
| <b>Total Labor Costs Distribution</b>     | <b>\$6,381</b> | <b>\$8,186</b> | <b>\$35,312</b> | <b>\$40,384</b> |
| <b>Percentage Labor Capitalized</b>       |                |                |                 |                 |
| Shared Services                           |                |                | 18%             | 6%              |
| Energas                                   |                |                | 26%             | 23%             |
| Greeley Gas                               |                |                | 36%             | 30%             |
| Trans La                                  |                |                | 33%             | 27%             |
| UCG                                       |                |                | 17%             | 12%             |
| UCG - Non Regulated                       |                |                | .0%             | .0%             |
| WKG                                       |                |                | 31%             | 24%             |
| <b>Total Percentage Labor Capitalized</b> |                |                | <b>27%</b>      | <b>23%</b>      |
| <b>Average Labor Costs Per Employee:</b>  |                |                |                 |                 |
| Shared Services                           | \$3,684        | \$5,027        | \$4,448         | \$4,664         |
| Energas                                   | 3,662          | 2,725          | 2,929           | 2,709           |
| Greeley Gas                               | 3,374          | 3,449          | 3,500           | 3,485           |
| Trans La                                  | 2,860          | 2,864          | 2,909           | 2,838           |
| UCG                                       | 2,426          | 2,437          | 2,510           | 2,404           |
| UCG - Non Regulated                       | 1,697          | 1,975          | 1,908           | 2,031           |
| WKG                                       | 3,251          | 3,019          | 2,971           | 2,975           |
| <b>Average Labor Costs Per Employee</b>   | <b>\$3,028</b> | <b>\$2,879</b> | <b>\$2,947</b>  | <b>\$2,831</b>  |

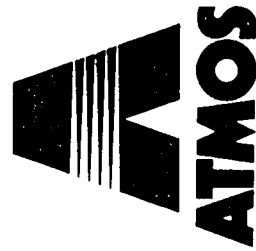


# Atmos Energy Corporation

## FINANCIAL STATEMENTS

MARCH, 1998

*Note: These Financial Statements and the Supplemental information contained herein are confidential. Any unauthorized distribution of all or part of these statements is in violation of company policy.*



**ATMOS ENERGY CORPORATION AND SUBSIDIARIES**  
**FINANCIAL STATEMENTS - TABLE OF CONTENTS**  
**AS OF MARCH 31, 1998**

Description

**MANAGEMENT SUMMARY**

|   |       |
|---|-------|
| Financial Results for the Quarter ended March 31, 1998..... | 1-5   |
| Income Statement - As Reported.....                         | 6-7   |
| Net Income - Normalized.....                                | 8-11  |
| Non-Utility Net Income - As Reported.....                   | 12    |
| Degree Days by Business Unit as a % of Normal.....          | 13-14 |
| Operating Data.....   | 15    |
| Cash Flow Statement - As Reported.....                      | 16    |
| Capital Expenditures and Customer Growth.....               | 17    |
| Capitalization.....   | 18-20 |

**I. CONSOLIDATED FINANCIAL STATEMENTS**

|  |     |
|--|-----|
| Consolidated Balance Sheets -                    |     |
| Assets.....                                      | 1   |
| Liabilities and Shareholders' Equity.....        | 2   |
| Consolidated Statements of Income.....           | 3-4 |
| Consolidating Balance Sheet -                    |     |
| Assets.....                                      | 5   |
| Liabilities and Shareholders' Equity.....        | 6   |
| Eliminations to Consolidating Balance Sheet..... | 7   |
| Consolidating Balance Sheet -                    |     |
| -Non Regulated Assets.....                       | 8   |
| -Non Regulated Liabilities.....                  | 9   |

**II. CONSOLIDATING - UTILITY/NON-UTILITY**

|  |       |
|--|-------|
| Consolidated Income Statement -                                |       |
| Utility/Non-Utility.....                                       | 10-12 |
| Eliminations - Income Statement.....                           | 13    |
| Consolidating Income Statement - Regulated.....                | 14-16 |
| Consolidating Income Statement - Non-Regulated.....            | 17-19 |
| Shared Services Billing (Summary).....                         | 20-22 |
| Shared Services Billing (Detail).....                          | 23-24 |
| Analysis of Shared Services - Actual vs. Budget (Summary)..... | 25-30 |
| Analysis of Shared Services - Actual vs. Budget (Detail).....  | 31-32 |
|  | 33-40 |

**III. INCOME STATEMENTS**

|                                  |       |
|----------------------------------|-------|
| Utility -                        |       |
| Utility Business Units.....      | 41-43 |
| Energas Business Units.....      | 44-46 |
| Energas.....                     | 47-48 |
| Egasco.....                      | 49-50 |
| Enermart.....                    | 51-52 |
| Greeley Business Unit.....       | 53-54 |
| Trans La Business Units.....     | 55-57 |
| Trans La.....                    | 58-59 |
| TLIG.....                        | 60-61 |
| United Cities Business Unit..... | 62-63 |
| WKG Business Units.....          | 64-66 |
| WKG.....                         | 67-68 |
| WKGR.....                        | 69-70 |
| Non-Utility -                    |       |
| Atmos Energy Services.....       | 71-72 |
| Propane.....                     | 73-74 |
| Leasing.....                     | 75-76 |
| Rental.....                      | 77-78 |
| Utility Services.....            | 79-80 |
| Storage.....                     | 81-82 |

**IV. COMBINING FINANCIAL STATEMENTS - ATMOS/UCG REGULATED**

|   |        |
|---|--------|
| Combining Balance Sheets -                |        |
| Assets.....                               | 83     |
| Liabilities and Shareholders' Equity..... | 84     |
| Combining Statements of Income.....       | 85-87  |
| Property, Plant and Equipment.....        | 88-94  |
| Combining Balance Sheet Detail.....       | 95-111 |

**V. STATISTICS**

|   |         |
|---|---------|
| Operating Revenue and Statistics.....               | 112-123 |
| Consolidated Operation and Maintenance Expense..... | 124-130 |
| Statement of Long-term Debt.....                    | 131     |
| Labor Statistics by Company.....                    | 132     |



**Financial Results For The**  
**Quarter Ended**  
**March 31, 1998**



**ATMOS**

# Key Observations

## Financial Results for the Quarter Ended March 31, 1998

- EPS (fully diluted) \$1.25 compared with \$1.04 prior year and \$1.42 budget.
- Results of benefits of lower O&M expenses related to integration and reorganization initiatives, growth in customers served and benefits of rates put in place were partially offset by warmer weather, higher interest expense and depreciation on capital investments not currently included in rates.
- Second quarter net meter growth of 6,976 or 0.7%.



## Key Observations: <sup>10%</sup>

# Financial Results for the Quarter Ended March 31, 1998

- Rate increases reflected in the quarter: West Texas (\$0.3 million) and Illinois (\$0.1 million).
- Natural gas service areas were 6% warmer than last year and 13% warmer than normal resulting in a 3% reduction in sales and transportation volumes from last year.
- Propane service area ranged from 6% warmer to 6% colder than last year and 13% to 20% warmer than normal. Total propane gallons were 8% higher than last year.



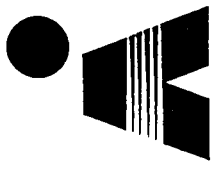
**ATMOS**

# **Key Observations Financial Results for the Quarter Ended March 31, 1998**

- Weather Normalization Adjustment in Tennessee and Georgia increased margins by \$.5 million as compared to an increase of \$1.8 million last year. Since inception (11/90 GA and 11/91 TN) the Weather Normalization Adjustment has added \$7.5 million in revenues.
- Non-utility operations produced \$2.3 million of net income as compared to \$2.1 million last year.

*[Faint, illegible text]*

*[Faint, illegible text]*



**ATMOS**

## **Key Observations**

# **Financial Results for the Quarter Ended March 31, 1998**

- O&M expenses
  - ✧ Expenses were \$3.6 million (9%) below budget and \$11.2 million (24%) below last year due primarily to integration and reorganization initiatives.
  - ✧ Officer separation agreements of \$4.4 million (\$2.8 million after tax) were booked last year.
- Interest expenses were \$0.8 million over budget and \$0.7 million over last year.



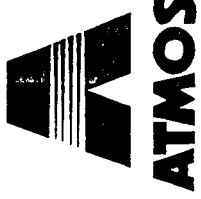
# Income Statement - As Reported

|                                  | 2nd Quarter |             |
|----------------------------------|-------------|-------------|
|                                  | Fiscal 1998 | Fiscal 1997 |
| (000's except EPS)               |             |             |
| Operating Revenues               | \$ 288,550  | \$ 371,333  |
| Purchased Gas Cost/Cost of Sales | 164,579     | 235,230     |
| Gross Profit                     | 123,971     | 136,103     |
| O&M Expense                      | 35,515      | 39,067      |
| Depreciation & Amortization      | 11,876      | 11,964      |
| Taxes, Other Than Income         | 9,377       | 9,917       |
| Income Taxes                     | 22,710      | 26,048      |
| Total Operating Expenses         | 79,478      | 86,996      |
| Operating Income                 | 44,493      | 49,107      |
| Other Income                     | 2,241       | 2,214       |
| Interest Charges                 | 9,336       | 8,541       |
| Net Income                       | \$ 37,398   | \$ 42,676   |
| Net Income Per Share             |             |             |
| Basic                            | \$ 1.26     | \$ 1.42     |
| Diluted                          | \$ 1.25     | \$ 1.41     |
| Average Shares Outstanding       |             |             |
| Basic                            | 29,740      | 29,977      |
| Diluted                          | 29,965      | 30,202      |

29,977  
30,202







# Net Income - Normalized

|   | 2nd Quarter |               |           |               |
|---|-------------|---------------|-----------|---------------|
|   | 1998        | 1997          |           |               |
| (\$000's except EPS)                                    | Amount      | Per Share (1) | Amount    | Per Share (1) |
| <u>As Reported Net Income</u>                           | \$ 37,398   | \$ 1.25       | \$ 30,626 | \$ 1.04       |
| Officer Separation Agreements<br>(\$4.4 million pretax) |             |               | 2,800     | 0.10          |
| <u>Est. Effects of Weather (after tax)</u>              |             |               |           |               |
| Degree Days (gas and propane)                           | 4,473       | 0.15          | 2,267     | 0.07          |
| Rainfall  | 682         | 0.02          | (48)      | -             |
| <u>Normalized Net Income</u>                            | \$ 42,553   | \$ 1.42       | \$ 35,645 | \$ 1.21       |

(1) Fully diluted

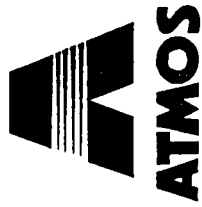
1998  
30,626



# Net Income - Normalized

|   | Year to Date  |               |
|---|---------------|---------------|
|   | 1998          | 1997          |
|   | Amount        | Amount        |
|   | Per Share (1) | Per Share (1) |
| (\$000's except EPS)                                    |               |               |
| <u>As Reported Net Income</u>                           | \$ 57,520     | \$ 48,781     |
|   | 1.94          | \$ 1.66       |
| Officer Separation Agreements<br>(\$4.4 million pretax) |               | 2,800         |
|   |               | 0.10          |
| <u>Est. Effects of Weather (after tax)</u>              |               |               |
| Degree Days (gas and propane)                           | 3,250         | 1,640         |
| Rainfall  | 595           | (123)         |
|   | 0.11          | 0.05          |
|   | 0.02          | -             |
| <u>Normalized Net Income</u>                            | \$ 61,365     | \$ 53,098     |
|   | 2.07          | \$ 1.81       |

(1) Fully diluted



# Net Income - Normalized Utility / Non-Utility

2nd Quarter

Utility Non Utility

|                               | 1998      |               | 1997      |               | 1998     |               | 1997     |               |
|-------------------------------|-----------|---------------|-----------|---------------|----------|---------------|----------|---------------|
|                               | Amount    | Per Share (1) | Amount    | Per Share (1) | Amount   | Per Share (1) | Amount   | Per Share (1) |
| <u>As Reported Net Income</u> | \$ 35,130 | \$1.18        | \$ 28,522 | \$0.97        | \$ 2,268 | \$ 0.07       | \$ 2,104 | \$ 0.07       |

Officer Separation Agreements

2,800 0.10

Est. Effects of Weather (after tax)

Degree Days (gas and propane)

2,531

0.08

238

-

1,942

0.07

2,029

0.07

Rainfall

682

0.02

(48)

-

Normalized Net Income

\$ 38,343

\$1.28

\$ 31,512

\$1.07

\$ 4,210

\$ 0.14

\$ 4,133

\$ 0.14

(1) Fully diluted



# Net Income - Normalized Utility / Non-Utility

Year to Date

|                                     | Utility   |               | Non Utility |               |
|-------------------------------------|-----------|---------------|-------------|---------------|
|                                     | 1998      | 1997          | 1998        | 1997          |
| (\$000's except EPS)                | Amount    | Per Share (1) | Amount      | Per Share (1) |
| <u>As Reported Net Income</u>       | \$ 53,788 | \$1.81        | \$ 44,917   | \$1.53        |
| Officer Separation Agreements       |           |               | 2,800       | 0.10          |
| Est. Effects of Weather (after tax) |           |               |             |               |
| Degree Days (gas and propane)       | 1,371     | 0.05          | (212)       | (0.01)        |
| Rainfall                            | 595       | 0.02          | (123)       | -             |
| <u>Normalized Net Income</u>        | \$ 55,754 | \$ 1.88       | \$ 47,382   | \$ 1.62       |
|                                     |           |               | \$ 5,611    | \$ 0.19       |
|                                     |           |               | \$ 3,732    | \$ 0.13       |
|                                     |           |               | \$ 3,864    | \$ 0.13       |

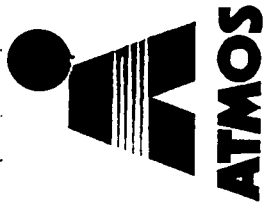
(1) Fully diluted



# Non-Utility Net Income - As Reported

|                    | 2nd Quarter     |                 | Year to Date    |                 |
|--------------------|-----------------|-----------------|-----------------|-----------------|
|                    | 1998            | Budget 1997     | 1998            | Budget 1997     |
| (000's)            |                 |                 |                 |                 |
| Woodward Marketing | \$ 1,229        | \$ 960          | \$ 1,462        | \$ 1,452        |
| Propane            | 710             | 1,927           | 1,554           | 3,080           |
| Leasing and Rental | 173             | 288             | 474             | 540             |
| Storage and Other  | 156             | 60              | 242             | 79              |
| Net Income         | <u>\$ 2,268</u> | <u>\$ 3,235</u> | <u>\$ 3,732</u> | <u>\$ 5,151</u> |
|                    |                 |                 |                 | <u>\$ 3,864</u> |

2022 Q1

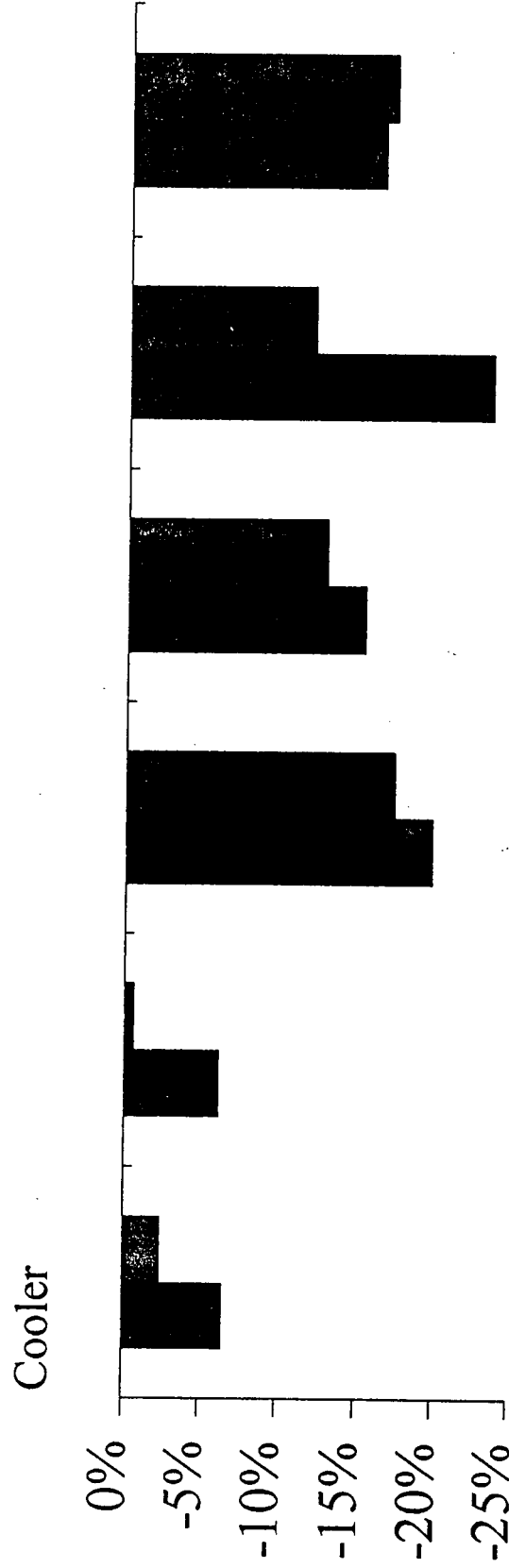


# Degree Days by Business Unit

as a % of Normal

2004

2nd Quarter

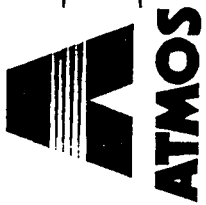


Warmer

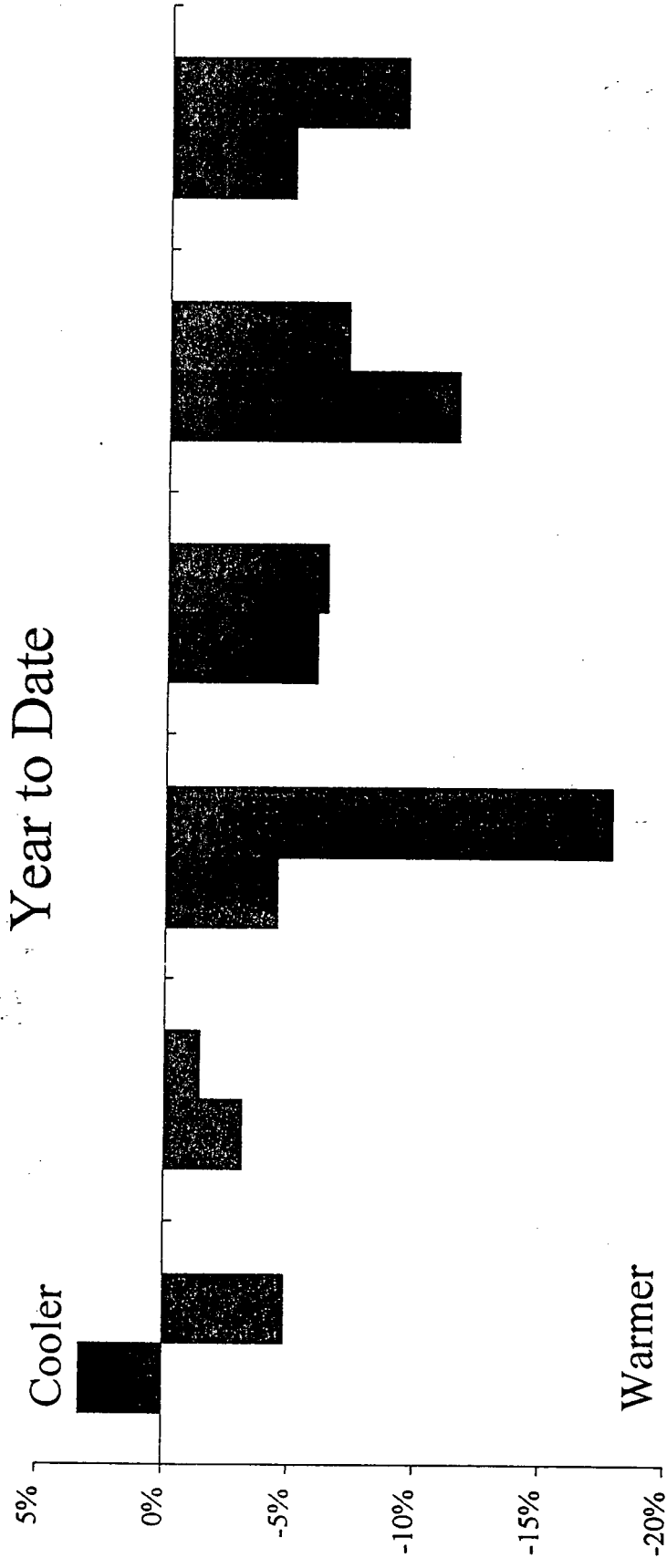
■ Current Year ■ Prior Year

Energas Greeley Gas Trans La UCG\* WKG Propane

\*United Cities has weather normalization clauses in Georgia and Tennessee



# Degree Days by Business Unit as a % of Normal

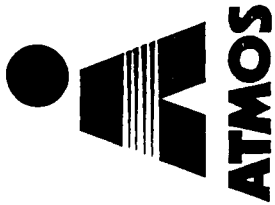


■ Current Year    ■ Prior Year

Energas    Greeley Gas    Trans La    UCG\*    WKG    Propane

\*United Cities has weather normalization clauses in Georgia and Tennessee





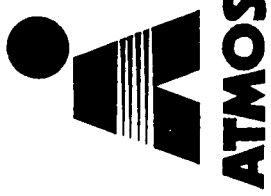
# Operating Data

|   | 2nd Quarter |           | Year to Date |           |
|---|-------------|-----------|--------------|-----------|
|   | 1998        | 1997      | 1998         | 1997      |
| Sales Volumes - MMcf                    |             |           |              |           |
| Residential                             | 33,404      | 33,554    | 59,893       | 58,875    |
| Commercial                              | 14,903      | 15,518    | 27,435       | 27,965    |
| Public authority and other              | 2,183       | 2,213     | 4,061        | 4,049     |
| Total weather sensitive sales           | 50,490      | 51,285    | 91,389       | 90,889    |
| Industrial                              | 7,950       | 9,421     | 16,580       | 19,269    |
| Irrigation                              | 1,035       | 2,432     | 1,739        | 3,530     |
| Total Sales Volumes                     | 59,475      | 63,138    | 109,708      | 113,688   |
| Transportation volumes - MMcf           | 14,748      | 13,189    | 29,089       | 25,084    |
| Total volumes delivered - MMcf          | 74,223      | 76,327    | 138,797      | 138,772   |
| Propane - Gallons (000s)                | 13,022      | 12,081    | 24,280       | 23,705    |
| Degree Days (natural gas service areas) | 1,831       | 1,940     | 3,486        | 3,421     |
| Percent of Normal                       | 87%         | 92%       | 96%          | 94%       |
| Customers at end of Period (000s):      |             |           |              |           |
| Natural gas (meters)                    | 1,010,206   | 991,944   | 1,010,206    | 995,734   |
| Propane                                 | 29,229      | 29,976    | 29,229       | 29,097    |
| Total                                   | 1,039,435   | 1,021,920 | 1,039,435    | 1,024,831 |
| Utility Rate Base - est. (000s)         | \$700,000   | \$650,000 | \$700,000    | \$650,000 |



# Cash Flow Statement - As Reported

|  | Year to Date |           |
|--|--------------|-----------|
|  | 1998         | 1997      |
| Net Income   | \$ 57,520    | \$ 48,781 |
| Depreciation & amortization                          | 25,418       | 25,003    |
| Changes in working capital and other                 | 18,961       | (17,066)  |
| Merger & integration costs                           | (11,846)     | -         |
| Cash provided by operations                          | 90,053       | 56,718    |
| Capital expenditures (net)                           | (52,360)     | (53,233)  |
| Debt repayments                                      | (8,522)      | (9,724)   |
| Dividends paid                                       | (15,828)     | (14,789)  |
| Net cash inflows (outflows)                          | 13,343       | (21,028)  |
| Cash provided from<br>(used in) financing activities | (9,334)      | 29,439    |
| Net Increase In Cash                                 | \$ 4,009     | \$ 8,411  |



# Capital Expenditures and Customer Growth

|                               | Year to Date     |                  |                 | % Meter Growth |
|-------------------------------|------------------|------------------|-----------------|----------------|
|                               | FY 1998          | FY1997           | # of New Meters |                |
| (\$000's)                     |                  |                  |                 |                |
| Utility Units:                |                  |                  |                 |                |
| Energas                       | \$ 5,680         | \$ 9,275         | 3,467           | 1.11%          |
| Greeley Gas                   | 4,759            | 5,794            | 2,284           | 2.02%          |
| Trans La                      | 2,942            | 3,298            | 936             | 1.17%          |
| United Cities *               | 10,154           | 16,239           | 15,898          | 5.18%          |
| Western Kentucky              | 5,814            | 6,647            | 2,173           | 1.25%          |
| <b>Total Utility</b>          | <b>\$ 29,349</b> | <b>\$ 41,253</b> | <b>24,758</b>   | <b>3.65%</b>   |
| Non-Utility Units:            |                  |                  |                 |                |
| Propane                       | 573              | 1,057            |                 |                |
| Storage and Other             | 93               | 77               |                 |                |
| Leasing and Rental            | 62               | 1,187            |                 |                |
| <b>Total Non-Utility</b>      | <b>728</b>       | <b>2,321</b>     |                 |                |
| Customer Service Initiative   | 21,811           | 1,622            |                 |                |
| Shared Services               | 2,412            | 6,183            |                 |                |
| <b>Total Capital Invested</b> | <b>\$ 54,300</b> | <b>\$ 51,379</b> |                 |                |

\*United Cities' capital budget was reduced from \$35 million for 1997 to \$21 million for 1998.17



# Capitalization

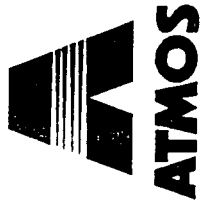
|                                     | March 31          |                   |
|-------------------------------------|-------------------|-------------------|
|                                     | 1998              | 1997              |
| ((\$000's))                         |                   |                   |
| Working capital short-term debt (1) | \$ 22,900         | \$ 30,870         |
| Short-term debt                     | \$ 123,933        | \$ 56,887         |
|                                     | 17.6%             | 7.6%              |
| Long-term debt                      | 309,660           | 325,495           |
|                                     | 37.0%             | 43.7%             |
| Shareholders' equity                | 380,075           | 362,092           |
|                                     | 45.4%             | 48.7%             |
| <b>Total capitalization</b>         | <b>\$ 813,668</b> | <b>\$ 744,474</b> |
|                                     | 100.0%            | 100.0%            |

(1) Includes borrowings associated with working gas inventories and unrecovered gas cost.



# Capitalization

- Debt as a percentage of total capitalization has increased as a result of:
  - ✧ CSI investment;
  - ✧ Merger and integration costs; and
  - ✧ Equity reductions resulting from charges and reserves.
- Target debt equity ratio -- about 50/50.



# Capitalization

(continued)

- Steps to improve debt/equity ratios to include:
  - ✧ Recovery of CSI and merger/integration costs
  - ✧ Direct stock issue
    - ◆ Dividend Reinvestment
    - ◆ ESOP
  - ✧ Sale of United Cities real estate investments
  - ✧ Debt Offering

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
AS OF 03/31/98

| Line No.      | Description (a)   | 1998 (b)           | 1997 (c)           | As of September 30, 1997 (d) | Line No. |
|---------------|---|--------------------|--------------------|------------------------------|----------|
| <b>ASSETS</b> |   |                    |                    |                              |          |
| 1             | Property, plant and equipment                             |                    |                    |                              | 1        |
|               | Utility plant   | \$1,233,408,777.16 | \$1,149,517,888.28 | \$1,218,370,929.56           | 2        |
| 2             | Nonutility plant  | 81,616,964.24      | 80,262,415.64      | 82,632,468.53                | 3        |
| 3             | Construction work in progress                             | 69,965,875.06      | 33,298,311.25      | 31,668,205.31                | 4        |
| 4             | Less accumulated depreciation and amortization            | 1,384,991,616.46   | 1,263,078,635.17   | 1,332,671,603.40             | 5        |
| 5             | Net property, plant and equipment                         | 508,922,593.34     | 468,513,413.46     | 483,544,361.22               | 6        |
| 6             | Investments in & advances to subsidiaries                 | 876,069,023.12     | 794,565,221.71     | 849,127,242.18               | 7        |
| 7             | Current assets  | 0.00               | 0.00               | 0.00                         | 8        |
| 8             | Cash and temporary cash investments                       | 10,024,726.91      | 17,167,339.77      | 6,015,412.91                 | 9        |
| 9             | Accounts receivable, less allowance for doubtful accounts | 110,442,139.45     | 134,013,197.74     | 71,217,214.52                | 10       |
| 10            | Inventories   | 13,289,169.02      | 13,935,277.38      | 12,332,807.62                | 11       |
| 11            | Gas stored underground                                    | 22,909,632.24      | 21,151,853.64      | 48,122,006.36                | 12       |
| 12            | Other current assets                                      | 4,132,201.68       | 3,023,027.81       | 6,017,201.01                 | 13       |
| 13            | Intercompany accounts - net                               | 0.00               | 0.00               | 0.00                         | 14       |
| 14            | Total current assets                                      | 160,797,869.30     | 189,290,696.34     | 143,704,642.42               | 15       |
| 15            | Deferred charges and other assets                         | 111,306,904.87     | 69,448,158.82      | 95,479,101.77                | 16       |
| 16            | Total assets  | \$1,148,173,797.29 | \$1,053,304,076.87 | \$1,088,310,986.37           |          |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS (Continued)  
AS OF 03/31/98

| Line No.                                      | Description<br>(a)                         | 1998<br>(b)               | 1997<br>(c)               | As of<br>September 30, 1997<br>(d) | Line No. |
|---|--|---------------------------|---------------------------|------------------------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |  |                           |                           |                                    |          |
| Shareholders' equity                          |  |                           |                           |                                    |          |
| 1   | Common stock                               | \$150,282.17              | \$147,163.42              | \$148,212.18                       | 1        |
| 2   | Common stock subscribed                    | 0.00                      | 0.00                      | 0.00                               | 2        |
| 3   | Additional paid-in capital                 | 262,294,366.42            | 246,074,138.97            | 251,174,227.94                     | 3        |
| 4   | Retained earnings                          | 117,629,892.65            | 115,870,276.65            | 75,937,293.59                      | 4        |
| 5   | Total shareholders' equity                 | 380,074,541.24            | 362,091,579.04            | 327,259,732.71                     | 5        |
| Long-term debt (including current maturities) |  |                           |                           |                                    |          |
| 6   |  | 309,660,163.00            | 325,495,469.00            | 318,181,824.00                     | 6        |
| 7   | Total capitalization                       | 689,734,704.24            | 687,587,048.04            | 645,441,556.71                     | 7        |
| Current liabilities                           |  |                           |                           |                                    |          |
| 8   | Notes payable                              | 146,843,000.00            | 87,757,000.00             | 167,300,000.00                     | 8        |
| 9   | Accounts payable                           | 73,462,792.46             | 58,866,559.03             | 62,625,499.15                      | 9        |
| 10  | Accrued taxes                              | 11,099,278.47             | 10,996,268.95             | 12,119,647.37                      | 10       |
| 11  | Income taxes payable                       | 16,232,506.31             | 19,491,805.62             | (11,703,609.67)                    | 11       |
| 12  | Dividends declared                         | 0.00                      | 0.00                      | 0.00                               | 12       |
| 13  | Customers' deposits                        | 13,581,728.46             | 17,155,472.77             | 15,097,975.19                      | 13       |
| 14  | Other current liabilities                  | 51,197,832.82             | 41,289,214.59             | 52,582,230.67                      | 14       |
| 15  | Total current liabilities                  | 312,417,138.52            | 235,556,320.96            | 298,021,742.71                     | 15       |
| 16  | Deferred income taxes                      | 87,486,482.20             | 73,674,561.02             | 87,828,170.44                      | 16       |
| 17  | Deferred credits and other liabilities     | 58,535,472.33             | 56,486,146.85             | 57,019,516.51                      | 17       |
| 18  | Total liabilities and shareholders' equity | <u>\$1,148,173,797.29</u> | <u>\$1,053,304,076.87</u> | <u>\$1,088,310,986.37</u>          | 18       |

(2)



ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
FOR THE MONTH, YEAR TO DATE AND TWELVE MONTHS ENDED 03/31/98

| Line No. | Description (a)                        | Current Month   |              |                       | Year to Date     |               |                  | Twelve Months Ended |          |
|----------|--|-----------------|--------------|-----------------------|------------------|---------------|------------------|---------------------|----------|
|          |  | Actual (b)      | Budget (c)   | Prior Year Actual (d) | Actual (e)       | Budget (f)    | Year Actual (g)  | Actual (e)          | Line No. |
|          | Operating revenues                     |                 |              |                       |                  |               |                  |                     |          |
| 1        | Gas                                    | \$80,050,370.98 | \$98,148,000 | \$76,994,284.89       | \$541,950,151.66 | \$584,051,000 | \$602,610,191.77 | \$784,175,142.03    | 1        |
| 2        | Transportation                         | 2,097,558.91    | 1,628,000    | 1,841,705.16          | 13,255,332.73    | 9,723,000     | 10,359,785.95    | 22,780,591.95       | 2        |
| 3        | Other                                  | 4,000,593.00    | 5,005,000    | 2,809,949.00          | 28,675,907.00    | 37,216,000    | 30,290,745.30    | 40,499,978.00       | 3        |
| 4        | Total operating revenues               | 86,148,524.89   | 104,781,000  | 81,645,939.05         | 583,881,391.39   | 630,990,000   | 643,260,723.02   | 847,455,711.98      | 4        |
| 5        | Purchased gas cost                     | 49,472,683.91   | 66,502,000   | 47,241,986.82         | 360,309,039.70   | 398,478,000   | 421,743,620.20   | \$515,746,833.46    | 5        |
| 6        | Gross profit                           | 36,675,840.98   | 38,279,000   | 34,403,952.23         | 223,572,351.69   | 232,512,000   | 221,517,102.82   | 331,708,878.52      | 6        |
|          | Operating expenses                     |                 |              |                       |                  |               |                  |                     |          |
| 7        | Operation                              | 10,685,467.08   | 11,665,000   | 17,735,199.23         | 69,268,535.84    | 74,819,000    | 81,734,676.38    | \$161,217,158.44    | 7        |
| 8        | Maintenance                            | 783,459.98      | 897,000      | 1,015,480.57          | 4,768,898.19     | 5,382,000     | 5,737,671.79     | 11,004,640.77       | 8        |
| 9        | Depreciation and amortization          | 3,971,236.69    | 3,995,000    | 3,887,012.41          | 23,784,448.25    | 23,927,000    | 23,065,607.26    | 45,975,780.44       | 9        |
| 10       | Taxes - other than income taxes        | 3,032,586.77    | 3,379,000    | 2,903,239.24          | 17,595,760.33    | 17,184,000    | 18,311,970.70    | 31,414,622.05       | 10       |
| 11       | Provision for income taxes             | 6,405,675.20    | 6,095,000    | 2,870,030.00          | 34,993,779.39    | 36,767,000    | 29,623,849.00    | 19,668,163.76       | 11       |
| 12       | Total operating expenses               | 24,878,425.72   | 26,031,000   | 28,410,961.45         | 150,411,422.00   | 158,079,000   | 158,473,775.13   | 269,280,365.46      | 12       |
| 13       | Operating income                       | 11,797,415.26   | 12,248,000   | 5,992,990.78          | 73,160,929.69    | 74,433,000    | 63,043,327.69    | 62,428,513.06       | 13       |
|          | Other income                           |                 |              |                       |                  |               |                  |                     |          |
| 14       | Merchandise                            | (22,399.94)     | 12,000       | (1,757.13)            | 100,049.37       | 72,000        | 48,593.66        | 91,088.80           | 14       |
| 15       | Interest income                        | 95,801.55       | 78,000       | 160,774.05            | 985,976.27       | 475,000       | 1,024,493.94     | 2,117,447.42        | 15       |
| 16       | Other nonoperating income              | (59,400.36)     | 92,944       | (95,901.48)           | (444,341.33)     | 574,021       | (272,626.65)     | (499,209.05)        | 16       |
| 17       | Equity in earnings - Woodward          | 1,698,569.00    | 366,056      | 1,108,072.00          | 2,362,068.00     | 2,342,979     | 2,301,093.00     | 3,314,786.00        | 17       |
| 18       | Total other income (loss)              | 1,712,570.25    | 549,000      | 1,171,187.44          | 3,003,752.31     | 3,464,000     | 3,101,553.95     | 5,024,113.17        | 18       |
| 19       | Income before interest charges         | 13,509,985.51   | 12,797,000   | 7,164,178.22          | 76,164,682.00    | 77,897,000    | 66,144,881.64    | 67,452,626.23       | 19       |
| 20       | Interest charges                       | 2,806,143.80    | 2,758,000    | 2,924,585.29          | 18,644,522.98    | 17,446,000    | 17,363,980.19    | 34,875,567.01       | 20       |
| 21       | Net income                             | \$10,703,841.71 | \$10,039,000 | \$4,239,592.93        | \$57,520,159.02  | \$60,451,000  | \$48,780,901.45  | \$32,577,059.22     | 21       |
| 22       | Basic earnings per share               | \$0.36          | \$0.33       | \$0.14                | \$1.94           | \$2.02        | \$1.66           | \$1.10              | 22       |
| 23       | Basic avg. common shares outstanding   | 29,822,531      | 30,057,000   | 29,412,032            | 29,653,738       | 29,897,000    | 29,310,350       | 29,551,861          | 23       |
| 24       | Diluted earnings (loss) per share      | \$0.36          | \$0.33       | \$0.14                | \$1.94           | \$2.02        | \$1.66           | \$1.10              | 24       |
| 25       | Diluted avg. common shares outstanding | 30,041,635      | 30,276,000   | 29,429,313            | 29,667,856       | 29,911,000    | 29,327,905       | 29,671,260          | 25       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
FOR THE QUARTER ENDED 03/31/98

| Line No. | Description (a)                         | 1998 (b)         | Budget (c)      | 1997 (d)         | Line No. |
|----------|---|------------------|-----------------|------------------|----------|
|          | Operating revenues                      |                  |                 |                  |          |
| 1        | Gas                                     | \$266,719,609.80 | \$344,760,000   | \$342,034,600.88 | 1        |
| 2        | Transportation                          | 6,420,133.87     | 5,009,000       | 5,260,400.43     | 2        |
| 3        | Other                                   | 15,410,787.00    | 21,564,000      | 15,340,834.00    | 3        |
| 4        | Total operating revenues                | 288,550,530.67   | 371,333,000     | 362,635,835.31   | 4        |
| 5        | Purchased gas cost                      | 164,578,960.50   | 235,230,000     | 238,387,832.84   | 5        |
| 6        | Gross profit                            | 123,971,570.17   | 136,103,000     | 124,248,002.47   | 6        |
|          | Operating expenses                      |                  |                 |                  |          |
| 7        | Operation                               | 33,227,923.28    | 36,376,000      | 43,561,445.51    | 7        |
| 8        | Maintenance                             | 2,287,834.69     | 2,691,000       | 3,149,483.50     | 8        |
| 9        | Depreciation                            | 11,876,100.95    | 11,964,000      | 11,553,249.05    | 9        |
| 10       | Taxes - other than income taxes         | 9,376,496.26     | 9,917,000       | 10,133,523.76    | 10       |
| 11       | Provision for income taxes              | 22,710,187.80    | 26,048,000      | 18,775,090.00    | 11       |
| 12       | Total operating expenses                | 79,478,542.98    | 86,996,000      | 87,172,793.82    | 12       |
| 13       | Operating income (loss)                 | 44,493,027.19    | 49,107,000      | 37,075,208.65    | 13       |
|          | Other income                            |                  |                 |                  |          |
| 14       | Merchandise                             | 68,741.62        | 36,000          | 64,745.49        | 14       |
| 15       | Interest income                         | 515,927.15       | 233,000         | 531,401.37       | 15       |
| 16       | Other nonoperating income               | (325,819.80)     | 291,412         | (251,631.44)     | 16       |
| 17       | Equity in Earnings - Woodward           | 1,981,726.00     | 1,549,588       | 1,868,450.00     | 17       |
| 18       | Total other income (loss)               | 2,240,574.97     | 2,110,000       | 2,212,965.42     | 18       |
| 19       | Income (loss) before interest charges   | 46,733,602.16    | 51,217,000      | 39,288,174.07    | 19       |
| 20       | Interest charges                        | 9,335,538.24     | 8,541,000       | 8,662,584.33     | 20       |
| 21       | Net income (loss)                       | \$37,398,063.92  | \$42,676,000    | \$30,625,589.74  | 21       |
| 22       | Basic earnings (loss) per share         | \$1.26           | \$1.42          | \$1.04           | 22       |
| 23       | Basic average common shares outstanding | 29,739,855       | 29,977,000      | 29,378,855       | 23       |
| 24       | Diluted earnings (loss) per share       | \$1.25           | \$1.41          | \$1.04           | 24       |
| 25       | Diluted avr. common shares outstanding  | \$29,964,542.00  | \$30,202,000.00 | \$29,396,345.00  | 25       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEETS  
AS OF 03/31/98

| Line No.      | Description (a)   | Atmos Operating Divisions (b) | Atmos Non Regulated (c) | Eliminations and Adjustments (d) | Consolidated (e)   | Line No. |
|---------------|---|-------------------------------|-------------------------|----------------------------------|--------------------|----------|
| <b>ASSETS</b> |   |                               |                         |                                  |                    |          |
| 1             | Property, plant and equipment                             |                               |                         |                                  |                    | 1        |
| 2             | Utility plant   | \$1,251,012,352.53            | \$859,549.26            | (\$18,463,124.63)                | \$1,233,408,777.16 | 2        |
| 3             | Nonutility plant  | 2,892,668.66                  | 78,724,295.58           | 0.00                             | 81,616,964.24      | 3        |
| 4             | Construction work in progress                             | 69,959,566.82                 | 6,308.24                | 0.00                             | 69,965,875.06      | 4        |
| 5             | Less accumulated depreciation and amortization            | 1,323,864,588.01              | 79,590,153.08           | (18,463,124.63)                  | 1,384,991,616.46   | 5        |
| 6             | Net property, plant and equipment                         | 505,174,308.36                | 24,446,505.73           | (20,698,220.75)                  | 508,922,593.34     | 6        |
| 7             | Investments in & advances to subsidiaries                 | 818,690,279.65                | 55,143,647.35           | 2,235,096.12                     | 876,069,023.12     | 7        |
| 8             | Current assets  | 8,353,208.01                  | 0.00                    | (8,353,208.01)                   | 0.00               | 8        |
| 9             | Cash and temporary cash investments                       | 4,898,523.43                  | 5,126,203.48            | 0.00                             | 10,024,726.91      | 9        |
| 10            | Accounts receivable, less allowance for doubtful accounts | 104,830,196.10                | 5,542,256.35            | 69,687.00                        | 110,442,139.45     | 10       |
| 11            | Inventories   | 12,329,483.02                 | 959,686.00              | 0.00                             | 13,289,169.02      | 11       |
| 12            | Gas stored underground                                    | 17,255,984.24                 | 5,653,648.00            | 0.00                             | 22,909,632.24      | 12       |
| 13            | Other current assets                                      | 3,880,261.71                  | 652,895.97              | (400,956.00)                     | 4,132,201.68       | 13       |
| 14            | Intercompany accounts - net                               | 4,606,970.63                  | 4,876,077.19            | (9,483,047.82)                   | 0.00               | 14       |
| 15            | Total current assets                                      | 147,801,419.13                | 22,810,766.99           | (9,814,316.82)                   | 160,797,869.30     | 15       |
| 16            | Deferred charges and other assets                         | 96,258,511.82                 | 14,835,802.36           | 212,590.69                       | 111,306,904.87     | 16       |
|               | Total assets  | \$1,071,103,418.61            | \$92,790,216.70         | (\$15,719,838.02)                | \$1,148,173,797.29 |          |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEETS (Continued)  
AS OF 03/31/98

| Line No.                                      | Description (a)                            | Atmos Operating Divisions (b) | Atmos Non Regulated (c) | Eliminations and Adjustments (d) | Consolidated (e)   | Line No. |
|---|--|-------------------------------|-------------------------|----------------------------------|--------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |  |                               |                         |                                  |                    |          |
| Shareholders' equity                          |  |                               |                         |                                  |                    |          |
| 1   | Common stock                               | \$150,282.17                  | \$1,005,100.00          | (\$1,005,100.00)                 | \$150,282.17       | 1        |
| 2   | Common stock subscribed                    | 0.00                          | 0.00                    | 0.00                             | 0.00               | 2        |
| 3   | Additional paid-in capital                 | 262,294,366.42                | 7,348,108.01            | (7,348,108.01)                   | 262,294,366.42     | 3        |
| 4   | Retained earnings                          | 89,303,270.50                 | 28,126,622.15           | 0.00                             | 117,629,892.65     | 4        |
| 5   | Total shareholders' equity                 | 351,947,919.09                | 36,479,830.16           | (8,353,208.01)                   | 380,074,541.24     | 5        |
| Long-term debt (including current maturities) |  |                               |                         |                                  |                    |          |
| 6   |  | 290,303,308.00                | 19,356,855.00           | 0.00                             | 309,660,163.00     | 6        |
| 7   | Total capitalization                       | 642,251,227.09                | 55,836,685.16           | (8,353,208.01)                   | 689,734,704.24     | 7        |
| Current liabilities                           |  |                               |                         |                                  |                    |          |
| 8   | Notes payable                              | 141,700,000.00                | 5,143,000.00            | 0.00                             | 146,843,000.00     | 8        |
| 9   | Accounts payable                           | 67,902,310.96                 | 5,560,481.50            | 0.00                             | 73,462,792.46      | 9        |
| 10  | Accrued taxes                              | 10,793,289.43                 | 305,989.04              | 0.00                             | 11,099,278.47      | 10       |
| 11  | Income taxes payable                       | 8,103,203.88                  | 8,129,302.43            | 0.00                             | 16,232,506.31      | 11       |
| 12  | Dividends declared                         | 0.00                          | 0.00                    | 0.00                             | 0.00               | 12       |
| 13  | Customers' deposits                        | 13,522,746.29                 | 459,938.17              | (400,956.00)                     | 13,581,728.46      | 13       |
| 14  | Other current liabilities                  | 50,160,224.14                 | 1,016,721.68            | 20,887.00                        | 51,197,832.82      | 14       |
| 15  | Intercompany accounts - net                | 435,613.00                    | 9,114,353.82            | (9,549,966.82)                   | 0.00               | 15       |
| 16  | Total current liabilities                  | 292,617,387.70                | 29,729,786.64           | (9,930,035.82)                   | 312,417,138.52     | 16       |
| 17  | Deferred income taxes                      | 80,992,283.30                 | 6,494,198.90            | 0.00                             | 87,486,482.20      | 17       |
| 18  | Deferred credits and other liabilities     | 55,242,520.52                 | 729,546.00              | 2,563,405.81                     | 58,535,472.33      | 18       |
| 19  | Total liabilities and shareholders' equity | \$1,071,103,418.61            | \$92,790,216.70         | (\$15,719,838.02)                | \$1,148,173,797.29 | 19       |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 ELIMINATIONS TO CONSOLIDATING BALANCE SHEET

AS OF 03/31/98

ELIMINATIONS

|   |                 |                 |
|---|-----------------|-----------------|
| 1. Common Stock   | \$1,005,100.00  | \$1,005,100.00  |
| Investment in and advances to subs<br>To eliminate common stock of subs                                     |                 |                 |
| 2. Paid-in Capital  |                 |                 |
| Trans La Industrial   | 2,292,947.89    |                 |
| WKG Resources   | 1,603,833.12    |                 |
| United Cities Storage   | 3,451,327.00    |                 |
| Investment in and advances to subs<br>To eliminate paid-in capital of subs                                  |                 | 7,348,108.01    |
| 3. Atmos Utility Plant  | 2,235,096.12    |                 |
| Atmos Deferred Debit  | 328,309.69      |                 |
| Atmos Deferred Credit   |                 | 2,563,405.81    |
| To adjust for capital leases associated<br>with the sale/lease back transaction<br>with the Gilliland Group |                 |                 |
| 4. Intercompany Accounts- UCGC  |                 |                 |
| Customer Deposits   | 400,956.00      |                 |
| Prepays   |                 | 400,956.00      |
| 5. Intercompany UCGS deposit from UCGC  |                 |                 |
| Intercompany Accounts UCGC  |                 |                 |
| Cash  | 0.00            |                 |
| Accounts Receivable - Service   | 69,687.00       |                 |
| Misc. Deferred Debits   |                 | 115,719.00      |
| Misc. Current Liabilities   |                 | 20,887.00       |
| Intercompany Accounts Payable   | 66,919.00       |                 |
| To eliminate intercompany accounts  |                 |                 |
| 6. Intercompany Accounts Payable - Egasco   |                 |                 |
| - Services  | 780,149.84      |                 |
| - United Cities Gas   | 5,609.98        |                 |
| - United Cities Energy  | 368,694.00      |                 |
| - United Cities Storage   | 6,554,810.00    |                 |
| 1,773,784.00  |                 | 9,483,047.82    |
| Intercompany Accounts Receivable  |                 |                 |
| To eliminate Intercompany - Net   |                 |                 |
| Total Eliminations  | \$20,937,223.64 | \$20,937,223.64 |

ADJUSTMENTS

|  |                 |                 |
|--|-----------------|-----------------|
| 7. WKG Accumulated Provision                 | \$16,033,185.32 | \$16,033,185.32 |
| WKG Division Utility Plant                   |                 |                 |
| To adjust 11-30-1987 depreciation on         |                 |                 |
| WKG Division - amortization Month            | \$280,000       |                 |
| To date                                      | 3,976,000       |                 |
| 8. Trans La Accumulated Provision            |                 |                 |
| Trans La Division Utility Plant              |                 |                 |
| To adjust 12-31-85 depreciation on           |                 |                 |
| Trans La Division - amortization Month       | 48,202          |                 |
| To date                                      | 7,069,534       | 4,623,246.51    |
| 9. Trans La Industrial Accumulated Provision |                 |                 |
| Trans La Industrial Utility Plant            |                 |                 |
| To adjust 12-31-85 depreciation on           |                 |                 |
| Trans La Industrial - amortization Month     | 550             |                 |
| To date                                      | 80,850          | 41,788.92       |
|  |                 | (7)             |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEET - NON REGULATED  
AS OF 03/31/98

1998

| Line No.              | Description (a)   | 1998               |                 |                |                        |                      |                     | Eliminations and Adjustments (i) | Consolidated (j) | Line No.        |
|-----------------------|---|--------------------|-----------------|----------------|------------------------|----------------------|---------------------|----------------------------------|------------------|-----------------|
|                       |   | ATMOS SERVICES (b) | EGASCO INC. (c) | ENERMART (d)   | TRANSIA INDUSTRIAL (e) | UCG ENERGY CORP. (f) | UCG STORAGE CO. (g) |                                  |                  |                 |
| <b>ASSETS</b>         |   |                    |                 |                |                        |                      |                     |                                  |                  |                 |
| 1                     | Property, plant and equipment                             |                    |                 |                |                        |                      |                     |                                  |                  |                 |
| 2                     | Utility plant   | \$0.00             | \$0.00          | \$0.00         | \$859,549.26           | \$0.00               | \$0.00              | \$0.00                           | \$0.00           | \$859,549.26    |
| 3                     | Nonutility plant  | 0.00               | 0.00            | 0.00           | 0.00                   | 58,180,619.00        | 19,989,873.00       | 553,803.58                       | 0.00             | 78,724,295.58   |
| 3                     | Construction work in progress                             | 0.00               | 0.00            | 0.00           | 6,308.24               | 0.00                 | 0.00                | 0.00                             | 0.00             | 6,308.24        |
| 4                     | Less accumulated depreciation and amortization            | 0.00               | 0.00            | 0.00           | 865,857.50             | 58,180,619.00        | 19,989,873.00       | 553,803.58                       | 0.00             | 79,590,153.08   |
| 5                     |   | 0.00               | 0.00            | 0.00           | 469,405.06             | 21,154,773.00        | 2,715,389.00        | 106,938.67                       | 0.00             | 24,446,505.73   |
| 6                     | Net property, plant and equipment                         | 0.00               | 0.00            | 0.00           | 396,452.44             | 37,025,846.00        | 17,274,484.00       | 446,864.91                       | 0.00             | 55,143,647.35   |
| 7                     | Investments in & advances to subsidiaries                 | 0.00               | 0.00            | 0.00           | 0.00                   | 0.00                 | 0.00                | 0.00                             | 0.00             | 0.00            |
| <b>Current assets</b> |   |                    |                 |                |                        |                      |                     |                                  |                  |                 |
| 8                     | Cash and temporary cash investments                       | 1,231.00           | 9,882.95        | 11,405.05      | 8,090.45               | 2,202,663.00         | 2,887,488.00        | 5,443.03                         | 0.00             | 5,126,203.48    |
| 9                     | Accounts receivable, less allowance for doubtful accounts | 0.00               | 17,692.34       | 2,958,877.38   | 831,277.86             | 1,727,569.00         | 5,151.00            | 1,688.77                         | 0.00             | 5,542,256.35    |
| 10                    | Inventories   | 0.00               | 0.00            | 0.00           | 0.00                   | 958,274.00           | 1,412.00            | 0.00                             | 0.00             | 959,686.00      |
| 11                    | Gas stored underground                                    | 0.00               | 0.00            | 0.00           | 0.00                   | 1,006,526.00         | 4,647,122.00        | 0.00                             | 0.00             | 5,653,648.00    |
| 12                    | Other current assets                                      | 0.00               | 0.00            | 29,159.91      | 22,222.67              | 587,169.00           | 1,400.00            | 12,944.39                        | 0.00             | 652,895.97      |
| 13                    | Intercompany accounts - net                               | 0.00               | 0.00            | 1,157,004.13   | 2,304,464.69           | 139,891.00           | 209,958.00          | 1,064,759.37                     | 0.00             | 4,876,077.19    |
| 14                    | Total current assets                                      | 1,231.00           | 27,575.29       | 4,156,446.47   | 3,166,055.67           | 6,622,092.00         | 7,752,531.00        | 1,084,835.56                     | 0.00             | 22,810,766.99   |
| 15                    | Deferred charges and other assets                         | 0.00               | 614,941.92      | 0.00           | 2,003.52               | 13,810,018.00        | 350,957.00          | 57,881.92                        | 0.00             | 14,835,802.36   |
| 16                    | Total assets  | \$1,231.00         | \$642,517.21    | \$4,156,446.47 | \$3,564,511.63         | \$57,457,956.00      | \$25,377,972.00     | \$1,589,582.39                   | \$0.00           | \$92,790,216.70 |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING BALANCE SHEET - NON REGULATED  
AS OF 03/31/98

1998

| Line No.                                      | Description (a)                            | ATMOS SERVICES (b) | EGASCO, INC. (c) | ENERMART (d)   | TRANS LA INDUSTRIAL (e) | UCG ENERGY CORP. (f) | UCG STORAGE CO. (g) | W.K.G. RESOURCES (h) | Eliminations and Adjustments (i) | Consolidated (j) | Line No. |
|---|--|--------------------|------------------|----------------|-------------------------|----------------------|---------------------|----------------------|----------------------------------|------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>   |  |                    |                  |                |                         |                      |                     |                      |                                  |                  |          |
| Shareholders' equity                          |  |                    |                  |                |                         |                      |                     |                      |                                  |                  |          |
| 1   | Common stock                               | \$1,000.00         | \$1,000.00       | \$1,000.00     | \$100.00                | \$1,000,000.00       | \$1,000.00          | \$1,000.00           | \$0.00                           | \$1,005,100.00   | 1        |
| 2   | Common stock subscribed                    | 0.00               | 0.00             | 0.00           | 0.00                    | 0.00                 | 0.00                | 0.00                 | 0.00                             | 0.00             | 2        |
| 3   | Additional paid-in capital                 | 0.00               | 0.00             | 0.00           | 2,292,947.89            | 0.00                 | 3,451,327.00        | 1,603,813.12         | 0.00                             | 7,348,108.01     | 3        |
| 4   | Retained earnings                          | (3,552.33)         | (546,559.11)     | 563,232.67     | 370,404.26              | 23,633,665.00        | 4,134,174.00        | (24,742.34)          | 0.00                             | 28,126,622.15    | 4        |
| 5   | Total shareholders' equity                 | (2,552.33)         | (545,559.11)     | 564,232.67     | 2,663,452.15            | 24,633,665.00        | 7,586,501.00        | 1,580,090.78         | 0.00                             | 36,479,830.16    | 5        |
| Long-term debt (including current maturities) |  |                    |                  |                |                         |                      |                     |                      |                                  |                  |          |
| 6   |  | 0.00               | 0.00             | 0.00           | 0.00                    | 10,788,453.00        | 8,568,402.00        | 0.00                 | 0.00                             | 19,356,855.00    | 6        |
| 7   | Total capitalization                       | (2,552.33)         | (545,559.11)     | 564,232.67     | 2,663,452.15            | 35,422,118.00        | 16,154,903.00       | 1,580,090.78         | 0.00                             | 55,836,685.16    | 7        |
| Current liabilities                           |  |                    |                  |                |                         |                      |                     |                      |                                  |                  |          |
| 8   | Notes payable                              | 0.00               | 0.00             | 0.00           | 0.00                    | 5,143,000.00         | 0.00                | 0.00                 | 0.00                             | 5,143,000.00     | 8        |
| 9   | Accounts payable                           | 0.00               | 515,298.92       | 3,415,451.18   | 529,190.23              | 1,084,131.00         | 14,763.00           | 1,647.17             | 0.00                             | 5,560,481.50     | 9        |
| 10  | Accrued taxes                              | 0.00               | 2,608.56         | 44,973.88      | 24,519.42               | 236,081.00           | 0.00                | (2,193.82)           | 0.00                             | 305,989.04       | 10       |
| 11  | Income taxes payable                       | (1,826.65)         | (109,981.00)     | 131,788.74     | 189,318.29              | 6,574,381.00         | 1,354,922.00        | (9,299.95)           | 0.00                             | 8,129,302.43     | 11       |
| 12  | Dividends declared                         | 0.00               | 0.00             | 0.00           | 0.00                    | 0.00                 | 0.00                | 0.00                 | 0.00                             | 0.00             | 12       |
| 13  | Customers' deposits                        | 0.00               | 0.00             | 0.00           | 58,882.17               | 100.00               | 400,956.00          | 0.00                 | 0.00                             | 459,938.17       | 13       |
| 14  | Other current liabilities                  | 0.00               | 0.00             | 0.00           | 17,629.68               | 696,206.00           | 302,886.00          | 0.00                 | 0.00                             | 1,016,721.68     | 14       |
| 15  | Intercompany accounts - net                | 5,609.98           | 780,149.84       | 0.00           | 0.00                    | 6,554,810.00         | 1,773,784.00        | 0.00                 | 0.00                             | 9,114,353.82     | 15       |
| 16  | Total current liabilities                  | 3,783.33           | 1,188,076.32     | 3,592,213.80   | 819,539.79              | 20,288,709.00        | 3,847,311.00        | (9,846.60)           | 0.00                             | 29,729,786.64    | 16       |
| 17  | Deferred income taxes                      | 0.00               | 0.00             | 0.00           | 81,519.69               | 1,270,604.00         | 5,122,737.00        | 19,338.21            | 0.00                             | 6,494,198.90     | 17       |
| 18  | Deferred credits and other liabilities     | 0.00               | 0.00             | 0.00           | 0.00                    | 476,525.00           | 253,021.00          | 0.00                 | 0.00                             | 729,546.00       | 18       |
| 19  | Total liabilities and shareholders' equity | \$1,231.00         | \$642,517.21     | \$4,156,446.47 | \$3,564,511.63          | \$57,457,956.00      | \$25,377,972.00     | \$1,589,582.39       | \$0.00                           | \$97,790,216.70  | 19       |

ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME  
FOR THE MONTH ENDED MARCH 31, 1998

| Line No. | Description (a)                       | Current Month     |                       |                  |                 |                                |                     | Total Atmos Consolidated (h) | Line No. |
|----------|---------------------------------------|-------------------|-----------------------|------------------|-----------------|--------------------------------|---------------------|------------------------------|----------|
|          |                                       | Regulated (1) (b) | Non-Regulated (2) (c) | Eliminations (d) | Total (e)       | Non-Utility Operations (3) (f) | Shared Services (g) |                              |          |
|          | Operating revenues                    |                   |                       |                  |                 |                                |                     |                              |          |
| 1        | Gas                                   | \$75,881,748.44   | \$4,168,622.54        | \$0.00           | \$80,050,370.98 | \$0.00                         | \$0.00              | \$80,050,370.98              | 1        |
| 2        | Transportation                        | 2,281,735.40      | 6,726.65              | (190,903.14)     | 2,097,558.91    | 0.00                           | 0.00                | 2,097,558.91                 | 2        |
| 3        | Other                                 | 0.00              | 0.00                  | 0.00             | 0.00            | 4,000,595.00                   | 0.00                | 4,000,595.00                 | 3        |
| 4        | Total operating revenues              | 78,163,483.84     | 4,175,349.19          | (190,903.14)     | 82,147,929.89   | 4,000,595.00                   | 0.00                | 86,148,524.89                | 4        |
| 5        | Purchased gas cost                    | 43,918,374.04     | 3,518,335.00          | (190,402.13)     | 47,246,306.91   | 2,226,377.00                   | 0.00                | 49,472,683.91                | 5        |
| 6        | Gross profit                          | 34,245,109.80     | 657,014.19            | (501.01)         | 34,901,622.98   | 1,774,218.00                   | 0.00                | 36,675,840.98                | 6        |
|          | Operating expenses                    |                   |                       |                  |                 |                                |                     |                              |          |
| 7        | Operation                             | 5,939,172.42      | 429,364.90            | 0.00             | 6,368,537.32    | 807,182.00                     | 2,017,035.51        | 9,192,754.83                 | 7        |
| 8        | Maintenance                           | 714,894.32        | 0.00                  | 0.00             | 714,894.32      | 67,425.00                      | 1,140.66            | 783,459.98                   | 8        |
| 9        | Depreciation                          | 3,352,261.38      | 2,865.00              | 0.00             | 3,355,126.38    | 345,191.00                     | 270,919.31          | 3,971,236.69                 | 9        |
| 10       | Taxes - other than income taxes       | 2,833,507.22      | 8,541.62              | 0.00             | 2,842,048.84    | 87,860.00                      | 102,677.93          | 3,032,586.77                 | 10       |
| 11       | Shared Services - direct              | 1,492,712.25      | 0.00                  | 0.00             | 1,492,712.25    | 0.00                           | 0.00                | 1,492,712.25                 | 11       |
| 12       | Shared Services - billed              | 2,337,279.76      | 28,103.44             | 390.21           | 2,365,773.41    | 26,000.00                      | (2,391,773.41)      | 0.00                         | 12       |
| 13       | Provision for income taxes            | 5,608,245.51      | 55,529.69             | 0.00             | 5,663,775.20    | 741,900.00                     | 0.00                | 6,405,675.20                 | 13       |
| 14       | Total operating expenses              | 22,278,072.86     | 524,404.65            | 390.21           | 22,802,867.72   | 2,075,558.00                   | 0.00                | 24,878,425.72                | 14       |
| 15       | Operating income (loss)               | 11,967,036.94     | 132,609.54            | (891.22)         | 12,098,755.26   | (301,340.00)                   | 0.00                | 11,797,415.26                | 15       |
|          | Other income                          |                   |                       |                  |                 |                                |                     |                              |          |
| 16       | Merchandise                           | (22,399.94)       | 0.00                  | 0.00             | (22,399.94)     | 0.00                           | 0.00                | (22,399.94)                  | 16       |
| 17       | Interest income                       | 71,961.55         | 0.00                  | 0.00             | 71,961.55       | 23,840.00                      | 0.00                | 95,801.55                    | 17       |
| 18       | Shared Services - billed              | 0.00              | (390.21)              | 390.21           | 0.00            | 0.00                           | 0.00                | 0.00                         | 18       |
| 19       | Other nonoperating income             | (5,308.06)        | (34,745.31)           | 501.01           | (39,552.36)     | (19,848.00)                    | 0.00                | (59,400.36)                  | 19       |
| 20       | Equity in earnings - Woodward         | 0.00              | 0.00                  | 0.00             | 0.00            | 1,698,569.00                   | 0.00                | 1,698,569.00                 | 20       |
| 21       | Total other income (loss)             | 44,253.55         | (35,135.52)           | 891.22           | 10,009.25       | 1,702,561.00                   | 0.00                | 1,712,570.25                 | 21       |
| 22       | Income (loss) before interest charges | 12,011,290.49     | 97,474.02             | (0.00)           | 12,108,764.51   | 1,401,221.00                   | 0.00                | 13,509,985.51                | 22       |
| 23       | Interest charges                      | 2,629,097.46      | 245.34                | 0.00             | 2,629,342.80    | 176,801.00                     | 0.00                | 2,806,143.80                 | 23       |
| 24       | Net income (loss)                     | \$9,382,193.03    | \$97,238.68           | (\$0.00)         | \$9,479,431.71  | \$1,224,420.00                 | \$0.00              | \$10,703,851.71              | 24       |

Footnotes:  
(1) Regulated Utility Operations includes Energas, GGC, Trans La, UCC, WKG and CNG.  
(2) Non-Regulated Utility Operations includes Ipagaso, Enermart, TLJG and WKGR.  
(3) Non-Utility Operations includes Atmos Energy Services, UCG Energy and UCG Storage.  
(4) Includes all Shared Services expenses booked directly to the business units.  
(5) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.



ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME  
FOR THE QUARTER ENDED MARCH 31, 1998

Current Quarter

| Line No. | Description (a)                       | Utility Operations |                       |                  |                  | Total (c)      | Non-Utility Operations (3) | Shared Services (g) | Total Atmos Consolidated (h) | Line No. |
|----------|---------------------------------------|--------------------|-----------------------|------------------|------------------|----------------|----------------------------|---------------------|------------------------------|----------|
|          |                                       | Regulated (1) (b)  | Non-Regulated (2) (e) | Eliminations (d) | Total (c)        |                |                            |                     |                              |          |
|          | Operating revenues                    |                    |                       |                  |                  |                |                            |                     |                              |          |
| 1        | Gas                                   | \$258,908,366.48   | \$7,811,243.32        | \$0.00           | \$266,719,609.80 | \$0.00         | \$0.00                     | \$266,719,609.80    | 1                            |          |
| 2        | Transportation                        | 6,904,402.03       | 24,486.00             | (508,754.16)     | 6,420,133.87     | 0.00           | 0.00                       | 6,420,133.87        | 2                            |          |
| 3        | Other                                 | 0.00               | 0.00                  | 0.00             | 0.00             | 15,410,787.00  | 0.00                       | 15,410,787.00       | 3                            |          |
| 4        | Total operating revenues              | 265,812,768.51     | 7,835,729.32          | (508,754.16)     | 273,139,743.67   | 15,410,787.00  | 0.00                       | 288,550,530.67      | 4                            |          |
| 5        | Purchased gas cost                    | 149,110,466.38     | 6,915,461.71          | (507,489.59)     | 155,518,438.50   | 9,060,522.00   | 0.00                       | 164,578,960.50      | 5                            |          |
| 6        | Gross profit                          | 116,702,302.13     | 920,267.61            | (1,264.57)       | 117,621,305.17   | 6,350,265.00   | 0.00                       | 123,971,570.17      | 6                            |          |
|          | Operating expenses                    |                    |                       |                  |                  |                |                            |                     |                              |          |
| 7        | Operation                             | 21,802,446.99      | 1,364,517.95          | 0.00             | 23,166,964.94    | 2,357,223.00   | 5,032,011.02               | 30,556,198.96       | 7                            |          |
| 8        | Maintenance                           | 2,079,771.40       | 0.00                  | 0.00             | 2,079,771.40     | 188,475.00     | 19,588.29                  | 2,287,834.69        | 8                            |          |
| 9        | Depreciation                          | 10,030,712.02      | 8,595.00              | 0.00             | 10,039,307.02    | 1,024,036.00   | 812,757.93                 | 11,876,100.95       | 9                            |          |
| 10       | Taxes - other than income taxes       | 8,770,202.49       | 28,115.98             | 0.00             | 8,798,318.47     | 269,503.00     | 308,674.79                 | 9,376,496.26        | 10                           |          |
| 11       | Shared Services - direct              | 2,671,724.32       | 0.00                  | 0.00             | 2,671,724.32     | 0.00           | 0.00                       | 2,671,724.32        | 11                           |          |
| 12       | Shared Services - billed              | 5,710,475.14       | 80,544.07             | 1,012.82         | 5,792,032.03     | 81,000.00      | (5,873,032.03)             | 0.00                | 12                           |          |
| 13       | Provision for income taxes            | 21,664,158.12      | (231,470.12)          | 0.00             | 21,432,687.80    | 1,391,500.00   | (114,000.00)               | 22,710,187.80       | 13                           |          |
| 14       | Total operating expenses              | 72,729,490.48      | 1,250,302.68          | 1,012.82         | 73,980,805.98    | 5,311,737.00   | 186,000.00                 | 79,478,542.98       | 14                           |          |
| 15       | Operating income (loss)               | 43,972,811.65      | (330,035.07)          | (2,277.39)       | 43,640,499.19    | 1,038,528.00   | (186,000.00)               | 44,493,027.19       | 15                           |          |
|          | Other income                          |                    |                       |                  |                  |                |                            |                     |                              |          |
| 16       | Merchandise                           | 68,741.62          | 0.00                  | 0.00             | 68,741.62        | 0.00           | 0.00                       | 68,741.62           | 16                           |          |
| 17       | Interest income                       | 436,567.15         | 0.00                  | 0.00             | 436,567.15       | 79,360.00      | 0.00                       | 515,927.15          | 17                           |          |
| 18       | Shared Services - billed              | 0.00               | (1,012.82)            | 1,012.82         | 0.00             | 0.00           | 0.00                       | 0.00                | 18                           |          |
| 19       | Other nonoperating income             | (45,808.07)        | (67,160.30)           | 1,264.57         | (111,703.80)     | (214,116.00)   | 0.00                       | (325,819.80)        | 19                           |          |
| 20       | Equity in earnings - Woodward         | 0.00               | 0.00                  | 0.00             | 0.00             | 1,981,726.00   | 0.00                       | 1,981,726.00        | 20                           |          |
| 21       | Total other income (loss)             | 459,500.70         | (68,173.12)           | 2,277.39         | 393,604.97       | 1,846,970.00   | 0.00                       | 2,240,574.97        | 21                           |          |
| 22       | Income (loss) before interest charges | 44,432,312.35      | (398,208.19)          | 0.00             | 44,034,104.16    | 2,885,498.00   | (186,000.00)               | 46,733,602.16       | 22                           |          |
| 23       | Interest charges                      | 8,716,955.88       | 1,281.36              | 0.00             | 8,718,237.24     | 617,301.00     | 0.00                       | 9,335,538.24        | 23                           |          |
| 24       | Net income (loss)                     | \$35,715,356.47    | (\$399,489.55)        | \$0.00           | \$35,315,866.92  | \$2,268,197.00 | (\$186,000.00)             | \$37,398,063.92     | 24                           |          |

Footnotes:  
(1) Regulated Utility Operations includes Energas, GGC, Trans La. UCG, WKG and CNG.  
(2) Non-Regulated Utility Operations includes Egasco, Finermart, TLG and WKGR.  
(3) Non-Utility Operations includes Atmos Energy Services, UCG Energy and UCG Storage.

ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME  
FOR THE SIX MONTHS ENDED MARCH 31, 1998

Year To Date

| Line No. | Description (a)                       | Utility Operations |                   |                  |                  |                | Non-Utility Operations (3) | Shared Services (b) | Total Atmos Consolidated (h) | Line No. |
|----------|---------------------------------------|--------------------|-------------------|------------------|------------------|----------------|----------------------------|---------------------|------------------------------|----------|
|          |                                       | Regulated (1)      | Non-Regulated (2) | Eliminations (d) | Total (e)        | (f)            |                            |                     |                              |          |
| 1        | Operating revenues                    |                    |                   |                  |                  |                |                            |                     |                              |          |
| 2        | Gas                                   | \$526,209,867.96   | \$15,740,283.70   | \$0.00           | \$541,950,151.66 | \$0.00         | \$0.00                     | \$541,950,151.66    | 1                            |          |
| 3        | Transportation                        | 14,337,735.49      | 44,254.00         | (1,126,656.76)   | 13,255,332.73    | 0.00           | 0.00                       | 13,255,332.73       | 2                            |          |
| 4        | Other                                 | 0.00               | 0.00              | 0.00             | 0.00             | 28,675,907.00  | 0.00                       | 28,675,907.00       | 3                            |          |
| 4        | Total operating revenues              | 540,547,603.45     | 15,784,537.70     | (1,126,656.76)   | 555,205,484.39   | 28,675,907.00  | 0.00                       | 583,881,391.39      | 4                            |          |
| 5        | Purchased gas cost                    | 331,738,809.96     | 13,675,035.85     | (1,124,527.11)   | 344,289,318.70   | 16,019,721.00  | 0.00                       | 360,309,039.70      | 5                            |          |
| 6        | Gross profit                          | 208,808,793.49     | 2,109,501.85      | (2,129.65)       | 210,916,165.69   | 12,656,186.00  | 0.00                       | 223,572,351.69      | 6                            |          |
| 7        | Operating expenses                    |                    |                   |                  |                  |                |                            |                     |                              |          |
| 7        | Operation                             | 47,773,395.63      | 2,652,665.17      | 0.00             | 50,426,060.80    | 4,521,261.82   | 9,387,507.53               | 64,334,830.15       | 7                            |          |
| 8        | Maintenance                           | 4,333,615.94       | 0.00              | 0.00             | 4,333,615.94     | 408,400.00     | 26,882.25                  | 4,768,898.19        | 8                            |          |
| 9        | Depreciation                          | 20,053,060.39      | 17,190.00         | 0.00             | 20,070,250.39    | 2,088,082.00   | 1,626,115.86               | 23,784,448.25       | 9                            |          |
| 10       | Taxes - other than income taxes       | 16,524,632.52      | 56,310.15         | 0.00             | 16,580,942.67    | 504,977.00     | 509,840.66                 | 17,595,760.33       | 10                           |          |
| 11       | Shared Services - direct              | 4,933,705.69       | 0.00              | 0.00             | 4,933,705.69     | 0.00           | 0.00                       | 4,933,705.69        | 11                           |          |
| 12       | Shared Services - billed              | 11,226,222.78      | 156,731.07        | 2,177.17         | 11,385,131.02    | 160,000.00     | (11,545,131.02)            | 0.00                | 12                           |          |
| 13       | Provision for income taxes            | 33,013,149.28      | (343,470.33)      | 0.00             | 32,669,678.95    | 2,324,100.44   | 0.00                       | 34,993,779.39       | 13                           |          |
| 14       | Total operating expenses              | 137,857,782.23     | 2,539,426.06      | 2,177.17         | 140,399,385.46   | 10,006,821.26  | 5,215.28                   | 150,411,422.00      | 14                           |          |
| 15       | Operating income (loss)               | 70,951,011.26      | (429,924.21)      | (4,306.82)       | 70,516,780.23    | 2,649,364.74   | (5,215.28)                 | 73,160,929.69       | 15                           |          |
| 16       | Other income                          |                    |                   |                  |                  |                |                            |                     |                              |          |
| 16       | Merchandise                           | 100,049.37         | 0.00              | 0.00             | 100,049.37       | 0.00           | 0.00                       | 100,049.37          | 16                           |          |
| 17       | Interest income                       | 851,252.27         | 0.00              | 0.00             | 851,252.27       | 134,724.00     | 0.00                       | 985,976.27          | 17                           |          |
| 18       | Shared Services - billed              | 0.00               | (2,177.17)        | 2,177.17         | 0.00             | 0.00           | 0.00                       | 0.00                | 18                           |          |
| 19       | Other nonoperating income             | (157,392.70)       | (139,516.28)      | 2,129.65         | (294,779.33)     | (149,562.00)   | 0.00                       | (444,341.33)        | 19                           |          |
| 20       | Equity in earnings - Woodward         | 0.00               | 0.00              | 0.00             | 0.00             | 2,362,068.00   | 0.00                       | 2,362,068.00        | 20                           |          |
| 21       | Total other income (loss)             | 793,908.94         | (141,693.45)      | 4,306.82         | 656,522.31       | 2,347,230.00   | 0.00                       | 3,003,752.31        | 21                           |          |
| 22       | Income (loss) before interest charges | 71,744,920.20      | (571,617.66)      | 0.00             | 71,173,302.54    | 4,996,594.74   | (5,215.28)                 | 76,164,682.00       | 22                           |          |
| 23       | Interest charges                      | 17,378,559.94      | 1,772.04          | 0.00             | 17,380,331.98    | 1,264,191.00   | 0.00                       | 18,644,522.98       | 23                           |          |
| 24       | Net income (loss)                     | \$54,366,360.26    | (\$573,389.70)    | \$0.00           | \$53,792,970.56  | \$3,732,403.74 | (\$5,215.28)               | \$57,520,159.02     | 24                           |          |

Footnotes:  
(1) Regulated Utility Operations includes Energas, GGC, Trans La, UCG, WKG and CNG.  
(2) Non-Regulated Utility Operations includes Energas, Enermart, TLIG and WKGR.  
(3) Non-Utility Operations includes Atmos Energy Services, UCG Energy and UCG Storage.  
(4) Includes all Shared Services expenses booked directly to the business units.  
(5) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 ELIMINATIONS TO CONSOLIDATING INCOME STATEMENT  
 03/31/98

|   | Current Month |           | YEAR TO DATE |            |
|---|---------------|-----------|--------------|------------|
|   | Dr            | Cr        | Dr           | Cr         |
| 1. Gas Revenue  |               |           |              |            |
| Purchased Gas Cost  | \$0.00        | \$0.00    | \$0.00       | \$0.00     |
| To eliminate gas sales to Atmos<br>from Trans La Industrial   |               |           |              |            |
| 2. Transportation Revenue   |               |           |              |            |
| Purchased Gas Cost  | 98,560.24     | 98,560.24 | 607,220.87   | 607,220.87 |
| To eliminate transportation charges<br>to Emermart Trust from Atmos   |               |           |              |            |
| 3. Transportation Revenue   |               |           |              |            |
| Purchased Gas Cost  | 33,278.95     | 33,278.95 | 191,489.14   | 191,489.14 |
| To eliminate transportation charges<br>to Trans La Industrial from Atmos  |               |           |              |            |
| 4. Transportation Revenue   |               |           |              |            |
| Purchased Gas Cost  | 58,562.94     | 58,562.94 | 325,817.10   | 325,817.10 |
| To eliminate transportation charges to<br>Amarillo Distribution Division from<br>Amarillo Transmission Division-Atmos |               |           |              |            |
| 5. Transportation Revenue   |               |           |              |            |
| Other Nonoperating Income   | 501.01        | 501.01    | 2,129.65     | 2,129.65   |
| To eliminate transportation charges for<br>CNG sales at public fill stations from Atmos                               |               |           |              |            |
| 6. Operation Expense  |               |           |              |            |
| Other Nonoperating Income   | 390.21        | 390.21    | 2,177.17     | 2,177.17   |
| To eliminate allocation of Corporate<br>Division expenses to WKGR from Atmos  |               |           |              |            |

ATMOS ENERGY CORPORATION  
CONSOLIDATING STATEMENTS OF INCOME - REGULATED  
FOR THE MONTH MARCH 31, 1998

| Line No. | Description (a)                       | Month            |                |                  |                 |                 |                 | Total Regulated (b) | Line No. |
|----------|---------------------------------------|------------------|----------------|------------------|-----------------|-----------------|-----------------|---------------------|----------|
|          |                                       | Inergas (1) (b)  | Greecley (c)   | Trans La (1) (d) | UCG (e)         | WKG (f)         |                 |                     |          |
| 1        | Operating revenues                    |                  |                |                  |                 |                 |                 |                     |          |
| 2        | Gas                                   | \$17,664,226.94  | \$8,286,973.20 | \$2,167,007.50   | \$37,558,790.00 | \$10,204,750.80 | \$75,881,748.44 | 1                   |          |
| 3        | Transportation                        | 261,718.02       | 131,891.89     | 38,172.64        | 984,660.00      | 865,292.85      | 2,281,735.40    | 2                   |          |
| 4        | Other                                 | 0.00             | 0.00           | 0.00             | 0.00            | 0.00            | 0.00            | 3                   |          |
| 4        | Total operating revenues              | 17,925,944.96    | 8,418,865.09   | 2,205,180.14     | 38,543,450.00   | 11,070,043.65   | 78,163,483.84   | 4                   |          |
| 5        | Purchased gas cost                    | 10,108,945.37    | 4,551,154.39   | (804,724.00)     | 24,070,339.00   | 5,992,659.28    | 43,918,374.04   | 5                   |          |
| 6        | Gross profit                          | 7,816,999.59     | 3,867,710.70   | 3,009,904.14     | 14,473,111.00   | 5,077,384.37    | 34,245,109.80   | 6                   |          |
| 7        | Operating expenses                    |                  |                |                  |                 |                 |                 |                     |          |
| 7        | Operation                             | (2) 1,155,832.88 | 899,040.17     | 560,720.05       | 2,208,131.75    | 1,115,447.57    | 5,939,172.42    | 7                   |          |
| 8        | Maintenance                           | 80,324.55        | 60,578.75      | 41,828.93        | 463,593.00      | 68,569.09       | 714,894.32      | 8                   |          |
| 9        | Depreciation                          | 548,925.06       | 416,766.16     | 303,528.74       | 1,537,706.00    | 545,335.42      | 3,352,261.38    | 9                   |          |
| 10       | Taxes - other than income taxes       | 1,146,554.34     | 213,841.81     | 186,799.34       | 1,121,026.00    | 165,285.73      | 2,833,507.22    | 10                  |          |
| 11       | Shared Services - direct              | 577,681.57       | 185,504.69     | 281,425.97       | 0.00            | 448,100.02      | 1,492,712.25    | 11                  |          |
| 12       | Shared Services - billed              | 706,137.54       | 325,464.98     | 207,768.13       | 675,893.25      | 422,015.86      | 2,337,279.76    | 12                  |          |
| 13       | Provision for income taxes            | 1,043,499.43     | 570,669.73     | 446,338.65       | 2,746,246.38    | 801,491.32      | 5,608,245.51    | 13                  |          |
| 14       | Total operating expenses              | 5,258,955.37     | 2,671,866.29   | 2,028,409.81     | 8,752,596.38    | 3,566,245.01    | 22,278,072.86   | 14                  |          |
| 15       | Operating income (loss)               | 2,558,044.22     | 1,195,844.41   | 981,494.33       | 5,720,514.62    | 1,511,139.36    | 11,967,036.94   | 15                  |          |
|          | Other income                          |                  |                |                  |                 |                 |                 |                     |          |
| 16       | Merchandise                           | (11,632.22)      | (203.77)       | 210.84           | (33,136.00)     | 22,361.21       | (22,399.94)     | 16                  |          |
| 17       | Interest income                       | 14,832.67        | 0.00           | 304.92           | 55,308.00       | 1,515.96        | 71,961.55       | 17                  |          |
| 18       | Other nonoperating income             | (14,590.35)      | 15,649.77      | (4,438.61)       | 2,556.97        | (4,485.84)      | (5,308.06)      | 18                  |          |
| 19       | Equity in earnings - Woodward         | 0.00             | 0.00           | 0.00             | 0.00            | 0.00            | 0.00            | 19                  |          |
| 20       | Total other income (loss)             | (11,389.90)      | 15,446.00      | (3,922.85)       | 24,728.97       | 19,391.33       | 44,253.55       | 20                  |          |
| 21       | Income (loss) before interest charges | 2,546,654.32     | 1,211,290.41   | 977,571.48       | 5,745,243.59    | 1,530,530.69    | 12,011,290.49   | 21                  |          |
| 22       | Interest charges                      | 493,102.17       | 284,441.23     | 227,995.37       | 1,229,965.07    | 393,593.62      | 2,629,097.46    | 22                  |          |
| 23       | Net income (loss)                     | \$2,053,552.15   | \$926,849.18   | \$749,576.11     | \$4,515,278.52  | \$1,136,937.07  | \$9,382,193.03  | 23                  |          |

Footnote:

- (1) Includes CNG.
- (2) Operations expense in the business units does not include any shared services costs.
- (3) Includes all Shared Services expenses booked directly to the business units.
- (4) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.

ATMOS ENERGY CORPORATION  
 CONSOLIDATING STATEMENTS OF INCOME - REGULATED  
 FOR THE QUARTER ENDED MARCH 31, 1998

QUARTER

| Line No. | Description (a)                       | Energas (1) (b) | Greeley (c)     | Trans La (1) (d) | UCG (e)          | WKG (f)         | Total Regulated (g) | Line No. |
|----------|---------------------------------------|-----------------|-----------------|------------------|------------------|-----------------|---------------------|----------|
|          | Operating revenues                    |                 |                 |                  |                  |                 |                     |          |
| 1        | Gas                                   | \$59,191,163.41 | \$28,945,261.56 | \$11,474,123.35  | \$126,437,439.00 | \$32,860,379.16 | \$258,908,366.48    | 1        |
| 2        | Transportation                        | 702,248.18      | 397,262.61      | 109,552.02       | 3,230,901.00     | 2,464,438.22    | 6,904,402.03        | 2        |
| 3        | Other                                 | 0.00            | 0.00            | 0.00             | 0.00             | 0.00            | 0.00                | 3        |
| 4        | Total operating revenues              | 59,893,411.59   | 29,342,524.17   | 11,583,675.37    | 129,668,340.00   | 35,324,817.38   | 265,812,768.51      | 4        |
| 5        | Purchased gas cost                    | 32,991,153.00   | 16,098,946.18   | 1,521,981.19     | 78,950,404.00    | 19,547,982.01   | 149,110,466.38      | 5        |
| 6        | Gross profit                          | 26,902,258.59   | 13,243,577.99   | 10,061,694.18    | 50,717,936.00    | 15,776,835.37   | 116,702,302.13      | 6        |
|          | Operating expenses                    |                 |                 |                  |                  |                 |                     |          |
| 7        | Operation                             | 4,408,626.79    | 3,241,440.83    | 1,704,121.21     | 8,634,871.15     | 3,813,387.01    | 21,802,446.99       | 7        |
| 8        | Maintenance                           | 246,498.27      | 216,236.42      | 145,879.43       | 1,239,586.00     | 231,571.28      | 2,079,771.40        | 8        |
| 9        | Depreciation                          | 1,646,775.18    | 1,247,311.36    | 910,586.22       | 4,590,033.00     | 1,636,006.26    | 10,030,712.02       | 9        |
| 10       | Taxes - other than income taxes       | 4,077,104.44    | 638,630.74      | 561,163.87       | 2,987,599.00     | 485,704.44      | 8,770,202.49        | 10       |
| 11       | Shared Services - direct              | 955,194.03      | 473,857.59      | 664,811.86       | 0.00             | 577,860.84      | 2,671,724.32        | 11       |
| 12       | Shared Services - billed              | 1,762,256.77    | 792,987.59      | 506,412.50       | 1,628,851.48     | 1,019,966.80    | 5,710,475.14        | 12       |
| 13       | Provision for income taxes            | 4,308,089.10    | 2,191,181.82    | 1,658,916.15     | 10,696,081.87    | 2,809,889.18    | 21,664,158.12       | 13       |
| 14       | Total operating expenses              | 17,404,544.58   | 8,821,646.35    | 6,151,891.24     | 29,777,022.50    | 10,574,385.81   | 72,729,490.48       | 14       |
| 15       | Operating income (loss)               | 9,497,714.01    | 4,421,931.64    | 3,909,802.94     | 20,940,913.50    | 5,202,449.56    | 43,972,811.65       | 15       |
|          | Other income                          |                 |                 |                  |                  |                 |                     |          |
| 16       | Merchandise                           | 28,141.88       | (1,031.56)      | 7,041.06         | (43,380.00)      | 77,970.24       | 68,741.62           | 16       |
| 17       | Interest income                       | 60,824.83       | 155.40          | 1,600.14         | 366,972.00       | 7,014.78        | 436,567.15          | 17       |
| 18       | Other nonoperating income             | (39,040.26)     | 33,211.31       | (17,171.53)      | (4,680.74)       | (18,126.85)     | (45,808.07)         | 18       |
| 19       | Equity in earnings - Woodward         | 0.00            | 0.00            | 0.00             | 0.00             | 0.00            | 0.00                | 19       |
| 20       | Total other income (loss)             | 49,926.45       | 32,335.15       | (8,530.33)       | 318,911.26       | 66,853.17       | 459,500.70          | 20       |
| 21       | Income (loss) before interest charges | 9,547,640.46    | 4,454,266.79    | 3,901,272.61     | 21,259,824.76    | 5,269,307.73    | 44,432,312.35       | 21       |
| 22       | Interest charges                      | 1,529,979.90    | 913,826.88      | 1,162,053.79     | 3,874,173.37     | 1,236,921.94    | 8,716,955.88        | 22       |
| 23       | Net income (loss)                     | \$8,017,660.56  | \$3,540,439.91  | \$2,739,218.82   | \$17,385,651.39  | \$4,032,385.79  | \$35,715,356.47     | 23       |

Footnote:

- (1) Includes CNG.
- (2) Operations expense in the business units does not include any shared services costs.
- (3) Includes all Shared Services expenses booked directly to the business units.
- (4) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.

ATMOS ENERGY CORPORATION  
 CONSOLIDATING STATEMENTS OF INCOME - REGULATED  
 FOR THE SIX MONTHS ENDED MARCH 31, 1998

| Line No. | Description (a)                       | Year-to-Date     |                 |                  |                  |                 |                     | Line No. |
|----------|---------------------------------------|------------------|-----------------|------------------|------------------|-----------------|---------------------|----------|
|          |                                       | Energy (1) (b)   | Greely (c)      | Trans La (1) (d) | UCG (e)          | WKG (f)         | Total Regulated (g) |          |
|          | Operating revenues                    |                  |                 |                  |                  |                 |                     |          |
| 1        | Gas                                   | \$122,913,402.28 | \$58,381,943.45 | \$22,943,113.12  | \$237,919,448.00 | \$84,051,961.11 | \$526,209,867.96    | 1        |
| 2        | Transportation                        | 1,475,300.81     | 795,599.77      | 212,546.11       | 7,170,662.00     | 4,683,626.80    | 14,337,735.49       | 2        |
| 3        | Other                                 | 0.00             | 0.00            | 0.00             | 0.00             | 0.00            | 0.00                | 3        |
| 4        | Total operating revenues              | 124,388,703.09   | 59,177,543.22   | 23,155,659.23    | 245,090,110.00   | 88,735,587.91   | 540,547,603.45      | 4        |
| 5        | Purchased gas cost                    | 77,716,794.00    | 34,919,299.16   | 5,233,843.84     | 155,023,136.00   | 58,845,736.96   | 331,738,809.96      | 5        |
| 6        | Gross profit                          | 46,671,909.09    | 24,258,244.06   | 17,921,815.39    | 90,066,974.00    | 29,889,850.95   | 208,808,793.49      | 6        |
|          | Operating expenses                    |                  |                 |                  |                  |                 |                     |          |
| 7        | Operation                             | 9,092,592.56     | 6,403,478.41    | 3,398,720.08     | 21,442,265.08    | 7,436,339.50    | 47,773,395.63       | 7        |
| 8        | Maintenance                           | 536,364.97       | 361,401.43      | 274,956.45       | 2,711,276.00     | 449,617.09      | 4,333,615.94        | 8        |
| 9        | Depreciation                          | 3,292,676.88     | 2,487,288.26    | 1,821,172.44     | 9,179,939.00     | 3,271,983.81    | 20,053,060.39       | 9        |
| 10       | Taxes - other than income taxes       | 6,834,304.67     | 1,322,647.61    | 1,119,515.23     | 6,251,224.00     | 996,941.01      | 16,524,632.52       | 10       |
| 10       | Shared Services - direct              | 1,805,006.79     | 815,742.22      | 1,067,243.92     | 0.00             | 1,245,712.76    | 4,933,705.69        | 10       |
| 11       | Shared Services - billed              | 3,508,266.44     | 1,455,266.81    | 975,248.75       | 3,247,541.97     | 2,039,898.81    | 11,226,222.78       | 11       |
| 12       | Provision for income taxes            | 6,483,168.92     | 3,675,690.39    | 2,794,094.79     | 15,182,234.15    | 4,877,961.03    | 33,013,149.28       | 12       |
| 13       | Total operating expenses              | 31,552,381.23    | 16,521,515.13   | 11,450,951.66    | 58,014,480.20    | 20,318,454.01   | 137,857,782.23      | 13       |
| 14       | Operating income (loss)               | 15,119,527.86    | 7,736,728.93    | 6,470,863.73     | 32,052,493.80    | 9,571,396.94    | 70,951,011.26       | 14       |
|          | Other income                          |                  |                 |                  |                  |                 |                     |          |
| 15       | Merchandise                           | 13,462.29        | (1,904.31)      | 14,401.36        | (84,078.00)      | 158,168.03      | 100,049.37          | 15       |
| 16       | Interest income                       | 106,716.55       | 381.87          | 2,189.11         | 729,191.00       | 12,773.74       | 851,252.27          | 16       |
| 17       | Other nonoperating income             | (113,705.73)     | 64,584.97       | (46,334.91)      | (26,723.74)      | (35,213.29)     | (157,392.70)        | 17       |
| 18       | Equity in earnings - Woodward         | 0.00             | 0.00            | 0.00             | 0.00             | 0.00            | 0.00                | 18       |
| 19       | Total other income (loss)             | 6,473.11         | 63,062.53       | (29,744.44)      | 618,389.26       | 135,728.48      | 793,908.94          | 19       |
| 20       | Income (loss) before interest charges | 15,126,000.97    | 7,799,791.46    | 6,441,119.29     | 32,670,883.06    | 9,707,125.42    | 71,744,920.20       | 20       |
| 21       | Interest charges                      | 3,200,355.97     | 1,870,980.14    | 1,837,303.24     | 7,884,536.58     | 2,585,294.01    | 17,378,559.94       | 21       |
| 22       | Net income (loss)                     | \$11,925,645.00  | \$5,928,811.32  | \$4,603,726.05   | \$24,786,346.48  | \$7,121,831.41  | \$54,366,360.26     | 22       |

Footnote: (1) Includes CNG.  
 (2) Operations expense in the business units does not include any shared services costs.  
 (3) Includes all Shared Services expenses booked directly to the business units.  
 (4) Includes Operation, Maintenance, Depreciation and Taxes - Other booked in Division 02 and allocated to the business units.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATING STATEMENT OF INCOME - NON-REGULATED UTILITY  
 FOR THE MONTH ENDED 03/31/98

1998

| Line No. | Description (a)                       | 1998             |                |                        |                   |        | ELIMINATIONS and ADJUSTMENTS (f) |                | ATMOS NON-REGULATED (g) | Line No. |
|----------|---------------------------------------|------------------|----------------|------------------------|-------------------|--------|----------------------------------|----------------|-------------------------|----------|
|          |                                       | EGASCO, INC. (b) | ENERMART (c)   | TRANSLA INDUSTRIAL (d) | WKG RESOURCES (e) |        |                                  |                |                         |          |
| 1        | Operating revenues                    |                  |                |                        |                   |        |                                  |                |                         |          |
| 2        | Gas                                   | \$540,933.54     | \$3,020,664.26 | \$607,024.74           | \$0.00            | \$0.00 | \$0.00                           | \$4,168,622.54 | 1                       |          |
| 3        | Transportation                        | 0.00             | 0.00           | 6,726.65               | 0.00              | 0.00   | 0.00                             | 6,726.65       | 2                       |          |
| 3        | Other                                 | 0.00             | 0.00           | 0.00                   | 0.00              | 0.00   | 0.00                             | 0.00           | 3                       |          |
| 4        | Total operating revenues              | 540,933.54       | 3,020,664.26   | 613,751.39             | 0.00              | 0.00   | 0.00                             | 4,175,349.19   | 4                       |          |
| 5        | Purchased gas cost                    | 410,210.35       | 2,550,736.00   | 557,388.65             | 0.00              | 0.00   | 0.00                             | 3,518,335.00   | 5                       |          |
| 6        | Gross profit                          | 130,723.19       | 469,928.26     | 56,362.74              | 0.00              | 0.00   | 0.00                             | 657,014.19     | 6                       |          |
| 7        | Operating expenses                    |                  |                |                        |                   |        |                                  |                |                         |          |
| 8        | Operation                             | 57,164.07        | 356,390.65     | 15,810.18              | 0.00              | 0.00   | 0.00                             | 429,364.90     | 7                       |          |
| 8        | Maintenance                           | 0.00             | 0.00           | 0.00                   | 0.00              | 0.00   | 0.00                             | 0.00           | 8                       |          |
| 9        | Depreciation and amortization         | 0.00             | 0.00           | 2,865.00               | 0.00              | 0.00   | 0.00                             | 2,865.00       | 9                       |          |
| 10       | Taxes - other than income taxes       | 0.00             | 4,109.64       | 4,431.98               | 0.00              | 0.00   | 0.00                             | 8,541.62       | 10                      |          |
| 11       | Shared services - billed              | 1,695.45         | 19,603.40      | 6,804.59               | 0.00              | 0.00   | 0.00                             | 28,103.44      | 11                      |          |
| 12       | Provision for income taxes            | 12,000.00        | 33,529.69      | 10,000.00              | 0.00              | 0.00   | 0.00                             | 55,529.69      | 12                      |          |
| 13       | Total operating expenses              | 70,859.52        | 413,633.38     | 39,911.75              | 0.00              | 0.00   | 0.00                             | 524,404.65     | 13                      |          |
| 14       | Operating income (loss)               | 59,863.67        | 56,294.88      | 16,450.99              | 0.00              | 0.00   | 0.00                             | 132,609.54     | 14                      |          |
| 15       | Other income                          |                  |                |                        |                   |        |                                  |                |                         |          |
| 15       | Merchandise                           | 0.00             | 0.00           | 0.00                   | 0.00              | 0.00   | 0.00                             | 0.00           | 15                      |          |
| 16       | Interest income                       | 0.00             | 0.00           | 0.00                   | 0.00              | 0.00   | 0.00                             | 0.00           | 16                      |          |
| 17       | Shared services - billed              | 0.00             | 0.00           | 0.00                   | (390.21)          | 0.00   | 0.00                             | (390.21)       | 17                      |          |
| 18       | Other nonoperating income             | (35,321.55)      | 0.00           | 0.00                   | 576.24            | 0.00   | 0.00                             | (34,745.31)    | 18                      |          |
| 19       | Total other income (loss)             | (35,321.55)      | 0.00           | 0.00                   | 186.03            | 0.00   | 0.00                             | (35,135.52)    | 19                      |          |
| 20       | Income (loss) before interest charges | 24,542.12        | 56,294.88      | 16,450.99              | 186.03            | 0.00   | 0.00                             | 97,474.02      | 20                      |          |
| 21       | Interest charges                      | 0.00             | 0.00           | 245.34                 | 0.00              | 0.00   | 0.00                             | 245.34         | 21                      |          |
| 22       | Net income (loss)                     | \$24,542.12      | \$56,294.88    | \$16,205.65            | \$186.03          | \$0.00 | \$0.00                           | \$97,228.68    | 22                      |          |

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATING STATEMENT OF INCOME - NON-REGULATED UTILITY  
FOR THE QUARTER ENDED 03/31/98

1998

| Line No. | Description (a)                       | 1998             |                |                         |                     |        | ELIMINATIONS and ADJUSTMENTS (f) | ATMOS NON REGULATED (g) | Line No. |
|----------|---------------------------------------|------------------|----------------|-------------------------|---------------------|--------|----------------------------------|-------------------------|----------|
|          |                                       | EGASCO, INC. (b) | ENERMART (c)   | TRANS LA INDUSTRIAL (d) | W K G RESOURCES (e) |        |                                  |                         |          |
|          | Operating revenues                    |                  |                |                         |                     |        |                                  |                         |          |
| 1        | Gas                                   | \$667,406.74     | \$5,373,550.73 | \$1,770,285.85          | \$0.00              | \$0.00 | \$7,811,243.32                   | 1                       |          |
| 2        | Transportation                        | 0.00             | 0.00           | 24,486.00               | 0.00                | 0.00   | 24,486.00                        | 2                       |          |
| 3        | Other                                 | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00   | 0.00                             | 3                       |          |
| 4        | Total operating revenues              | 667,406.74       | 5,373,550.73   | 1,794,771.85            | 0.00                | 0.00   | 7,835,729.32                     | 4                       |          |
| 5        | Purchased gas cost                    | 504,341.11       | 4,847,811.14   | 1,563,309.46            | 0.00                | 0.00   | 6,915,461.71                     | 5                       |          |
| 6        | Gross profit                          | 163,065.63       | 525,739.59     | 231,462.39              | 0.00                | 0.00   | 920,267.61                       | 6                       |          |
|          | Operating expenses                    |                  |                |                         |                     |        |                                  |                         |          |
| 7        | Operation                             | 179,752.06       | 1,112,362.35   | 72,403.54               | 0.00                | 0.00   | 1,364,517.95                     | 7                       |          |
| 8        | Maintenance                           | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00   | 0.00                             | 8                       |          |
| 9        | Depreciation                          | 0.00             | 0.00           | 8,595.00                | 0.00                | 0.00   | 8,595.00                         | 9                       |          |
| 10       | Taxes - other than income taxes       | 0.00             | 13,715.50      | 14,390.48               | 10.00               | 0.00   | 28,115.98                        | 10                      |          |
| 11       | Shared services - billed              | 4,674.98         | 56,210.28      | 19,658.81               | 0.00                | 0.00   | 80,544.07                        | 11                      |          |
| 12       | Provision for income taxes            | (48,000.00)      | (227,470.31)   | 44,000.00               | 0.00                | 0.00   | (231,470.31)                     | 12                      |          |
| 13       | Total operating expenses              | 136,427.04       | 954,817.82     | 159,047.83              | 10.00               | 0.00   | 1,250,302.69                     | 13                      |          |
| 14       | Operating income (loss)               | 26,638.59        | (429,078.23)   | 72,414.56               | (10.00)             | 0.00   | (330,035.08)                     | 14                      |          |
|          | Other income                          |                  |                |                         |                     |        |                                  |                         |          |
| 15       | Merchandise                           | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00   | 0.00                             | 15                      |          |
| 16       | Interest income                       | 0.00             | 0.00           | 0.00                    | 0.00                | 0.00   | 0.00                             | 16                      |          |
| 17       | Shared services - billed              | 0.00             | 0.00           | 0.00                    | (1,012.82)          | 0.00   | (1,012.82)                       | 17                      |          |
| 18       | Other nonoperating income             | (69,502.65)      | 0.00           | 0.00                    | 2,342.35            | 0.00   | (67,160.30)                      | 18                      |          |
| 19       | Total other income (loss)             | (69,502.65)      | 0.00           | 0.00                    | 1,329.53            | 0.00   | (68,173.12)                      | 19                      |          |
| 20       | Income (loss) before interest charges | (42,864.06)      | (429,078.23)   | 72,414.56               | 1,319.53            | 0.00   | (398,208.20)                     | 20                      |          |
| 21       | Interest charges                      | 0.00             | 300.00         | 981.36                  | 0.00                | 0.00   | 1,281.36                         | 21                      |          |
| 22       | Net income (loss)                     | (\$42,864.06)    | (\$429,378.23) | \$71,433.20             | \$1,319.53          | \$0.00 | (\$399,489.56)                   | 22                      |          |



ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATING STATEMENT OF INCOME- NON-REGULATED UTILITY  
 FOR THE SIX MONTHS ENDED 03/31/98

| Line No. | Description (a)                       | 1998             |                 |                         |                     |                                  |                         | Line No. |
|----------|---------------------------------------|------------------|-----------------|-------------------------|---------------------|----------------------------------|-------------------------|----------|
|          |                                       | IGASCO, INC. (b) | ENERMART (c)    | TRANS LA INDUSTRIAL (d) | W K G RESOURCES (e) | ELIMINATIONS and ADJUSTMENTS (f) | ATMOS NON-REGULATED (g) |          |
|          | Operating revenues                    |                  |                 |                         |                     |                                  |                         |          |
| 1        | Gas                                   | \$1,138,940.70   | \$11,115,329.77 | \$3,486,013.23          | \$0.00              | \$0.00                           | \$15,740,283.70         | 1        |
| 2        | Transportation                        | 0.00             | 0.00            | 44,254.00               | 0.00                | 0.00                             | 44,254.00               | 2        |
| 3        | Other                                 | 0.00             | 0.00            | 0.00                    | 0.00                | 0.00                             | 0.00                    | 3        |
| 4        | Total operating revenues              | 1,138,940.70     | 11,115,329.77   | 3,530,267.23            | 0.00                | 0.00                             | 15,784,537.70           | 4        |
| 5        | Purchased gas cost                    | 884,754.08       | 9,664,701.38    | 3,125,580.39            | 0.00                | 0.00                             | 13,675,035.85           | 5        |
| 6        | Gross profit                          | 254,186.62       | 1,450,628.39    | 404,686.84              | 0.00                | 0.00                             | 2,109,501.85            | 6        |
|          | Operating expenses                    |                  |                 |                         |                     |                                  |                         |          |
| 7        | Operation                             | 356,435.91       | 2,199,069.53    | 97,159.73               | 0.00                | 0.00                             | 2,652,665.17            | 7        |
| 8        | Maintenance                           | 0.00             | 0.00            | 0.00                    | 0.00                | 0.00                             | 0.00                    | 8        |
| 9        | Depreciation and amortization         | 0.00             | 0.00            | 17,190.00               | 0.00                | 0.00                             | 17,190.00               | 9        |
| 10       | Taxes - other than income taxes       | 0.00             | 27,110.67       | 29,189.48               | 10.00               | 0.00                             | 56,310.15               | 10       |
| 11       | Shared services - billed              | 9,118.21         | 112,498.24      | 35,114.62               | 0.00                | 0.00                             | 156,731.07              | 11       |
| 12       | Provision for income taxes            | (122,000.00)     | (308,470.31)    | 87,000.00               | 0.00                | 0.00                             | (343,470.31)            | 12       |
| 13       | Total operating expenses              | 243,554.12       | 2,030,208.13    | 265,653.83              | 10.00               | 0.00                             | 2,539,426.08            | 13       |
| 14       | Operating income (loss)               | 10,632.50        | (579,579.74)    | 139,033.01              | (10.00)             | 0.00                             | (429,924.23)            | 14       |
|          | Other income                          |                  |                 |                         |                     |                                  |                         |          |
| 15       | Merchandise                           | 0.00             | 0.00            | 0.00                    | 0.00                | 0.00                             | 0.00                    | 15       |
| 16       | Interest income                       | 0.00             | 0.00            | 0.00                    | 0.00                | 0.00                             | 0.00                    | 16       |
| 17       | Shared services - billed              | 0.00             | 0.00            | 0.00                    | (2,177.17)          | 0.00                             | (2,177.17)              | 17       |
| 18       | Other nonoperating income             | (141,708.48)     | 0.00            | 0.00                    | 2,192.20            | 0.00                             | (139,516.28)            | 18       |
| 19       | Total other income (loss)             | (141,708.48)     | 0.00            | 0.00                    | 15.03               | 0.00                             | (141,693.45)            | 19       |
| 20       | Income (loss) before interest charges | (131,075.98)     | (579,579.74)    | 139,033.01              | 5.03                | 0.00                             | (571,617.68)            | 20       |
| 21       | Interest charges                      | 0.00             | 300.00          | 1,472.04                | 0.00                | 0.00                             | 1,772.04                | 21       |
| 22       | Net income (loss)                     | (\$131,075.98)   | (\$579,879.74)  | \$137,560.97            | \$5.03              | \$0.00                           | (\$573,389.72)          | 22       |

NON-UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME- NON-UTILITY  
FOR THE MONTH ENDED 03/31/98

| Line No. | Description (a)                 | 1998            |                 |                     |                            |                                  |                                   |                           |                     |        |                | Total Non-Utility (U) | Line No.       |    |
|----------|---------------------------------|-----------------|-----------------|---------------------|----------------------------|----------------------------------|-----------------------------------|---------------------------|---------------------|--------|----------------|-----------------------|----------------|----|
|          |                                 | UCG Leasing (b) | UCG Propane (c) | Rental Division (d) | Utility Serv. Division (e) | Eliminations and Adjustments (f) | UCG Energy Corp. Consolidated (g) | Atmos Energy Services (h) | UCG Storage Co. (i) |        |                |                       |                |    |
| 1        | Operating revenues              |                 |                 |                     |                            |                                  |                                   |                           |                     |        |                |                       |                |    |
| 2        | Gas                             | \$0.00          | \$0.00          | \$0.00              | \$0.00                     | \$0.00                           | \$0.00                            | \$0.00                    | \$0.00              | \$0.00 | \$0.00         | \$0.00                | \$0.00         | 1  |
| 3        | Transportation                  | 0.00            | 0.00            | 0.00                | 0.00                       | 0.00                             | 0.00                              | 0.00                      | 0.00                | 0.00   | 0.00           | 0.00                  | 0.00           | 2  |
| 4        | Other                           | 88,736.00       | 3,059,068.00    | 339,574.00          | 67,538.00                  | 0.00                             | 3,554,916.00                      | 0.00                      | 445,679.00          | 0.00   | 4,000,595.00   | 0.00                  | 4,000,595.00   | 3  |
| 5        | Total operating revenues        | 88,736.00       | 3,059,068.00    | 339,574.00          | 67,538.00                  | 0.00                             | 3,554,916.00                      | 0.00                      | 445,679.00          | 0.00   | 4,000,595.00   | 0.00                  | 4,000,595.00   | 4  |
| 6        | Purchased gas cost              | 0.00            | 2,010,694.00    | 0.00                | 68,656.00                  | 0.00                             | 2,079,350.00                      | 0.00                      | 147,027.00          | 0.00   | 2,226,377.00   | 0.00                  | 2,226,377.00   | 5  |
| 7        | Gross profit                    | 88,736.00       | 1,048,374.00    | 339,574.00          | (1,118.00)                 | 0.00                             | 1,475,566.00                      | 0.00                      | 298,652.00          | 0.00   | 1,774,218.00   | 0.00                  | 1,774,218.00   | 6  |
| 8        | Operating expenses              |                 |                 |                     |                            |                                  |                                   |                           |                     |        |                |                       |                |    |
| 9        | Operation                       | 1,731.00        | 680,219.00      | 60,826.00           | 2,395.00                   | 0.00                             | 745,171.00                        | 0.00                      | 62,011.00           | 0.00   | 807,182.00     | 0.00                  | 807,182.00     | 7  |
| 10       | Maintenance                     | 0.00            | 66,539.00       | 0.00                | 0.00                       | 0.00                             | 66,539.00                         | 0.00                      | 886.00              | 0.00   | 67,425.00      | 0.00                  | 67,425.00      | 8  |
| 11       | Depreciation and amortization   | 31,672.00       | 183,123.00      | 57,693.00           | 38,951.00                  | 0.00                             | 311,439.00                        | 0.00                      | 33,752.00           | 0.00   | 345,191.00     | 0.00                  | 345,191.00     | 9  |
| 12       | Taxes - other than income taxes | 0.00            | 32,088.00       | 20,324.00           | 9.00                       | 0.00                             | 52,421.00                         | 0.00                      | 35,439.00           | 0.00   | 87,860.00      | 0.00                  | 87,860.00      | 10 |
| 13       | Shared services - billed        | 2,460.00        | 16,511.00       | 7,059.00            | (30.00)                    | 0.00                             | 26,000.00                         | 0.00                      | 47,900.00           | 0.00   | 74,900.00      | 0.00                  | 74,900.00      | 11 |
| 14       | Provision for income taxes      | 16,000.00       | 26,000.00       | 67,000.00           | 585,000.00                 | 0.00                             | 694,000.00                        | 0.00                      | 179,988.00          | 0.00   | 873,988.00     | 0.00                  | 873,988.00     | 12 |
| 15       | Total operating expenses        | 51,863.00       | 1,004,480.00    | 212,902.00          | 626,325.00                 | 0.00                             | 1,895,570.00                      | 0.00                      | 118,664.00          | 0.00   | 2,014,234.00   | 0.00                  | 2,014,234.00   | 13 |
| 16       | Operating income (loss)         | 36,873.00       | 43,894.00       | 126,672.00          | (627,443.00)               | 0.00                             | (420,004.00)                      | 0.00                      | 180,988.00          | 0.00   | (239,016.00)   | 0.00                  | (239,016.00)   | 14 |
| 17       | Other income                    |                 |                 |                     |                            |                                  |                                   |                           |                     |        |                |                       |                |    |
| 18       | Merchandise                     | 0.00            | 0.00            | 0.00                | 0.00                       | 0.00                             | 0.00                              | 0.00                      | 0.00                | 0.00   | 0.00           | 0.00                  | 0.00           | 15 |
| 19       | Interest income                 | 3,631.00        | 12,256.00       | 31,824.00           | 2,607.00                   | (35,421.00)                      | 14,897.00                         | 0.00                      | 8,943.00            | 0.00   | 23,840.00      | 0.00                  | 23,840.00      | 16 |
| 20       | Other nonoperating income       | 99.00           | 14,928.00       | (1,007.00)          | (33,868.00)                | 0.00                             | (19,848.00)                       | 0.00                      | 0.00                | 0.00   | (19,848.00)    | 0.00                  | (19,848.00)    | 17 |
| 21       | Equity in earnings - Woodward   | 0.00            | 0.00            | 0.00                | 1,698,569.00               | 0.00                             | 1,698,569.00                      | 0.00                      | 0.00                | 0.00   | 1,698,569.00   | 0.00                  | 1,698,569.00   | 18 |
| 22       | Total other income (loss)       | 3,730.00        | 27,184.00       | 30,817.00           | 1,667,308.00               | (35,421.00)                      | 1,693,618.00                      | 0.00                      | 8,943.00            | 0.00   | 1,702,561.00   | 0.00                  | 1,702,561.00   | 19 |
| 23       | Income (loss) before int chgs   | 40,603.00       | 71,078.00       | 157,489.00          | 1,039,865.00               | (35,421.00)                      | 1,273,614.00                      | 0.00                      | 127,607.00          | 0.00   | 1,401,221.00   | 0.00                  | 1,401,221.00   | 20 |
| 24       | Interest charges                | 13,362.00       | 64,503.00       | 51,290.00           | 28,504.00                  | (35,421.00)                      | 122,238.00                        | 0.00                      | 54,563.00           | 0.00   | 176,801.00     | 0.00                  | 176,801.00     | 21 |
| 25       | Net income (loss)               | \$27,241.00     | \$6,575.00      | \$106,199.00        | \$1,011,361.00             | \$0.00                           | \$1,151,376.00                    | \$0.00                    | \$73,044.00         | \$0.00 | \$1,224,420.00 | \$0.00                | \$1,224,420.00 | 22 |

NON-UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME - NON-UTILITY  
FOR THE QUARTER ENDED 03/31/98

1998

| Line No.           | Description (a)                 | Eliminations and Adjustments |                 |                     |                            |                 |                                   |                           |                     |           |                | Non Utility | Line No. |
|--------------------|---------------------------------|------------------------------|-----------------|---------------------|----------------------------|-----------------|-----------------------------------|---------------------------|---------------------|-----------|----------------|-------------|----------|
|                    |                                 | UCG Leasing (b)              | UCG Propane (c) | Rental Division (d) | Utility Serv. Division (e) | Adjustments (f) | UCG Energy Corp. Consolidated (g) | Atmos Energy Services (h) | UCG Storage Co. (i) | (j)       |                |             |          |
| Operating revenues |                                 |                              |                 |                     |                            |                 |                                   |                           |                     |           |                |             |          |
| 1                  | Gas                             | \$0.00                       | \$0.00          | \$0.00              | \$0.00                     | \$0.00          | \$0.00                            | \$0.00                    | \$0.00              | \$0.00    | \$0.00         | \$0.00      | 1        |
| 2                  | Transportation                  | 0.00                         | 0.00            | 0.00                | 0.00                       | 0.00            | 0.00                              | 0.00                      | 0.00                | 0.00      | 0.00           | 0.00        | 2        |
| 3                  | Other                           | 267,058.00                   | 11,375,264.00   | 879,588.00          | 273,901.00                 | 0.00            | 12,795,811.00                     | 0.00                      | 2,614,976.00        | 0.00      | 15,410,787.00  | 0.00        | 3        |
| 4                  | Total operating revenues        | 267,058.00                   | 11,375,264.00   | 879,588.00          | 273,901.00                 | 0.00            | 12,795,811.00                     | 0.00                      | 2,614,976.00        | 0.00      | 15,410,787.00  | 0.00        | 4        |
| 5                  | Purchased gas cost              | 0.00                         | 7,140,742.00    | 0.00                | 200,760.00                 | 0.00            | 7,341,502.00                      | 0.00                      | 1,719,020.00        | 0.00      | 9,060,522.00   | 0.00        | 5        |
| 6                  | Gross profit                    | 267,058.00                   | 4,234,522.00    | 879,588.00          | 73,141.00                  | 0.00            | 5,454,309.00                      | 0.00                      | 895,956.00          | 0.00      | 6,350,265.00   | 0.00        | 6        |
| Operating expenses |                                 |                              |                 |                     |                            |                 |                                   |                           |                     |           |                |             |          |
| 7                  | Operation                       | 5,422.00                     | 2,033,364.00    | 171,884.00          | 6,582.00                   | 0.00            | 2,217,252.00                      | 0.00                      | 139,881.00          | 90.00     | 2,357,223.00   | 0.00        | 7        |
| 8                  | Maintenance                     | 0.00                         | 173,487.00      | 0.00                | 0.00                       | 0.00            | 173,487.00                        | 0.00                      | 14,988.00           | 0.00      | 188,475.00     | 0.00        | 8        |
| 9                  | Depreciation                    | 95,020.00                    | 549,115.00      | 172,523.00          | 106,241.00                 | 0.00            | 922,899.00                        | 0.00                      | 101,137.00          | 0.00      | 1,024,036.00   | 0.00        | 9        |
| 10                 | Taxes - other than income taxes | 0.00                         | 101,953.00      | 60,646.00           | 9.00                       | 0.00            | 162,608.00                        | 0.00                      | 106,895.00          | 0.00      | 269,503.00     | 0.00        | 10       |
| 11                 | Shared services - billed        | 5,210.00                     | 59,111.00       | 15,859.00           | 820.00                     | 0.00            | 81,000.00                         | 0.00                      | 0.00                | 0.00      | 81,000.00      | 0.00        | 11       |
| 12                 | Provision for income taxes      | 51,000.00                    | 456,000.00      | 59,000.00           | 683,800.00                 | 0.00            | 1,249,800.00                      | 0.00                      | 141,700.00          | 0.00      | 1,391,500.00   | 0.00        | 12       |
| 13                 | Total operating expenses        | 156,652.00                   | 3,373,030.00    | 479,912.00          | 797,452.00                 | 0.00            | 4,807,046.00                      | 0.00                      | 504,601.00          | 90.00     | 5,311,737.00   | 0.00        | 13       |
| 14                 | Operating income (loss)         | 110,406.00                   | 861,492.00      | 399,676.00          | (724,311.00)               | 0.00            | 647,263.00                        | (90.00)                   | 391,355.00          | (90.00)   | 1,038,528.00   | 0.00        | 14       |
| Other income       |                                 |                              |                 |                     |                            |                 |                                   |                           |                     |           |                |             |          |
| 15                 | Merchandise                     | 0.00                         | 0.00            | 0.00                | 0.00                       | 0.00            | 0.00                              | 0.00                      | 0.00                | 0.00      | 0.00           | 0.00        | 15       |
| 16                 | Interest income                 | 10,541.00                    | 33,790.00       | 96,401.00           | 10,953.00                  | (107,405.00)    | 44,280.00                         | 0.00                      | 35,080.00           | 0.00      | 79,360.00      | 0.00        | 16       |
| 17                 | Other nonoperating income       | 298.00                       | 10,606.00       | (212,761.00)        | (12,259.00)                | 0.00            | (214,116.00)                      | 0.00                      | 0.00                | 0.00      | (214,116.00)   | 0.00        | 17       |
| 18                 | Equity in earnings - Woodward   | 0.00                         | 0.00            | 0.00                | 1,981,726.00               | 0.00            | 1,981,726.00                      | 0.00                      | 0.00                | 0.00      | 1,981,726.00   | 0.00        | 18       |
| 19                 | Total other income (loss)       | 10,839.00                    | 44,396.00       | (116,360.00)        | 1,980,420.00               | (107,405.00)    | 1,811,890.00                      | 0.00                      | 35,080.00           | 0.00      | 1,846,970.00   | 0.00        | 19       |
| 20                 | Income (loss) before int chgs   | 121,245.00                   | 905,888.00      | 283,316.00          | 1,256,109.00               | (107,405.00)    | 2,459,153.00                      | (90.00)                   | 426,435.00          | (90.00)   | 2,885,498.00   | 0.00        | 20       |
| 21                 | Interest charges                | 40,140.00                    | 195,408.00      | 191,415.00          | 87,725.00                  | (107,405.00)    | 407,303.00                        | 0.00                      | 209,998.00          | 0.00      | 617,301.00     | 0.00        | 21       |
| 22                 | Net income (loss)               | \$81,105.00                  | \$710,480.00    | \$91,881.00         | \$1,168,384.00             | \$0.00          | \$2,051,850.00                    | (\$90.00)                 | \$216,437.00        | (\$90.00) | \$3,268,197.00 | 0.00        | 22       |

NON-UTILITY BUSINESS UNIT'S  
CONSOLIDATING STATEMENT OF INCOME: NON UTILITY  
FOR THE SIX MONTHS ENDED 03/31/98

1998

| Line No. | Description (a)                 | Eliminations    |                 |                     |                            |                                  |                                   |                           |                     |            |                | Total Non-Utility | Line No. |                |    |
|----------|---------------------------------|-----------------|-----------------|---------------------|----------------------------|----------------------------------|-----------------------------------|---------------------------|---------------------|------------|----------------|-------------------|----------|----------------|----|
|          |                                 | UCG Leasing (b) | UCG Propane (c) | Rental Division (d) | Utility Serv. Division (e) | Eliminations and Adjustments (f) | UCG Energy Corp. Consolidated (g) | Atmos Energy Services (h) | UCG Storage Co. (i) | (j)        |                |                   |          |                |    |
| 1        | Operating revenues              |                 |                 |                     |                            |                                  |                                   |                           |                     |            |                |                   |          |                |    |
| 2        | Gas                             | \$0.00          | \$0.00          | \$0.00              | \$0.00                     | \$0.00                           | \$0.00                            | \$0.00                    | \$0.00              | \$0.00     | \$0.00         | \$0.00            | \$0.00   | \$0.00         | 1  |
| 3        | Transportation                  | 0.00            | 0.00            | 0.00                | 0.00                       | 0.00                             | 0.00                              | 0.00                      | 0.00                | 0.00       | 0.00           | 0.00              | 0.00     | 0.00           | 2  |
| 4        | Other                           | 541,569.00      | 21,818,483.00   | 1,696,331.00        | 484,104.00                 | 0.00                             | 24,540,487.00                     | 0.00                      | 4,135,420.00        | 0.00       | 28,675,907.00  | 0.00              | 0.00     | 28,675,907.00  | 3  |
| 5        | Total operating revenues        | 541,569.00      | 21,818,483.00   | 1,696,331.00        | 484,104.00                 | 0.00                             | 24,540,487.00                     | 0.00                      | 4,135,420.00        | 0.00       | 28,675,907.00  | 0.00              | 0.00     | 28,675,907.00  | 4  |
| 6        | Purchased gas cost              | 0.00            | 13,206,169.00   | 0.00                | 445,816.00                 | 0.00                             | 13,651,985.00                     | 0.00                      | 2,367,736.00        | 0.00       | 16,019,721.00  | 0.00              | 0.00     | 16,019,721.00  | 5  |
| 7        | Gross profit                    | 541,569.00      | 8,612,314.00    | 1,696,331.00        | 38,288.00                  | 0.00                             | 10,888,502.00                     | 0.00                      | 1,767,684.00        | 0.00       | 12,656,186.00  | 0.00              | 0.00     | 12,656,186.00  | 6  |
| 8        | Operating expenses              |                 |                 |                     |                            |                                  |                                   |                           |                     |            |                |                   |          |                |    |
| 9        | Operation                       | 10,519.39       | 3,989,169.55    | 259,990.39          | 16,888.79                  | 0.00                             | 4,276,568.12                      | 0.00                      | 244,533.70          | 160.00     | 4,521,261.82   | 0.00              | 0.00     | 4,521,261.82   | 7  |
| 10       | Maintenance                     | 0.00            | 359,221.00      | 0.00                | 0.00                       | 0.00                             | 359,221.00                        | 0.00                      | 49,179.00           | 0.00       | 408,400.00     | 0.00              | 0.00     | 408,400.00     | 8  |
| 11       | Depreciation and amortization   | 193,386.00      | 1,100,336.00    | 376,351.00          | 216,085.00                 | 0.00                             | 1,886,158.00                      | 0.00                      | 201,924.00          | 0.00       | 2,088,082.00   | 0.00              | 0.00     | 2,088,082.00   | 9  |
| 12       | Taxes - other than income taxes | 0.00            | 175,447.00      | 121,894.00          | 9.00                       | 0.00                             | 297,350.00                        | 0.00                      | 207,627.00          | 0.00       | 504,977.00     | 0.00              | 0.00     | 504,977.00     | 10 |
| 13       | Shared services - billed        | 9,160.00        | 120,731.00      | 28,499.00           | 1,610.00                   | 0.00                             | 160,000.00                        | 0.00                      | (0.00)              | 0.00       | 160,000.00     | 0.00              | 0.00     | 160,000.00     | 11 |
| 14       | Provision for income taxes      | 104,730.82      | 988,000.84      | 201,009.46          | 761,258.91                 | 0.00                             | 2,055,000.03                      | 0.00                      | 269,100.41          | 0.00       | 2,324,100.44   | 0.00              | 0.00     | 2,324,100.44   | 12 |
| 15       | Total operating expenses        | 317,796.21      | 6,732,905.39    | 987,743.85          | 995,851.70                 | 0.00                             | 9,034,297.15                      | 0.00                      | 972,364.11          | 160.00     | 10,006,821.26  | 0.00              | 0.00     | 10,006,821.26  | 13 |
| 16       | Operating income (loss)         | 223,772.79      | 1,879,408.61    | 708,587.15          | (957,563.70)               | 0.00                             | 1,854,204.85                      | 0.00                      | 795,319.89          | (160.00)   | 2,649,364.74   | 0.00              | 0.00     | 2,649,364.74   | 14 |
| 17       | Other income                    |                 |                 |                     |                            |                                  |                                   |                           |                     |            |                |                   |          |                |    |
| 18       | Merchandise                     | 0.00            | 0.00            | 0.00                | 0.00                       | 0.00                             | 0.00                              | 0.00                      | 0.00                | 0.00       | 0.00           | 0.00              | 0.00     | 0.00           | 15 |
| 19       | Interest income                 | 21,317.00       | 58,970.00       | 199,275.00          | 27,353.00                  | (230,768.00)                     | 76,147.00                         | 0.00                      | 58,577.00           | 0.00       | 134,724.00     | 0.00              | 0.00     | 134,724.00     | 16 |
| 20       | Other nonoperating income       | 578.00          | 22,706.00       | (217,280.00)        | 44,434.00                  | 0.00                             | (149,562.00)                      | 0.00                      | 0.00                | 0.00       | (149,562.00)   | 0.00              | 0.00     | (149,562.00)   | 17 |
| 21       | Equity in earnings - Woodward   | 0.00            | 0.00            | 0.00                | 2,362,068.00               | 0.00                             | 2,362,068.00                      | 0.00                      | 0.00                | 0.00       | 2,362,068.00   | 0.00              | 0.00     | 2,362,068.00   | 18 |
| 22       | Total other income (loss)       | 21,895.00       | 81,676.00       | (18,005.00)         | 2,433,855.00               | (230,768.00)                     | 2,288,653.00                      | 0.00                      | 58,577.00           | 0.00       | 2,347,230.00   | 0.00              | 0.00     | 2,347,230.00   | 19 |
| 23       | Income (loss) before int chgs   | 245,667.79      | 1,961,084.61    | 690,582.15          | 1,476,291.30               | (230,768.00)                     | 4,142,857.85                      | 0.00                      | 853,896.89          | (160.00)   | 4,996,594.74   | 0.00              | 0.00     | 4,996,594.74   | 20 |
| 24       | Interest charges                | 81,519.00       | 406,840.00      | 380,566.00          | 182,640.00                 | (230,768.00)                     | 820,797.00                        | 0.00                      | 443,394.00          | 0.00       | 1,264,191.00   | 0.00              | 0.00     | 1,264,191.00   | 21 |
| 25       | Net income (loss)               | \$164,148.79    | \$1,554,244.61  | \$310,016.15        | \$1,293,651.30             | \$0.00                           | \$3,322,060.85                    | \$0.00                    | \$410,502.89        | (\$160.00) | \$3,732,403.74 | \$0.00            | \$0.00   | \$3,732,403.74 | 22 |

ATMOS ENERGY CORPORATION  
 Allocation of Division 02 - Corporate Cost  
 For The Month Ended 3/31/98

*Handwritten initials/signature*

ALLOCATED DOLLARS

| DEPARTMENT                     | Total        | Finances    | GGC         | Trans La    | UCG          | WKG          | Enertmart | TLJG      | UCG Energy | UCG Storage | WKOR |        |
|--------------------------------|--------------|-------------|-------------|-------------|--------------|--------------|-----------|-----------|------------|-------------|------|--------|
| ACCOUNTING:                    | (444,259.41) | (71,767.11) | (66,975.35) | (46,883.13) | (177,127.70) | (107,812.43) | 44.95     | 174.86    | 44.95      | 26,000.00   | -    | 41.85  |
| BUSINESS DEVELOPMENT:          | 47,785.96    | 11,870.04   | 5,772.54    | 4,037.91    | 18,163.44    | 7,942.03     | -         | -         | -          | -           | -    | -      |
| CALL CENTER:                   | 557.48       | 220.54      | 108.32      | 76.04       | -            | 148.46       | 0.61      | 2.68      | 0.61       | -           | -    | 0.22   |
| EXECUTIVE:                     | 273,589.55   | 68,031.54   | 33,333.80   | 23,180.40   | 102,663.53   | 45,167.18    | 181.12    | 811.74    | 170.72     | -           | -    | 49.52  |
| GAS CONTROL:                   | 53,202.00    | 9,576.36    | 5,320.20    | 2,660.10    | 23,940.90    | 10,640.40    | -         | 532.02    | 532.02     | -           | -    | -      |
| GAS SUPPLY:                    | 165,270.52   | 31,845.59   | 28,075.91   | 9,514.97    | 42,776.43    | 39,986.42    | -         | 9,706.10  | 3,365.10   | -           | -    | -      |
| HUMAN RESOURCES:               | 705,047.95   | 206,146.89  | 98,668.77   | 69,504.57   | 193,746.33   | 135,007.34   | 294.01    | 1,301.90  | 294.01     | -           | -    | 84.13  |
| INFORMATION TECHNOLOGY:        | 378,761.24   | 139,910.43  | 52,383.04   | 37,594.75   | 66,989.18    | 81,883.84    | -         | -         | -          | -           | -    | -      |
| INTERNAL AUDIT:                | 45,836.70    | 11,330.81   | 5,514.16    | 3,854.87    | 17,344.61    | 7,576.81     | 32.09     | 142.09    | 32.09      | -           | -    | 9.17   |
| INVESTOR RELATIONS:            | 183,982.76   | 45,634.63   | 22,209.97   | 15,527.25   | 69,226.13    | 30,517.24    | 129.21    | 572.11    | 129.21     | -           | -    | 37.01  |
| LEGAL:                         | 218,268.32   | 52,135.88   | 26,926.75   | 17,742.59   | 80,339.64    | 36,535.45    | 340.61    | 2,610.67  | 1,596.08   | -           | -    | 40.65  |
| NEW BUSINESS VENTURES:         | 26,798.20    | 6,624.52    | 3,223.82    | 2,253.73    | 10,140.44    | 4,429.74     | 18.76     | 83.07     | 18.76      | -           | -    | 5.36   |
| PLANNING & BUDGETING:          | 72,827.30    | 18,002.90   | 8,761.13    | 6,124.78    | 27,557.85    | 12,038.35    | 50.98     | 225.77    | 50.98      | -           | -    | 14.56  |
| PRICE POLICY & ADMINISTRATION: | 73,052.90    | 23,259.74   | 20,566.36   | 8,854.40    | 5,564.85     | 14,512.48    | 27.86     | 212.86    | 33.80      | -           | -    | 20.55  |
| REGULATORY AFFAIRS:            | 35,538.90    | 5,330.83    | 8,884.73    | 3,553.89    | 14,215.56    | 3,553.89     | -         | -         | -          | -           | -    | -      |
| REMITTANCE PROCESSING:         | 36,529.91    | 10,871.30   | 4,069.43    | 2,918.74    | 12,051.22    | 6,359.86     | 29.22     | 226.49    | 3.65       | -           | -    | -      |
| TECHNICAL SERVICES:            | 38,964.52    | 8,860.53    | 5,384.90    | 3,510.70    | 15,032.51    | 6,058.98     | 27.28     | 62.34     | 23.38      | -           | -    | 3.90   |
| TREASURY:                      | 105,280.41   | 35,616.89   | 18,155.54   | 12,226.12   | 11,467.50    | 25,525.65    | 256.44    | 1,777.01  | 246.92     | -           | -    | 8.34   |
| TOTAL OPERATIONS:              | 2,017,035.51 | 613,502.31  | 280,384.02  | 176,252.68  | 534,092.42   | 360,071.69   | 1,433.14  | 18,441.71 | 6,542.28   | 26,000.00   | -    | 315.26 |
| Operations w/o A&G Corp.       | 2,898,035.51 | 837,073.72  | 421,838.33  | 275,395.27  | 738,464.92   | 569,992.42   | 1,811.21  | 20,116.01 | 6,970.55   | 26,000.00   | -    | 423.28 |
| MAINTENANCE                    | 1,140.66     | 281.96      | 137.22      | 95.93       | 431.63       | 188.55       | 0.80      | 3.54      | 0.80       | -           | -    | 0.23   |
| DEPRECIATION                   | 270,919.31   | 66,971.27   | 32,591.59   | 22,784.31   | 102,515.87   | 44,782.96    | 189.64    | 839.85    | 189.64     | -           | -    | 54.18  |
| TAXES - OTHER                  | 102,677.93   | 25,382.00   | 12,352.15   | 8,635.21    | 38,853.33    | 16,972.66    | 71.87     | 318.30    | 71.87      | -           | -    | 20.54  |
| TOTAL                          | 2,391,773.41 | 706,137.54  | 325,464.98  | 207,768.13  | 675,893.25   | 422,015.86   | 1,695.45  | 19,603.40 | 6,804.59   | 26,000.00   | -    | 390.21 |

ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Year-To-Date 3/31/98

ALLOCATED DOLLARS

| DEPARTMENT                     | Total         | Energas      | GGC          | Trans La     | UCG            | WKG          | Egason   | Ensmart    | TLIG      | UCG Energ  | UCG Storage | WKGR     |
|--------------------------------|---------------|--------------|--------------|--------------|----------------|--------------|----------|------------|-----------|------------|-------------|----------|
| ACCOUNTING:                    | 1,388,592.21  | (625,044.44) | (612,709.82) | (385,044.90) | (1,178,455.75) | (746,713.82) | (107.90) | (576.60)   | (70.89)   | 160,000.00 | -           | 131.91   |
| BUSINESS DEVELOPMENT:          | 284,568.93    | 70,686.94    | 34,375.92    | 24,046.07    | 108,164.65     | 47,295.35    | 28.72    | 125.37     | 28.72     | -          | -           | 10.44    |
| CALL CENTER:                   | 26,117.20     | 10,331.98    | 5,074.58     | 3,562.38     | 607,687.96     | 267,231.98   | 1,089.55 | 4,849.73   | 1,013.19  | -          | -           | 299.58   |
| EXECUTIVE:                     | 1,618,194.85  | 402,243.27   | 196,794.31   | 136,982.28   | 607,687.96     | 267,231.98   | 1,089.55 | 2,292.02   | 2,292.02  | -          | -           | -        |
| GAS CONTROL:                   | 229,202.23    | 41,256.41    | 22,920.22    | 11,460.11    | 103,141.00     | 45,840.45    | -        | -          | 62,018.76 | -          | -           | -        |
| GAS SUPPLY:                    | 760,300.47    | 149,485.25   | 120,336.35   | 45,158.67    | 194,078.70     | 168,360.33   | 1,152.43 | 5,060.24   | 1,110.33  | -          | -           | 330.67   |
| HUMAN RESOURCES:               | 2,951,792.71  | 876,494.41   | 418,648.98   | 295,202.11   | 780,954.99     | 572,838.55   | -        | -          | -         | -          | -           | -        |
| INTERNAL AUDIT:                | 1,020,038.36  | 271,604.32   | 132,391.55   | 92,633.41    | 336,413.67     | 181,844.64   | 767.86   | 3,387.74   | 764.55    | -          | -           | 403.62   |
| INVESTOR RELATIONS:            | 2,120,472.99  | 522,729.64   | 256,241.64   | 176,487.79   | 793,503.89     | 352,246.35   | 1,972.86 | 11,736.25  | 5,150.95  | -          | -           | 22.08    |
| LEGAL:                         | 109,176.09    | 26,999.36    | 13,128.80    | 9,181.67     | 41,300.47      | 18,050.93    | 77.25    | 340.19     | 75.34     | -          | -           | 73.97    |
| NEW BUSINESS VENTURES:         | 322,148.66    | 86,311.70    | 42,057.02    | 29,435.72    | 104,918.22     | 57,786.58    | 245.51   | 1,079.26   | 240.68    | -          | -           | 112.94   |
| PLANNING & BUDGETING:          | 403,166.36    | 127,588.79   | 112,751.32   | 48,556.96    | 33,046.96      | 79,602.57    | 153.30   | 1,168.50   | 185.52    | -          | -           | -        |
| PRICE POLICY & ADMINISTRATION: | 146,939.54    | 22,040.93    | 36,734.90    | 14,693.95    | 58,775.81      | 14,693.95    | -        | -          | 20.73     | -          | -           | -        |
| REGULATORY AFFAIRS:            | 151,047.20    | 53,194.40    | 19,912.07    | 14,287.01    | 31,256.09      | 31,122.50    | 143.37   | 1,111.03   | -         | -          | -           | 23.26    |
| REMITTANCE PROCESSING:         | 228,795.81    | 52,018.38    | 31,619.21    | 20,623.13    | 88,274.93      | 35,572.51    | 157.83   | 367.06     | 139.50    | -          | -           | 49.27    |
| TECHNICAL SERVICES:            | 609,287.47    | 205,899.65   | 104,113.14   | 69,386.48    | 66,892.91      | 147,530.80   | 1,726.61 | 12,029.99  | 1,658.62  | -          | -           | -        |
| TREASURY:                      | 9,382,575.26  | 2,972,993.01 | 1,195,275.68 | 793,375.42   | 2,429,606.61   | 1,682,638.48 | 2,576.68 | 105,735.46 | 33,637.18 | 160,000.00 | -           | 1,736.74 |
| TOTAL OPERATIONS:              | 14,668,575.26 | 4,309,413.97 | 2,157,475.46 | 1,423,821.28 | 3,546,982.95   | 2,908,280.75 | 9,660.08 | 114,925.06 | 35,683.71 | 160,000.00 | -           | 2,332.00 |
| Operations w/o A&G Cap.        | 26,882.25     | 6,645.92     | 3,233.64     | 2,260.79     | 10,171.58      | 4,443.88     | 18.86    | 83.44      | 18.75     | -          | -           | 5.39     |
| MAINTENANCE                    | 1,656,115.86  | 402,317.31   | 195,464.64   | 136,754.78   | 614,958.38     | 268,924.50   | 1,163.87 | 5,095.16   | 1,104.70  | -          | -           | 332.52   |
| DEPRECIATION                   | 509,606.19    | 126,002.42   | 61,292.85    | 42,837.76    | 192,805.40     | 84,248.27    | 358.80   | 1,584.18   | 353.99    | -          | -           | 102.52   |
| TAXES - OTHER                  | 11,545,179.56 | 3,507,958.66 | 1,455,266.81 | 978,248.75   | 3,247,541.97   | 2,040,255.13 | 9,118.21 | 112,498.24 | 35,114.62 | 160,000.00 | -           | 2,177.17 |
| TOTAL                          |               |              |              |              |                |              |          |            |           |            |             |          |

ATMOS ENERGY CORPORATION  
Allocation of Division 02 - Corporate Cost  
For The Month Ended 3/31/98

ALLOCATED DOLLARS

| DEPARTMENT                                  | Total        | Energys      | GFC         | Trans La    | UCG          | WKG         | Emmert     | TLIO     | UCG Energy | UCG Storage | WKGR     |
|---|--------------|--------------|-------------|-------------|--------------|-------------|------------|----------|------------|-------------|----------|
| 0112900 VP & Controller                     | 57,982.21    | 22,937.78    | 11,265.94   | 7,908.77    | -            | 15,440.66   | 278.31     | 63.78    | -          | -           | 23.19    |
| 0113000 Assistant Controller General Acctg  | 11,712.05    | 4,633.30     | 2,275.65    | 1,597.52    | -            | 3,118.92    | 56.22      | 12.88    | -          | -           | 4.68     |
| 0113100 General Accounting                  | 41,727.77    | 16,507.50    | 8,107.71    | 5,691.67    | -            | 11,112.11   | 200.29     | 45.90    | -          | -           | 16.69    |
| 0113200 Payroll Accounting                  | 43,361.99    | 17,154.00    | 8,425.23    | 5,914.58    | -            | 11,547.30   | 208.14     | 47.70    | -          | -           | 17.34    |
| 0113300 Accounts Payable                    | 21,565.38    | 8,530.08     | 4,189.57    | 2,841.11    | -            | 5,742.06    | 103.50     | 23.72    | -          | -           | 8.62     |
| 0113400 Accounting Systems                  | 937.99       | 378.99       | 186.14      | 130.67      | -            | 255.11      | 4.60       | 1.05     | -          | -           | 0.38     |
| 0113500 Assistant Controller, Utility Acctg | 2,313.93     | 915.37       | 449.60      | 315.62      | -            | 616.20      | 11.11      | 2.55     | -          | -           | 0.93     |
| 0113600 Plant Accounting                    | 27,033.49    | 10,694.44    | 5,252.61    | 3,687.37    | -            | 7,199.02    | 129.76     | 29.74    | -          | -           | 10.81    |
| 0113700 Gas Accounting                      | 64,986.63    | 25,708.70    | 12,626.90   | 8,564.18    | -            | 17,305.94   | 311.94     | 71.49    | -          | -           | 25.99    |
| 0113800 Customer Billing                    | 6,912.51     | 2,734.59     | 1,343.10    | 942.87      | -            | 1,840.80    | 7.60       | 33.18    | -          | -           | 2.77     |
| 0113900 Financial Reporting                 | 25,028.77    | 9,901.39     | 4,863.09    | 3,413.92    | -            | 6,665.16    | 120.14     | 27.53    | -          | -           | 10.01    |
| 0114600 Dallas Taxation                     | 35,161.17    | 13,909.76    | 6,831.82    | 4,795.98    | -            | 9,363.42    | 168.77     | 38.68    | -          | -           | 14.06    |
| 0119200 Dallas Stores                       |              |              |             |             |              |             |            |          |            |             |          |
| 0119200 Controller Miscellaneous            | 72,000.00    | 17,798.40    | 8,661.60    | 6,055.20    | 27,244.80    | 11,901.60   | 223.20     | 50.40    | -          | -           | 14.40    |
| 0119700 Management Fee - UCGE               | 26,000.00    |              |             |             |              |             |            |          | 26,000.00  |             |          |
| 0119700 I/C Billing & Other                 |              |              |             |             |              |             |            |          |            |             |          |
| 0119800 Overhead Capitalized-Division 02    | (540,096.47) | (133,511.84) | (64,973.61) | (45,422.11) | (204,372.50) | (89,277.95) | -          | -        | -          | -           | -        |
| 0119800 Overhead Capitalized-Op Company     | (340,903.53) | (90,059.57)  | (76,480.70) | (53,720.48) |              |             | (1,674.30) | (378.07) |            |             | (108.02) |
| ACCOUNTING:                                 | (444,259.11) | (71,767.11)  | (66,975.35) | (46,883.13) |              |             | 44.95      | 174.86   |            |             | 41.85    |
| 0056000 Business Development                | 47,785.96    | 11,870.04    | 5,772.54    | 4,037.91    | 18,163.44    | 7,942.03    | -          | -        | -          | -           | -        |
| BUSINESS DEVELOPMENT:                       | 47,785.96    | 11,870.04    | 5,772.54    | 4,037.91    | 18,163.44    | 7,942.03    | -          | -        | -          | -           | -        |
| 0120100 Amarillo Call Center                | 557.48       | 220.54       | 108.32      | 76.04       | -            | 148.46      | 0.61       | 2.68     | -          | -           | 0.22     |
| CALL CENTER:                                | 557.48       | 220.54       | 108.32      | 76.04       | -            | 148.46      | 0.61       | 2.68     | -          | -           | 0.22     |
| 0050500 Chairman, President & CEO           | 142,067.78   | 35,119.16    | 17,090.75   | 11,947.90   | 53,758.45    | 23,483.80   | 99.45      | 440.41   | -          | -           | 28.41    |
| 0052100 Dallas Operations                   | 51,972.76    | 13,247.86    | 6,673.30    | 4,542.42    | 18,803.74    | 8,533.93    | 25.99      | 124.73   | -          | -           | 15.59    |
| 0052500 Utility Services                    | 5,658.57     | 1,398.80     | 680.73      | 475.89      | 2,141.20     | 935.36      | 3.96       | 17.54    | -          | -           | 5.20     |
| 0054700 Chief Financial Officer             | 73,890.44    | 18,265.72    | 8,689.02    | 6,214.19    | 27,960.14    | 12,214.09   | 51.72      | 229.06   | -          | -           | 1.13     |
| EXECUTIVE:                                  | 273,589.55   | 68,031.54    | 33,333.80   | 23,180.40   | 102,663.53   | 45,167.18   | 181.12     | 811.74   | -          | -           | 14.78    |
| 0051700 Corporate Gas Control               | 53,202.00    | 9,576.36     | 5,320.20    | 2,660.10    | 23,940.90    | 10,640.40   | 532.02     | 532.02   | -          | -           | 49.52    |
| GAS CONTROL:                                | 53,202.00    | 9,576.36     | 5,320.20    | 2,660.10    | 23,940.90    | 10,640.40   | 532.02     | 532.02   | -          | -           | 49.52    |
| 0051500 Interstate Gas Supply               | 97,968.51    | 17,634.33    | 19,593.70   | 4,898.43    | 26,451.30    | 29,390.55   | -          | -        | -          | -           | -        |
| 0051600 Intrastate Gas Supply               | 42,273.36    | 8,454.67     | 4,227.34    | 2,113.67    | 10,568.34    | 6,341.00    | 8,454.67   | 2,113.67 | -          | -           | -        |
| 0051900 Gas Supply                          | 25,028.65    | 5,756.59     | 4,254.87    | 2,502.87    | 5,756.59     | 4,254.87    | 1,251.43   | 1,251.43 | -          | -           | -        |
| GAS SUPPLY:                                 | 165,270.52   | 31,845.59    | 28,075.91   | 9,514.97    | 42,776.43    | 39,986.42   | 9,706.10   | 3,365.10 | -          | -           | -        |

ATMOS ENERGY CORPORATION  
Allocation of Division 02 - Corporate Cost  
For The Month Ended 3/31/98

ALLOCATED DOLLARS

| DEPARTMENT   | Total       | Energy     | OTC        | Trans La   | UCG        | WKG        | Egaso   | Emermat  | TLIG     | UCG Energy | UCG Storage | WKGR   |
|--|-------------|------------|------------|------------|------------|------------|---------|----------|----------|------------|-------------|--------|
| 0056100 Professional Development                       | 3,833.27    | 1,026.17   | 482.61     | 342.69     | 1,324.39   | 657.41     | -       | -        | -        | -          | -           | -      |
| 0117100 Corporate Services                             | 1,586.82    | 627.74     | 308.32     | 216.44     | -          | 422.57     | 1.75    | 7.62     | 1.75     | -          | -           | 0.63   |
| 0117200 Compensation & Employment                      | 41,675.82   | 17,041.24  | 8,018.43   | 5,692.92   | -          | 10,973.23  | -       | -        | -        | -          | -           | -      |
| 0117300 Human Resources - VP                           | 23,018.70   | 6,162.11   | 2,898.05   | 2,057.87   | 7,952.96   | 3,947.71   | -       | -        | -        | -          | -           | -      |
| 0117400 Employee & Labor Relations                     | 9,578.77    | 2,564.23   | 1,205.97   | 856.34     | 3,309.47   | 1,642.76   | -       | -        | -        | -          | -           | -      |
| 0117500 Employee Benefits                              | 140,771.83  | 57,561.60  | 27,084.50  | 19,229.43  | -          | 36,896.30  | -       | -        | -        | -          | -           | -      |
| 0117800 Employee Communications                        | 31,010.03   | 8,301.38   | 3,904.16   | 2,772.30   | 10,713.97  | 5,318.22   | -       | -        | -        | -          | -           | -      |
| 0117900 Facilities                                     | 12,206.70   | 3,267.74   | 1,536.82   | 1,091.28   | 4,217.41   | 2,093.45   | -       | -        | -        | -          | -           | -      |
| 0118100 Employee Development                           | 23,855.91   | 6,386.22   | 3,003.46   | 2,132.72   | 8,242.22   | 4,091.29   | -       | -        | -        | -          | -           | -      |
| 0119000 Employee Relocation Expense                    | (14,456.95) | (3,568.80) | (1,736.77) | (1,214.15) | (5,462.94) | (2,386.43) | (10.11) | (44.75)  | (10.11)  | -          | -           | (2.89) |
| 0119210 Performance Plan                               | 116,666.00  | 28,839.84  | 14,034.92  | 9,811.61   | 44,146.41  | 19,284.89  | 81.67   | 361.66   | 81.67    | -          | -           | 23.33  |
| 0119300 Outside Directors Retirement Cost              | 23,000.00   | 5,685.60   | 2,766.90   | 1,934.30   | 8,703.20   | 3,801.90   | 16.10   | 71.30    | 16.10    | -          | -           | 4.60   |
| 0119400 Treasury - Worker's Comp                       | 0.03        | 0.01       | 0.01       | -          | -          | 0.01       | -       | -        | -        | -          | -           | -      |
| 0119500 Human Resources - Benefits                     | (0.27)      | (0.11)     | (0.05)     | (0.04)     | -          | (0.07)     | -       | -        | -        | -          | -           | -      |
| 0119600 Retirement Costs                               | 292,281.29  | 72,251.92  | 35,161.44  | 24,580.86  | 110,599.24 | 48,314.10  | 204.60  | 906.07   | 204.60   | -          | -           | 58.46  |
| HUMAN RESOURCES:                                       | 703,047.95  | 206,146.89 | 98,668.77  | 69,504.57  | 193,746.33 | 135,007.34 | 294.01  | 1,301.90 | 294.01   | -          | -           | 84.13  |
| 0115000 Information Services                           | 125,153.08  | 37,495.86  | 14,042.18  | 10,074.82  | 41,588.37  | 21,951.85  | -       | -        | -        | -          | -           | -      |
| 0115100 Production Services                            | 80,861.42   | 36,290.60  | 13,384.72  | 9,751.89   | -          | 21,234.21  | -       | -        | -        | -          | -           | -      |
| 0115200 Mass Mail                                      | -           | -          | -          | -          | -          | -          | -       | -        | -        | -          | -           | -      |
| 0115300 Information Systems                            | 63,345.59   | 28,429.50  | 10,642.06  | 7,639.48   | -          | 16,634.55  | -       | -        | -        | -          | -           | -      |
| 0115400 Information Support                            | 32,961.76   | 14,793.23  | 5,537.58   | 3,975.19   | -          | 8,655.76   | -       | -        | -        | -          | -           | -      |
| 0115500 Office Equipment                               | 105.60      | 31.64      | 11.85      | 8.50       | 35.09      | 18.52      | -       | -        | -        | -          | -           | -      |
| 0115600 Telecommunication Services                     | 76,333.70   | 22,869.60  | 8,564.65   | 6,144.87   | 25,365.72  | 13,388.95  | -       | -        | -        | -          | -           | -      |
| INFORMATION TECHNOLOGY:                                | 378,761.24  | 139,910.43 | 52,383.04  | 37,594.75  | 66,989.18  | 81,883.84  | -       | -        | -        | -          | -           | -      |
| 0116400 Internal Audit                                 | 45,836.70   | 11,330.81  | 5,514.16   | 3,854.87   | 17,344.61  | 7,576.81   | 32.09   | 142.09   | 32.09    | -          | -           | 9.17   |
| INTERNAL AUDIT:  | 45,836.70   | 11,330.81  | 5,514.16   | 3,854.87   | 17,344.61  | 7,576.81   | 32.09   | 142.09   | 32.09    | -          | -           | 9.17   |
| 0054900 Investor Relations                             | 141,765.08  | 35,044.32  | 17,054.34  | 11,922.44  | 53,643.91  | 23,433.77  | 99.24   | 439.47   | 99.24    | -          | -           | 28.35  |
| 0117700 Corporate Communications                       | 41,179.23   | 10,179.49  | 4,953.86   | 3,463.17   | 15,582.22  | 6,806.93   | 28.83   | 127.66   | 28.83    | -          | -           | 8.24   |
| 0052400 Public Affairs                                 | 1,038.45    | 410.82     | 201.77     | 141.64     | -          | 276.54     | 1.14    | 4.98     | 1.14     | -          | -           | 0.42   |
| INVESTOR RELATIONS:                                    | 183,982.76  | 45,634.63  | 22,209.97  | 15,527.25  | 69,226.13  | 30,517.24  | 129.21  | 572.11   | 129.21   | -          | -           | 37.01  |
| 0052000 Legal  | 104,477.40  | 25,826.82  | 12,568.63  | 8,786.55   | 39,534.25  | 17,270.11  | 73.13   | 323.88   | 73.13    | -          | -           | 20.90  |
| 0052099 Contract Administration                        | 9,315.77    | 193.77     | 1,840.80   | 193.77     | 1,550.14   | 1,945.13   | 193.77  | 1,945.13 | 1,453.26 | -          | -           | -      |
| 0052200 Governmental Affairs                           | 5,737.61    | 1,418.33   | 690.23     | 482.53     | 2,171.11   | 948.43     | 4.02    | 17.79    | 4.02     | -          | -           | 1.15   |
| 0057900 Corporate Secretary                            | 93,002.54   | 22,990.23  | 11,188.21  | 7,821.51   | 35,192.16  | 15,373.32  | 65.10   | 288.31   | 65.10    | -          | -           | 18.60  |
| 0118200 Central Records                                | 5,735.00    | 1,706.73   | 638.88     | 458.23     | 1,891.98   | 998.46     | 4.59    | 35.56    | 4.59     | -          | -           | -      |
| LEGAL:   | 218,268.32  | 52,135.88  | 26,926.75  | 17,742.59  | 80,339.64  | 36,535.45  | 340.61  | 2,610.67 | 1,596.08 | -          | -           | 40.65  |
| 0054600 New Business Ventures                          | 26,798.20   | 6,624.52   | 3,223.82   | 2,253.73   | 10,140.44  | 4,429.74   | 18.76   | 83.07    | 18.76    | -          | -           | 5.36   |
| NEW BUSINESS VENTURES:                                 | 26,798.20   | 6,624.52   | 3,223.82   | 2,253.73   | 10,140.44  | 4,429.74   | 18.76   | 83.07    | 18.76    | -          | -           | 5.36   |
| 0054400 Financial & Strategic Planning                 | 68,804.96   | 17,008.58  | 8,277.24   | 5,786.50   | 26,035.80  | 11,373.46  | 48.16   | 213.30   | 48.16    | -          | -           | 13.76  |
| 0054500 Business Strategies & Competitive Intelligence | -           | -          | -          | -          | -          | -          | -       | -        | -        | -          | -           | -      |
| 0114300 Budget & Planning                              | 4,022.34    | 994.32     | 483.89     | 338.28     | 1,522.05   | 664.89     | 2.82    | 12.47    | 2.82     | -          | -           | 0.80   |
| PLANNING & BUDGETING:                                  | 72,827.30   | 18,002.90  | 8,761.13   | 6,124.78   | 27,557.85  | 12,038.35  | 50.98   | 225.77   | 50.98    | -          | -           | 14.56  |



ATMOS ENERGY CORPORATION  
Allocation of Division 02 - Corporate Cost  
For The Month Ended 3/31/98

ALLOCATED DOLLARS

| DEPARTMENT                                   | Total        | Enersys    | GCC        | Trans La   | UCC        | WKG        | Figasco  | Enernart  | TLIG     | UCC Energy | UCC Storage | WKGR   |
|--|--------------|------------|------------|------------|------------|------------|----------|-----------|----------|------------|-------------|--------|
| 0054000 Price Policy & Administration - V.P. | 13,605.98    | 2,821.89   | 2,375.60   | 1,049.02   | 5,564.85   | 1,755.17   | 4.08     | 28.57     | 4.08     | -          | -           | 2.72   |
| 0054000 Price Policy & Administration        | 59,446.92    | 20,437.85  | 18,190.76  | 7,805.38   | 12,737.31  | 23.78      | 184.29   | 29.72     | 29.72    | -          | -           | 17.83  |
| PRICE POLICY & ADMINISTRATION:               | 73,052.90    | 23,259.74  | 20,566.36  | 8,854.40   | 14,512.48  | 27.86      | 212.86   | 33.80     | 33.80    | -          | -           | 20.55  |
| 0054100 Regulatory Affairs                   | 35,538.90    | 5,330.83   | 8,884.73   | 3,553.89   | 14,215.56  | 3,553.89   | -        | -         | -        | -          | -           | -      |
| REGULATORY AFFAIRS:                          | 35,538.90    | 5,330.83   | 8,884.73   | 3,553.89   | 14,215.56  | 3,553.89   | -        | -         | -        | -          | -           | -      |
| 0118000 Remittance Processing                | 36,529.91    | 10,871.30  | 4,069.43   | 2,918.74   | 12,051.22  | 6,359.86   | 29.22    | 226.49    | 3.65     | -          | -           | -      |
| REMITTANCE PROCESSING:                       | 36,529.91    | 10,871.30  | 4,069.43   | 2,918.74   | 12,051.22  | 6,359.86   | 29.22    | 226.49    | 3.65     | -          | -           | -      |
| 0056200 Technical Services                   | 38,964.52    | 8,860.53   | 5,384.90   | 3,510.70   | 15,032.51  | 6,058.98   | 27.28    | 62.34     | 23.38    | -          | -           | 3.90   |
| TECHNICAL SERVICES:                          | 38,964.52    | 8,860.53   | 5,384.90   | 3,510.70   | 15,032.51  | 6,058.98   | 27.28    | 62.34     | 23.38    | -          | -           | 3.90   |
| 0114500 Dallas Treasury                      | 23,788.05    | 9,310.64   | 3,917.89   | 2,129.03   | -          | 6,327.62   | 228.37   | 1,655.65  | 218.85   | -          | -           | -      |
| 0114700 Dallas Risk Management               | 13,893.73    | 3,434.52   | 1,671.42   | 1,168.46   | 5,257.39   | 2,296.63   | 9.73     | 43.07     | 9.73     | -          | -           | 2.78   |
| 0114800 Dallas Treasurer                     | 16,411.49    | 4,056.91   | 1,974.30   | 1,380.21   | 6,210.11   | 2,712.82   | 11.49    | 50.88     | 11.49    | -          | -           | 3.28   |
| 0117600 Purchasing                           | 16,832.84    | 5,361.25   | 3,785.71   | 2,715.14   | -          | 4,970.74   | -        | -         | -        | -          | -           | -      |
| 0118500 Mail & Supply                        | 22,933.09    | 9,377.34   | 4,412.33   | 3,132.66   | -          | 6,010.76   | -        | -         | -        | -          | -           | -      |
| 0118900 Fleet Administration                 | 11,421.21    | 4,076.23   | 2,393.89   | 1,708.62   | -          | 3,207.08   | -        | -         | -        | -          | -           | -      |
| 0118600 Purchasing & Stores                  | 105,280.41   | 35,616.89  | 18,155.54  | 12,226.12  | 11,467.50  | 25,525.65  | 6.85     | 27.41     | 6.85     | -          | -           | 2.28   |
| TREASURY:                                    | 105,280.41   | 35,616.89  | 18,155.54  | 12,226.12  | 11,467.50  | 25,525.65  | 6.85     | 27.41     | 6.85     | -          | -           | 2.28   |
| TOTAL OPERATIONS:                            | 2,017,035.51 | 613,502.31 | 280,384.02 | 176,252.68 | 534,092.42 | 360,071.69 | 1,433.14 | 18,441.71 | 6,542.28 | 26,000.00  | -           | 315.26 |
| Operations w/o A&G Cap.                      | 2,898,035.51 | 837,073.72 | 421,838.33 | 275,395.27 | 738,464.92 | 569,992.42 | 1,811.21 | 20,116.01 | 6,970.35 | 26,000.00  | -           | 423.28 |
| MAINTENANCE                                  | 1,140.66     | 281.96     | 137.22     | 95.93      | 431.63     | 188.55     | 0.80     | 3.54      | 0.80     | -          | -           | 0.23   |
| DEPRECIATION                                 | 270,919.31   | 66,971.27  | 32,591.59  | 22,784.31  | 102,515.87 | 44,782.96  | 189.64   | 839.85    | 189.64   | -          | -           | 54.18  |
| TAXES - OTHER                                | 102,677.93   | 25,382.00  | 12,352.15  | 8,635.21   | 38,853.33  | 16,972.66  | 71.87    | 318.30    | 71.87    | -          | -           | 20.54  |
| TOTAL  | 2,391,773.41 | 706,137.54 | 325,464.98 | 207,768.13 | 675,893.25 | 422,015.86 | 1,695.45 | 19,603.40 | 6,804.59 | 26,000.00  | -           | 390.21 |

ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Year-To-Date 3/31/98

ALLOCA TED DOLLARS

| DEPARTMENT                                  | Total          | Energis      | GGC          | Trans La     | UCG            | WKG          | Fgasco     | Enertmart  | TLIG       | UCG Energy | UCG Storage | WKOR     |
|---|----------------|--------------|--------------|--------------|----------------|--------------|------------|------------|------------|------------|-------------|----------|
| 0112900 VP & Controller                     | 412,783.39     | 163,297.12   | 80,203.81    | 56,303.65    | -              | 109,224.22   | 454.06     | 1,981.35   | 454.06     | -          | -           | 165.12   |
| 0113000 Assistant Controller General Acctg  | 70,787.38      | 28,003.49    | 13,733.99    | 9,655.40     | -              | 18,850.68    | 77.87      | 339.77     | 77.87      | -          | -           | 28.31    |
| 0113100 General Accounting                  | 207,442.79     | 82,064.34    | 40,306.14    | 28,295.20    | -              | 55,242.03    | 228.19     | 995.72     | 228.19     | -          | -           | 82.98    |
| 0113200 Payroll Accounting                  | 209,451.36     | 82,858.96    | 40,696.40    | 28,569.17    | -              | 55,776.89    | 230.39     | 1,005.37   | 230.39     | -          | -           | 83.79    |
| 0113300 Accounts Payable                    | 130,725.87     | 51,715.13    | 25,400.04    | 17,831.02    | -              | 34,812.31    | 143.80     | 627.48     | 143.80     | -          | -           | 52.29    |
| 0113400 Accounting Systems                  | 20,412.83      | 8,075.36     | 3,966.20     | 2,784.30     | -              | 5,435.93     | 22.45      | 97.98      | 22.45      | -          | -           | 8.16     |
| 0113500 Assistant Controller, Utility Acctg | 20,214.99      | 7,996.99     | 3,927.78     | 2,757.33     | -              | 5,383.25     | 22.25      | 97.04      | 22.25      | -          | -           | 8.10     |
| 0113600 Plant Accounting                    | 170,740.52     | 67,544.91    | 33,174.90    | 23,289.02    | -              | 45,468.21    | 187.82     | 819.55     | 187.82     | -          | -           | 68.29    |
| 0113700 Gas Accounting                      | 298,823.11     | 118,214.43   | 58,061.33    | 40,759.47    | -              | 79,576.60    | 328.70     | 1,434.35   | 328.70     | -          | -           | 119.53   |
| 0113800 Customer Billing                    | 40,245.60      | 15,921.13    | 7,819.72     | 5,489.51     | -              | 10,717.40    | 44.28      | 193.18     | 44.28      | -          | -           | 16.10    |
| 0113900 Financial Reporting                 | 123,801.02     | 48,975.66    | 24,054.54    | 16,886.46    | -              | 32,968.21    | 136.19     | 594.25     | 136.19     | -          | -           | 49.52    |
| 0114600 Dallas Taxation                     | 193,223.00     | 76,438.99    | 37,543.23    | 26,355.62    | -              | 51,455.30    | 212.55     | 927.48     | 212.55     | -          | -           | 77.28    |
| 0118300 Dallas Stores                       | (40.00)        | (40.00)      | -            | -            | -              | -            | -          | -          | -          | -          | -           | -        |
| 0119200 Controller Miscellaneous            | (161,204.07)   | (39,689.99)  | (19,418.12)  | (13,575.19)  | (61,079.41)    | (26,682.58)  | (113.05)   | (500.52)   | (112.91)   | -          | -           | (32.30)  |
| 0119700 Management Fee - UCGE               | 160,000.00     | -            | -            | -            | -              | -            | -          | -          | -          | 160,000.00 | -           | -        |
| 0119700 I/C Billing & Other                 | (2,953,496.43) | (730,317.04) | (355,207.76) | (248,388.07) | (1,117,376.34) | (488,292.43) | (2,083.40) | (9,189.60) | (2,046.53) | -          | -           | (595.26) |
| 0119800 Overhead Capitalized-Division 02    | (2,332,503.57) | (606,103.92) | (382,037.79) | (385,044.90) | (1,178,455.75) | (746,713.82) | (107.90)   | (576.60)   | (70.89)    | 160,000.00 | -           | (131.91) |
| 0056000 Business Development                | 284,568.93     | 70,686.94    | 34,375.92    | 24,046.07    | 108,164.65     | 47,293.35    | 28.72      | 125.37     | 28.72      | -          | -           | 10.44    |
| BUSINESS DEVELOPMENT:                       | 284,568.93     | 70,686.94    | 34,375.92    | 24,046.07    | 108,164.65     | 47,293.35    | 28.72      | 125.37     | 28.72      | -          | -           | 10.44    |
| 0120100 Amarillo Call Center                | 26,117.20      | 10,331.98    | 5,074.58     | 3,562.38     | -              | 6,955.01     | -          | -          | -          | -          | -           | -        |
| CALL CENTER:                                | 26,117.20      | 10,331.98    | 5,074.58     | 3,562.38     | -              | 6,955.01     | -          | -          | -          | -          | -           | -        |
| 0050500 Chairman, President & CFO           | 783,930.56     | 193,860.60   | 94,273.26    | 65,928.23    | 296,561.55     | 129,610.99   | 554.23     | 2,441.77   | 541.58     | -          | -           | 158.35   |
| 0052100 Dallas Operations                   | 270,562.17     | 68,983.79    | 34,731.49    | 23,646.94    | 97,876.66      | 44,424.69    | 136.84     | 652.28     | 82.10      | -          | -           | 27.38    |
| 0052500 Utility Services                    | 114,250.31     | 28,255.24    | 13,738.53    | 9,608.39     | 43,218.93      | 18,890.28    | 80.92      | 356.17     | 78.74      | -          | -           | 23.11    |
| 0054700 Chief Financial Officer             | 449,451.81     | 111,143.64   | 54,051.03    | 37,798.72    | 170,030.82     | 74,309.02    | 317.56     | 1,399.51   | 310.77     | -          | -           | 90.74    |
| EXECUTIVE:                                  | 1,618,194.85   | 402,243.27   | 196,794.31   | 136,982.28   | 607,687.96     | 267,234.98   | 1,089.55   | 4,849.73   | 1,013.19   | -          | -           | 299.58   |
| 0051700 Corporate Gas Control               | 229,202.23     | 41,256.41    | 22,920.22    | 11,460.11    | 103,141.00     | 45,840.45    | -          | 2,292.02   | 2,292.02   | -          | -           | -        |
| GAS CONTROL:                                | 229,202.23     | 41,256.41    | 22,920.22    | 11,460.11    | 103,141.00     | 45,840.45    | -          | 2,292.02   | 2,292.02   | -          | -           | -        |
| 0051500 Interstate Gas Supply               | 343,032.07     | 61,749.38    | 68,610.41    | 17,132.60    | 92,624.05      | 102,915.63   | -          | -          | -          | -          | -           | -        |
| 0051600 Intrastate Gas Supply               | 274,375.55     | 54,875.12    | 27,437.56    | 13,718.77    | 66,593.89      | 41,156.32    | -          | -          | -          | -          | -           | -        |
| 0051900 Gas Supply                          | 142,872.85     | 32,860.75    | 24,286.38    | 14,287.30    | 32,860.76      | 24,286.38    | -          | 54,875.12  | 13,718.77  | -          | -           | -        |
| GAS SUPPLY:                                 | 760,300.47     | 149,485.25   | 120,336.35   | 45,158.67    | 194,078.70     | 168,360.33   | -          | 71,433.64  | 20,862.41  | -          | -           | -        |

ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Year-To-Date 3/31/98

ALLOCATED DOLLARS

| DEPARTMENT   | Total        | Enrgas     | GCC        | Trans La   | UCC        | WKG        | Egasco   | Finemart  | TLIG     | UCG Energy | UCG Storage | WKGR   |
|--|--------------|------------|------------|------------|------------|------------|----------|-----------|----------|------------|-------------|--------|
| 0056100 Professional Development                       | 24,900.24    | 8,228.45   | 3,870.91   | 2,748.45   | 4,779.35   | 5,273.08   | -        | -         | -        | -          | -           | -      |
| 0117100 Corporate Services                             | 16,106.09    | 6,371.55   | 3,129.41   | 2,196.86   | -          | 4,289.06   | 17.73    | 77.31     | 17.73    | -          | -           | 6.44   |
| 0117200 Compensation & Employment                      | 268,385.08   | 109,742.66 | 51,637.29  | 36,661.40  | -          | 70,343.73  | -        | -         | -        | -          | -           | -      |
| 0117300 Human Resources - VP                           | 120,592.62   | 32,282.66  | 15,182.60  | 10,780.97  | 41,664.75  | 20,681.64  | -        | -         | -        | -          | -           | -      |
| 0117400 Employee & Labor Relations                     | 57,504.70    | 15,393.56  | 7,239.95   | 5,140.91   | 19,868.24  | 9,862.04   | -        | -         | -        | -          | -           | -      |
| 0117500 Employee Benefits                              | 546,499.41   | 223,463.61 | 105,146.48 | 74,651.83  | -          | 143,237.49 | -        | -         | -        | -          | -           | -      |
| 0117800 Employee Communications                        | 102,178.78   | 27,352.69  | 12,864.44  | 9,134.79   | 35,303.22  | 17,523.64  | -        | -         | -        | -          | -           | -      |
| 0117900 Facilities                                     | 70,083.79    | 18,760.96  | 8,823.66   | 6,265.49   | 24,214.33  | 12,019.35  | -        | -         | -        | -          | -           | -      |
| 0118100 Employee Development                           | 150,834.44   | 40,378.36  | 18,990.06  | 13,484.60  | 52,113.31  | 25,868.11  | -        | -         | -        | -          | -           | -      |
| 0119000 Employee Relocation Expense                    | (20,740.19)  | (5,126.98) | (2,495.05) | (1,744.26) | (7,848.09) | (3,428.35) | (14.52)  | (64.28)   | (14.52)  | -          | -           | (4.14) |
| 0119210 Performance Plan                               | 700,000.00   | 173,107.31 | 84,179.03  | 58,869.68  | 264,808.25 | 115,735.16 | 495.06   | 2,180.69  | 483.39   | -          | -           | 141.43 |
| 0119200 Outside Directors Retirement Cost              | 138,000.00   | 34,126.88  | 16,595.29  | 11,605.74  | 52,205.06  | 22,816.36  | 97.59    | 429.91    | 95.29    | -          | -           | 27.88  |
| 0119400 Treasury - Worker's Comp                       | 0.05         | 0.02       | 0.02       | 0.02       | -          | 0.01       | -        | -         | -        | -          | -           | -      |
| 0119500 Human Resources - Benefits                     | 440.51       | 174.25     | 85.59      | 60.08      | -          | 117.31     | 0.49     | 2.12      | 0.49     | -          | -           | 0.18   |
| 0119600 Retirement Costs                               | 777,007.19   | 192,238.43 | 93,399.30  | 65,345.57  | 293,846.57 | 128,999.92 | 556.08   | 2,434.49  | 527.95   | -          | -           | 158.88 |
| HUMAN RESOURCES:                                       | 2,951,792.71 | 876,494.41 | 418,648.98 | 295,202.11 | 780,954.99 | 572,838.55 | 1,152.43 | 5,060.24  | 1,110.33 | -          | -           | 330.67 |
| 0115000 Information Services                           | 204,193.97   | 61,176.50  | 22,910.57  | 16,437.61  | 67,853.66  | 35,815.63  | -        | -         | -        | -          | -           | -      |
| 0115100 Production Services                            | 516,014.96   | 231,387.51 | 86,690.52  | 62,231.40  | -          | 135,505.53 | -        | -         | -        | -          | -           | -      |
| 0115200 Mass Mail                                      | 34.74        | 24.57      | 9.20       | 6.60       | -          | 14.37      | -        | -         | -        | -          | -           | -      |
| 0115300 Information Systems                            | 388,463.04   | 174,342.23 | 65,261.79  | 46,848.64  | -          | 102,010.38 | -        | -         | -        | -          | -           | -      |
| 0115400 Information Support                            | 137,163.63   | 61,559.02  | 23,043.49  | 16,541.94  | -          | 36,019.18  | -        | -         | -        | -          | -           | -      |
| 0115500 Office Equipment                               | 22,213.37    | 6,655.13   | 2,492.34   | 1,788.18   | 7,381.50   | 3,896.22   | -        | -         | -        | -          | -           | -      |
| 0115600 Telecommunication Services                     | 282,311.68   | 84,580.59  | 31,673.37  | 22,726.09  | 93,812.17  | 49,517.46  | -        | -         | -        | -          | -           | -      |
| INFORMATION TECHNOLOGY:                                | 1,550,415.39 | 619,925.55 | 232,083.28 | 166,580.46 | 169,047.33 | 362,778.77 | -        | -         | -        | -          | -           | -      |
| 0116400 Internal Audit                                 | 239,503.21   | 59,226.97  | 28,802.21  | 20,142.12  | 90,604.78  | 39,598.03  | 169.29   | 745.92    | 165.51   | -          | -           | 48.38  |
| INTERNAL AUDIT:  | 239,503.21   | 59,226.97  | 28,802.21  | 20,142.12  | 90,604.78  | 39,598.03  | 169.29   | 745.92    | 165.51   | -          | -           | 48.38  |
| 0054900 Investor Relations                             | 653,110.27   | 161,448.81 | 78,569.17  | 54,926.57  | 247,136.94 | 107,959.14 | 457.19   | 2,024.64  | 457.19   | -          | -           | 130.62 |
| 0117700 Corporate Communications                       | 235,983.95   | 58,354.80  | 28,380.32  | 19,846.33  | 89,276.73  | 39,015.61  | 166.63   | 734.59    | 163.32   | -          | -           | 47.62  |
| 0052400 Public Affairs                                 | 130,942.14   | 51,800.71  | 25,442.06  | 17,860.51  | -          | 34,869.89  | 144.04   | 628.51    | 144.04   | -          | -           | 52.38  |
| INVESTOR RELATIONS:                                    | 1,020,038.36 | 271,604.32 | 132,391.55 | 92,633.41  | 336,413.67 | 181,844.64 | 767.86   | 3,387.74  | 764.55   | -          | -           | 230.62 |
| 0052000 Legal  | 1,400,312.55 | 346,157.31 | 168,457.59 | 117,766.28 | 529,878.27 | 231,471.65 | 980.21   | 4,340.96  | 980.21   | -          | -           | 280.07 |
| 0052099 Contract Administration                        | 23,913.73    | 497.39     | 4,725.36   | 497.41     | 3,979.24   | 4,993.19   | 497.41   | 4,993.19  | 3,730.54 | -          | -           | -      |
| 0052200 Governmental Affairs                           | 46,102.78    | 11,396.59  | 5,546.15   | 3,877.23   | 17,445.29  | 7,620.80   | 32.28    | 142.92    | 32.28    | -          | -           | 9.24   |
| 0057900 Corporate Secretary                            | 571,517.59   | 141,279.15 | 68,753.56  | 48,064.63  | 216,262.26 | 94,471.86  | 400.06   | 1,771.70  | 400.06   | -          | -           | 114.31 |
| 0118200 Central Records                                | 78,626.34    | 23,199.20  | 8,758.98   | 6,282.24   | 25,938.83  | 13,688.65  | 62.90    | 487.48    | 7.86     | -          | -           | -      |
| LEGAL:   | 2,120,472.99 | 522,729.64 | 256,241.64 | 176,487.79 | 793,503.89 | 352,246.35 | 1,972.86 | 11,736.25 | 5,150.95 | -          | -           | 403.62 |
| 0054600 New Business Ventures                          | 109,176.09   | 26,999.36  | 13,128.80  | 9,181.67   | 41,300.47  | 18,050.93  | 77.25    | 340.19    | 75.34    | -          | -           | 22.08  |
| NEW BUSINESS VENTURES:                                 | 109,176.09   | 26,999.36  | 13,128.80  | 9,181.67   | 41,300.47  | 18,050.93  | 77.25    | 340.19    | 75.34    | -          | -           | 22.08  |
| 0054400 Financial & Strategic Planning                 | 244,301.33   | 60,419.19  | 29,376.63  | 20,545.62  | 92,413.91  | 40,393.41  | 173.09   | 761.77    | 168.26   | -          | -           | 49.45  |
| 0054500 Business Strategies & Competitive Intelligence | 5,106.69     | 1,262.37   | 614.34     | 429.47     | 1,932.37   | 844.13     | 3.58     | 15.83     | 3.58     | -          | -           | 1.02   |
| 0114300 Budget & Planning                              | 72,740.64    | 24,630.14  | 12,066.05  | 8,460.63   | 10,571.94  | 16,549.04  | 68.84    | 301.66    | 68.84    | -          | -           | 23.50  |
| PLANNING & BUDGETING:                                  | 322,148.66   | 86,311.70  | 42,057.02  | 29,335.72  | 104,918.22 | 57,786.58  | 245.51   | 1,079.26  | 240.68   | -          | -           | 73.97  |

ATMOS ENERGY CORPORATION  
Shared Services Billing  
For The Year-To-Date 3/31/98

ALLOCATED DOLLARS

| DEPARTMENT                                   | Total         | Enersgas     | GCC          | Trans La     | UCG          | WKG          | Egasco   | Fnermart   | TLIG      | UCG Energy | UCG Storage | WKGR     |
|--|---------------|--------------|--------------|--------------|--------------|--------------|----------|------------|-----------|------------|-------------|----------|
| 0054000 Price Policy & Administration - V.P. | 80,827.92     | 16,768.34    | 14,115.74    | 6,233.93     | 33,046.96    | 10,428.74    | 24.36    | 169.25     | 24.36     | -          | -           | 16.24    |
| 0054000 Price Policy & Administration        | 322,338.44    | 110,819.95   | 98,635.58    | 42,323.03    | -            | 69,173.83    | 128.94   | 999.25     | 161.16    | -          | -           | 96.70    |
| PRICE POLICY & ADMINISTRATION:               | 403,166.36    | 127,588.29   | 112,751.32   | 48,556.96    | 33,046.96    | 79,602.57    | 153.30   | 1,168.50   | 185.52    | -          | -           | 112.94   |
| 0054100 Regulatory Affairs                   | 146,939.54    | 22,040.93    | 36,734.90    | 14,693.95    | 58,775.81    | 14,693.95    | -        | -          | -         | -          | -           | -        |
| REGULATORY AFFAIRS:                          | 146,939.54    | 22,040.93    | 36,734.90    | 14,693.95    | 58,775.81    | 14,693.95    | -        | -          | -         | -          | -           | -        |
| 0118000 Remittance Processing                | 151,047.20    | 53,194.40    | 19,912.07    | 14,287.01    | 31,256.09    | 31,122.50    | 143.37   | 1,111.03   | 20.73     | -          | -           | -        |
| REMITTANCE PROCESSING:                       | 151,047.20    | 53,194.40    | 19,912.07    | 14,287.01    | 31,256.09    | 31,122.50    | 143.37   | 1,111.03   | 20.73     | -          | -           | -        |
| 0056200 Technical Services                   | 228,795.81    | 52,018.38    | 31,619.21    | 20,623.13    | 88,274.93    | 35,572.51    | 157.83   | 367.06     | 139.50    | -          | -           | 23.26    |
| TECHNICAL SERVICES:                          | 228,795.81    | 52,018.38    | 31,619.21    | 20,623.13    | 88,274.93    | 35,572.51    | 157.83   | 367.06     | 139.50    | -          | -           | 23.26    |
| 0114500 Dallas Treasury                      | 162,594.49    | 63,639.48    | 26,779.31    | 14,552.21    | -            | 43,250.14    | 1,560.91 | 11,316.58  | 1,495.86  | -          | -           | -        |
| 0114700 Dallas Risk Management               | 63,593.53     | 15,725.71    | 7,647.83     | 5,348.19     | 24,058.06    | 10,514.01    | 44.93    | 197.98     | 43.99     | -          | -           | 12.83    |
| 0114800 Dallas Treasurer                     | 113,232.37    | 28,002.57    | 13,616.54    | 9,522.79     | 42,834.85    | 18,721.62    | 80.13    | 352.85     | 78.13     | -          | -           | 22.89    |
| 0117600 Purchasing                           | 91,789.92     | 29,235.08    | 20,643.55    | 14,805.72    | -            | 27,105.57    | -        | -          | -         | -          | -           | -        |
| 0118500 Mail & Supply                        | 110,376.93    | 45,133.13    | 21,236.52    | 15,077.49    | -            | 28,929.79    | -        | -          | -         | -          | -           | -        |
| 0118909 Fleet Administration                 | 38.75         | 15.34        | 7.53         | 5.28         | -            | 10.32        | 0.04     | 0.18       | 0.04      | -          | -           | 0.02     |
| 0118600 Purchasing & Stores                  | 67,661.48     | 24,148.34    | 14,181.86    | 10,074.80    | -            | 18,993.35    | 40.60    | 162.40     | 40.60     | -          | -           | 13.53    |
| TREASURY:                                    | 609,287.47    | 205,899.65   | 104,113.14   | 69,386.48    | 66,892.91    | 147,530.80   | 1,726.61 | 12,029.99  | 1,658.62  | -          | -           | 49.27    |
| TOTAL OPERATIONS:                            | 9,382,575.26  | 2,972,993.01 | 1,195,275.68 | 793,375.42   | 2,429,606.61 | 1,682,638.48 | 7,576.68 | 105,735.46 | 33,637.18 | 160,000.00 | -           | 1,736.74 |
| Operations w/o A&G Cap.                      | 14,668,575.26 | 4,309,413.97 | 2,157,475.46 | 1,423,821.28 | 3,546,982.95 | 2,908,280.75 | 9,660.08 | 114,925.06 | 35,683.71 | 160,000.00 | -           | 2,332.00 |
| MAINTENANCE                                  | 26,882.25     | 6,645.92     | 3,233.64     | 2,260.79     | 10,171.58    | 4,443.88     | 18.86    | 83.44      | 18.75     | -          | -           | 5.39     |
| DEPRECIATION                                 | 1,626,115.86  | 402,317.31   | 195,464.64   | 136,754.78   | 614,958.38   | 268,924.50   | 1,163.87 | 5,095.16   | 1,104.70  | -          | -           | 332.52   |
| TAXES - OTHER                                | 509,606.19    | 126,002.42   | 61,292.85    | 42,857.76    | 192,805.40   | 84,248.27    | 358.80   | 1,584.18   | 353.99    | -          | -           | 102.52   |
| TOTAL  | 11,545,179.56 | 3,507,958.66 | 1,455,266.81 | 975,248.75   | 3,247,341.97 | 2,940,255.13 | 9,118.21 | 112,998.24 | 35,114.62 | 160,000.00 | -           | 2,177.17 |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Month Ended 3/31/98**

| Department Name               | FY '98<br>Actual | Budget           | Actual<br>Over (Under)<br>Budget | Prior<br>Year    | Actual<br>Over (Under)<br>Prior |
|-------------------------------|------------------|------------------|----------------------------------|------------------|---------------------------------|
| <b>EXECUTIVE:</b>             | 274,000          | 271,000          | 1,197,372                        | 4,698,000        | (4,424,313)                     |
| <b>FINANCE:</b>               |                  |                  |                                  |                  |                                 |
| ACCOUNTING                    | 1,025,548        | 408,781          | (69,233)                         | 287,523          | 738,025                         |
| INFORMATION TECHNOLOGY        | 777,070          | 559,586          | 217,484                          | 590,147          | 186,923                         |
| INTERNAL AUDIT                | 45,838           | 56,851           | (11,013)                         | 42,423           | 3,415                           |
| INVESTOR RELATIONS            | 183,983          | 185,136          | (1,153)                          | 312,685          | (128,702)                       |
| NEW BUSINESS VENTURES         | 26,798           | 22,943           | 3,855                            | -                | 26,798                          |
| PLANNING & BUDGETING          | 73,151           | 75,154           | (2,003)                          | 44,246           | 28,905                          |
| PRICE POLICY & ADMINISTRATION | 106,206          | 90,601           | 15,605                           | 92,866           | 13,340                          |
| REGULATORY AFFAIRS            | 35,903           | 27,646           | 8,257                            | -                | 35,903                          |
| TREASURY:                     | 397,310          | 425,222          | (27,912)                         | 323,481          | 73,829                          |
| <b>TOTAL FINANCE:</b>         | <u>2,671,807</u> | <u>1,851,920</u> | <u>133,887</u>                   | <u>1,693,371</u> | <u>978,436</u>                  |
| <b>OPERATIONS:</b>            |                  |                  |                                  |                  |                                 |
| BUSINESS DEVELOPMENT          | 47,788           | 60,161           | (12,373)                         | 52,704           | (4,916)                         |
| CALL CENTER                   | 557              | -                | 557                              | -                | 557                             |
| GAS SUPPLY & GAS CONTROL      | 219,195          | 175,800          | 43,395                           | 113,771          | 105,424                         |
| TECHNICAL SERVICES            | 38,965           | 18,610           | 20,355                           | 98,484           | (59,519)                        |
| <b>TOTAL OPERATIONS:</b>      | <u>306,505</u>   | <u>254,571</u>   | <u>51,934</u>                    | <u>264,959</u>   | <u>41,546</u>                   |
| <b>HUMAN RESOURCES:</b>       | 757,008          | 591,076          | 167,650                          | 768,276          | (11,268)                        |
| <b>LEGAL:</b>                 | 382,424          | 284,814          | 97,610                           | 275,096          | 107,328                         |
| <b>OVERHEAD CAPITALIZED:</b>  | (881,000)        | (883,917)        | 2,917                            | (990,000)        | 109,000                         |
| <b>TOTAL O&amp;M</b>          | <u>3,510,811</u> | <u>2,369,767</u> | <u>1,651,370</u>                 | <u>6,710,082</u> | <u>(3,199,271)</u>              |
| <b>DEPRECIATION</b>           | 270,919          | 198,000          | 72,919                           | 294,815          | (23,896)                        |
| <b>TAXES - OTHER</b>          | 102,678          | 57,000           | 45,678                           | 130,690          | (28,013)                        |
| <b>TOTAL</b>                  | <u>3,884,408</u> | <u>2,624,767</u> | <u>1,769,967</u>                 | <u>7,135,587</u> | <u>(3,251,179)</u>              |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Year-To-Date Ended 3/31/98**

| Department Name               | FY '98            | Budget            | Actual Over (Under) Budget | Prior Year        | Actual Over (Under) Prior |
|-------------------------------|-------------------|-------------------|----------------------------|-------------------|---------------------------|
|                               | Actual            |                   |                            |                   |                           |
| <b>EXECUTIVE:</b>             | 1,621,000         | 1,637,000         | (15,897)                   | 5,724,000         | (4,102,548)               |
| <b>FINANCE:</b>               |                   |                   |                            |                   |                           |
| ACCOUNTING                    | 1,843,303         | 2,083,434         | (240,131)                  | 1,686,289         | 157,014                   |
| INFORMATION TECHNOLOGY        | 3,735,158         | 3,599,009         | 136,149                    | 3,413,923         | 321,235                   |
| INTERNAL AUDIT                | 239,755           | 346,917           | (107,162)                  | 250,763           | (11,008)                  |
| INVESTOR RELATIONS            | 1,020,124         | 1,120,232         | (100,108)                  | 1,172,667         | (152,543)                 |
| NEW BUSINESS VENTURES         | 109,176           | 137,658           | (28,482)                   | -                 | 109,176                   |
| PLANNING & BUDGETING          | 325,012           | 460,037           | (135,025)                  | 264,481           | 60,531                    |
| PRICE POLICY & ADMINISTRATION | 489,051           | 540,534           | (51,483)                   | 585,484           | (96,433)                  |
| REGULATORY AFFAIRS            | 156,038           | 165,897           | (9,859)                    | -                 | 156,038                   |
| TREASURY:                     | 1,910,670         | 2,610,607         | (699,937)                  | 1,976,216         | (65,546)                  |
| <b>TOTAL FINANCE:</b>         | <u>9,828,287</u>  | <u>11,064,325</u> | <u>(1,236,038)</u>         | <u>9,349,823</u>  | <u>478,464</u>            |
| <b>OPERATIONS:</b>            |                   |                   |                            |                   |                           |
| BUSINESS DEVELOPMENT          | 294,035           | 379,394           | (85,359)                   | 322,922           | (28,887)                  |
| CALL CENTER                   | 34,644            | -                 | 34,644                     | -                 | 34,644                    |
| GAS SUPPLY & GAS CONTROL      | 995,841           | 1,054,000         | (58,159)                   | 659,883           | 335,958                   |
| TECHNICAL SERVICES            | 228,816           | 158,496           | 70,320                     | 568,546           | (339,730)                 |
| <b>TOTAL OPERATIONS:</b>      | <u>1,553,336</u>  | <u>1,591,890</u>  | <u>(38,554)</u>            | <u>1,551,351</u>  | <u>1,985</u>              |
| <b>HUMAN RESOURCES:</b>       | 3,390,668         | 3,512,591         | (111,615)                  | 4,201,008         | (810,340)                 |
| <b>LEGAL:</b>                 | 3,244,314         | 2,096,851         | 1,147,463                  | 1,624,006         | 1,620,308                 |
| <b>OVERHEAD CAPITALIZED:</b>  | (5,286,000)       | (5,303,502)       | 17,502                     | (5,140,000)       | (146,000)                 |
| <b>TOTAL O&amp;M</b>          | <u>14,351,702</u> | <u>14,599,149</u> | <u>(247,447)</u>           | <u>17,309,833</u> | <u>(2,958,131)</u>        |
| <b>DEPRECIATION</b>           | 1,626,116         | 1,188,000         | 438,116                    | 2,224,675         | (598,559)                 |
| <b>TAXES - OTHER</b>          | 509,606           | 342,000           | 167,606                    | 506,752           | 2,854                     |
| <b>TOTAL</b>                  | <u>16,487,424</u> | <u>16,129,149</u> | <u>368,583</u>             | <u>20,041,260</u> | <u>(3,553,836)</u>        |

358,279

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Month Ended 3/31/98**

| Department Name                             | FY '98           | Budget         | Actual           | Actual           | Prior              | Actual |
|---|------------------|----------------|------------------|------------------|--------------------|--------|
|   | Actual           | Budget         | Over (Under)     | Over (Under)     | Year               | Prior  |
| <b>EXECUTIVE:</b>                           |                  |                |                  |                  |                    |        |
| 0050500 Chairman, President & CEO           | 142,068          | 122,564        | 19,504           | 3,443,690        | (3,301,622)        |        |
| 0052100 Dallas Operations                   | 52,450           | 55,066         | (2,616)          | 30,870           | 21,580             |        |
| 0052500 Utility Services                    | 5,659            | 24,340         | (18,681)         | 24,655           | (18,996)           |        |
| 0054700 Chief Financial Officer             | 73,890           | 69,333         | 1,199,165        | 1,199,165        | (1,125,275)        |        |
|   | <u>274,000</u>   | <u>271,000</u> | <u>1,197,372</u> | <u>4,698,000</u> | <u>(4,424,313)</u> |        |
| <b>EXECUTIVE:</b>                           |                  |                |                  |                  |                    |        |
| <b>FINANCE:</b>                             |                  |                |                  |                  |                    |        |
| 0112900 VP & Controller                     | 69,998           | 64,456         | 5,542            | 46,553           | 23,445             |        |
| 0113000 Assistant Controller General Acctg  | 11,712           | 84,564         | (72,852)         | 14,934           | (3,222)            |        |
| 0113100 General Accounting                  | 41,727           | -              | 41,727           | 44,703           | (2,976)            |        |
| 0113200 Payroll Accounting                  | 43,362           | -              | 43,362           | 29,359           | 14,003             |        |
| 0113300 Accounts Payable                    | 21,562           | -              | 21,562           | 17,035           | 4,527              |        |
| 0113400 Accounting Systems                  | 958              | 64,873         | (63,915)         | 9,368            | (8,410)            |        |
| 0113500 Assistant Controller, Utility Acctg | 2,314            | -              | 2,314            | 1,286            | 1,028              |        |
| 0113600 Plant Accounting                    | 27,033           | -              | 27,033           | 23,022           | 4,011              |        |
| 0113700 Gas Accounting                      | 64,987           | 77,397         | (12,410)         | 47,809           | 17,178             |        |
| 0113800 Customer Billing                    | 6,912            | -              | 6,912            | 13,412           | (6,500)            |        |
| 0113900 Financial Reporting                 | 25,029           | 86,304         | (61,275)         | 22,258           | 2,771              |        |
| 0114600 Dallas Taxation                     | 23,932           | 31,187         | (7,255)          | 17,784           | 6,148              |        |
| 0118300 Dallas Stores                       | 22               | -              | 22               | -                | 22                 |        |
| 0119200 Controller Miscellaneous            | 686,000          | -              | -                | -                | 686,000            |        |
| <b>ACCOUNTING</b>                           | <u>1,025,548</u> | <u>408,781</u> | <u>(69,233)</u>  | <u>287,523</u>   | <u>738,025</u>     |        |
| 0115000 Information Services                | 210,112          | 24,970         | 185,142          | 25,616           | 184,496            |        |
| 0115100 Production Services                 | 136,789          | 146,807        | (10,018)         | 147,916          | (11,127)           |        |
| 0115200 Mass Mail                           | 221,598          | 240,440        | (18,842)         | 266,672          | (45,074)           |        |
| 0115300 Information Systems                 | 97,509           | 78,924         | 18,585           | 102,144          | (4,635)            |        |
| 0115400 Information Support                 | 53,805           | 36,792         | 17,013           | 39,050           | 14,755             |        |
| 0115500 Office Equipment                    | (19,077)         | 4,191          | (23,268)         | 5,923            | (25,000)           |        |
| 0115600 Telecommunication Services          | 76,334           | 27,462         | 48,872           | 2,826            | 73,508             |        |
| <b>INFORMATION TECHNOLOGY</b>               | <u>777,070</u>   | <u>559,586</u> | <u>217,484</u>   | <u>590,147</u>   | <u>186,923</u>     |        |
| 0116400 Internal Audit                      | 45,838           | 56,851         | (11,013)         | 42,423           | 3,415              |        |
| <b>INTERNAL AUDIT</b>                       | <u>45,838</u>    | <u>56,851</u>  | <u>(11,013)</u>  | <u>42,423</u>    | <u>3,415</u>       |        |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Month Ended 3/31/98**

| Department Name  | FY '98    |           | Actual Over (Under) Budget |            | Prior Year | Actual Over (Under) Prior |
|--|-----------|-----------|----------------------------|------------|------------|---------------------------|
|  | Actual    | Budget    | Over (Under) Budget        | Prior Year |            |                           |
| 0054900 Investor Relations                             | 141,765   | 133,078   | 8,687                      | 211,148    | (69,383)   |                           |
| 0052400 Public Affairs                                 | 1,038     | -         | 1,038                      | 26,714     | (25,676)   |                           |
| 0117700 Corporate Communications                       | 41,180    | 52,058    | (10,878)                   | 74,823     | (33,643)   |                           |
| INVESTOR RELATIONS                                     | 183,983   | 185,136   | (1,153)                    | 312,685    | (128,702)  |                           |
| 0054600 New Business Ventures                          | 26,798    | 22,943    | 3,855                      | -          | 26,798     |                           |
| NEW BUSINESS VENTURES                                  | 26,798    | 22,943    | 3,855                      | -          | 26,798     |                           |
| 0054400 Financial & Strategic Planning                 | 69,129    | 20,629    | 48,500                     | 24,312     | 44,817     |                           |
| 0054500 Business Strategies & Competitive Intelligence | -         | 28,493    | (28,493)                   | -          | -          |                           |
| 0114300 Budget & Planning                              | 4,022     | 26,032    | (22,010)                   | 19,934     | (15,912)   |                           |
| PLANNING & BUDGETING                                   | 73,151    | 75,154    | (2,003)                    | 44,246     | 28,905     |                           |
| 0054000 Price Policy & Administration                  | 106,206   | 90,601    | 15,605                     | 92,866     | 13,340     |                           |
| PRICE POLICY & ADMINISTRATION                          | 106,206   | 90,601    | 15,605                     | 92,866     | 13,340     |                           |
| 0054100 Regulatory Affairs                             | 35,903    | 27,646    | 8,257                      | -          | 35,903     |                           |
| REGULATORY AFFAIRS                                     | 35,903    | 27,646    | 8,257                      | -          | 35,903     |                           |
| 0114500 Dallas Treasury                                | 23,859    | 37,110    | (13,251)                   | 25,591     | (1,732)    |                           |
| 0114700 Dallas Risk Management                         | 206,855   | 238,344   | (31,489)                   | -          | 206,855    |                           |
| 0114800 Dallas Treasurer                               | 16,412    | 18,933    | (2,521)                    | 183,025    | (166,613)  |                           |
| 0117600 Purchasing                                     | 16,833    | 16,837    | (4)                        | 15,559     | 1,274      |                           |
| 0118000 Remittance Processing                          | 97,733    | 75,878    | 21,855                     | 54,240     | 43,493     |                           |
| 0118500 Mail & Supply                                  | 24,220    | 20,268    | 3,952                      | 26,027     | (1,807)    |                           |
| 0118600 Purchasing & Stores                            | 11,398    | 11,560    | (162)                      | 19,039     | (7,641)    |                           |
| 0118909 Fleet Administration                           | -         | 6,292     | (6,292)                    | -          | -          |                           |
| TREASURY:  | 397,310   | 425,222   | (27,912)                   | 323,481    | 73,829     |                           |
| TOTAL FINANCE:   | 2,671,807 | 1,851,920 | 133,887                    | 1,693,371  | 978,436    |                           |



**ATMOS ENERGY CORPORATION**  
 Analysis of Shared Services - Actual vs. Budget  
 For The Month Ended 3/31/98

| Department Name                           | FY '98   |         | Actual              |         | Actual Over (Under) Budget | Prior Year | Actual Over (Under) Prior |
|---|----------|---------|---------------------|---------|----------------------------|------------|---------------------------|
|   | Actual   | Budget  | Over (Under) Budget | Year    |                            |            |                           |
| <b>OPERATIONS:</b>                        |          |         |                     |         |                            |            |                           |
| 0056000 Business Development              | 47,788   | 60,161  | (12,373)            | 52,704  | (4,916)                    |            |                           |
| <b>BUSINESS DEVELOPMENT</b>               | 47,788   | 60,161  | (12,373)            | 52,704  | (4,916)                    |            |                           |
| 0120100 Amarillo Call Center              | 557      | -       | 557                 | -       | 557                        |            |                           |
| <b>CALL CENTER</b>                        | 557      | -       | 557                 | -       | 557                        |            |                           |
| 0051500 Interstate Gas Supply             | 97,968   | 59,600  | 38,368              | 43,846  | 54,122                     |            |                           |
| 0051600 Intrastate Gas Supply             | 42,749   | 42,800  | (51)                | 43,580  | (831)                      |            |                           |
| 0051700 Corporate Gas Control             | 53,265   | 48,200  | 5,065               | -       | 53,265                     |            |                           |
| 0051900 Gas Supply                        | 25,213   | 25,200  | 13                  | 26,345  | (1,132)                    |            |                           |
| <b>GAS SUPPLY &amp; GAS CONTROL</b>       | 219,195  | 175,800 | 43,395              | 113,771 | 105,424                    |            |                           |
| 0056200 Technical Services                | 38,965   | 18,610  | 20,355              | 98,484  | (59,519)                   |            |                           |
| <b>TECHNICAL SERVICES</b>                 | 38,965   | 18,610  | 20,355              | 98,484  | (59,519)                   |            |                           |
| <b>TOTAL OPERATIONS:</b>                  | 306,505  | 254,571 | 51,934              | 264,959 | 41,546                     |            |                           |
| <b>HUMAN RESOURCES:</b>                   |          |         |                     |         |                            |            |                           |
| 0056100 Professional Development          | 3,833    | 24,721  | (20,888)            | 6,529   | (2,696)                    |            |                           |
| 0117000 Dallas EAPC                       | -        | 1,718   | -                   | -       | -                          |            |                           |
| 0117100 Corporate Services                | 1,587    | -       | 1,587               | 27,266  | (25,679)                   |            |                           |
| 0117200 Compensation & Employment         | 43,481   | 55,234  | (11,753)            | 59,039  | (15,558)                   |            |                           |
| 0117300 Human Resources - Vp              | 23,019   | 22,495  | 524                 | 19,649  | 3,370                      |            |                           |
| 0117400 Employee & Labor Relations        | 9,579    | 9,589   | (10)                | 8,815   | 764                        |            |                           |
| 0117500 Employee Benefits                 | 158,540  | 109,636 | 48,904              | 106,726 | 51,814                     |            |                           |
| 0117800 Employee Communications           | 31,011   | 29,708  | 1,303               | -       | 31,011                     |            |                           |
| 0117900 Facilities                        | 13,284   | 13,503  | (219)               | -       | 13,284                     |            |                           |
| 0118100 Employee Development              | 24,857   | 31,553  | (6,696)             | 33,209  | (8,352)                    |            |                           |
| 0119000 Employee Relocation Expense       | (12,135) | 67,919  | (80,054)            | 63,445  | (75,580)                   |            |                           |
| 0119210 Performance Plan                  | 116,666  | -       | 116,666             | 116,666 | -                          |            |                           |
| 0119300 Outside Directors Retirement Cost | 23,000   | -       | 23,000              | 14,000  | 9,000                      |            |                           |
| 0119400 Treasury - Worker's Comp          | 105      | -       | 105                 | 26      | 79                         |            |                           |
| 0119500 Human Resources - Benefits        | 4,085    | -       | 4,085               | 215     | 3,870                      |            |                           |
| 0119600 Retirement Costs                  | 316,096  | 225,000 | 91,096              | 312,691 | 3,405                      |            |                           |
| <b>HUMAN RESOURCES:</b>                   | 757,008  | 591,076 | 167,650             | 768,276 | (11,268)                   |            |                           |

ATMOS ENERGY CORPORATION

Analysis of Shared Services - Actual vs. Budget  
For The Month Ended 3/31/98

| Department Name                 | FY '98    |           | Actual Over (Under) Budget | Prior Year | Actual Over (Under) Prior |
|---------------------------------|-----------|-----------|----------------------------|------------|---------------------------|
|                                 | Actual    | Budget    |                            |            |                           |
| LEGAL:                          |           |           |                            |            |                           |
| 0052000 Legal                   | 268,632   | 190,785   | 77,847                     | 146,535    | 122,097                   |
| 0051400 Contract Administration | 9,317     | 11,850    | (2,533)                    | -          | 9,317                     |
| 0052200 Governmental Affairs    | 5,738     | 10,323    | (4,585)                    | 8,338      | (2,600)                   |
| 0057900 Corporate Secretary     | 93,003    | 52,510    | 40,493                     | 100,377    | (7,374)                   |
| 0118200 Central Records         | 5,734     | 19,346    | (13,612)                   | 19,846     | (14,112)                  |
| LEGAL:                          | 382,424   | 284,814   | 97,610                     | 275,096    | 107,328                   |
| OVERHEAD CAPITALIZED:           |           |           |                            |            |                           |
| 0119800 Overhead Capitalized    | (881,000) | (883,917) | 2,917                      | (990,000)  | 109,000                   |
| OVERHEAD CAPITALIZED:           | (881,000) | (883,917) | 2,917                      | (990,000)  | 109,000                   |
| TOTAL O&M                       | 3,510,811 | 2,369,767 | 1,651,370                  | 6,710,082  | (3,199,271)               |
| DEPRECIATION                    | 270,919   | 198,000   | 72,919                     | 294,815    | (23,896)                  |
| TAXES - OTHER                   | 102,678   | 57,000    | 45,678                     | 130,690    | (28,013)                  |
| TOTAL                           | 3,884,408 | 2,624,767 | 1,769,967                  | 7,135,587  | (3,251,179)               |

ATMOS ENERGY CORPORATION

Analysis of Shared Services - Actual vs. Budget  
For The Year-To-Date Ended 3/31/98

| Department Name                             | FY '98           |                  | Actual              |                  | Prior              |  |
|---|------------------|------------------|---------------------|------------------|--------------------|--|
|   | Actual           | Budget           | Over (Under) Budget | Year             | Over (Under) Prior |  |
| <b>EXECUTIVE:</b>                           |                  |                  |                     |                  |                    |  |
| 0050500 Chairman, President & CEO           | 783,931          | 744,036          | 39,895              | 4,005,554        | (3,221,623)        |  |
| 0052100 Dallas Operations                   | 273,463          | 330,702          | (57,239)            | 187,514          | 85,949             |  |
| 0052500 Utility Services                    | 114,250          | 145,090          | (30,840)            | 136,219          | (21,969)           |  |
| 0054700 Chief Financial Officer             | 449,453          | 417,166          | 32,287              | 1,394,358        | (944,905)          |  |
|   | <u>1,621,000</u> | <u>1,637,000</u> | <u>(15,897)</u>     | <u>5,724,000</u> | <u>(4,102,548)</u> |  |
| <b>EXECUTIVE:</b>                           |                  |                  |                     |                  |                    |  |
| <b>FINANCE:</b>                             |                  |                  |                     |                  |                    |  |
| 0112900 VP & Controller                     | 484,833          | 386,736          | 98,097              | 320,388          | 164,445            |  |
| 0113000 Assistant Controller General Acctg  | 70,789           | 540,588          | (469,799)           | 86,643           | (15,854)           |  |
| 0113100 General Accounting                  | 207,444          | -                | 207,444             | 239,182          | (31,738)           |  |
| 0113200 Payroll Accounting                  | 209,452          | -                | 209,452             | 159,985          | 49,467             |  |
| 0113300 Accounts Payable                    | 130,726          | -                | 130,726             | 112,883          | 17,843             |  |
| 0113400 Accounting Systems                  | 20,605           | 267,638          | (247,033)           | 42,863           | (22,258)           |  |
| 0113500 Assistant Controller, Utility Acctg | 20,215           | -                | 20,215              | 22,567           | (2,352)            |  |
| 0113600 Plant Accounting                    | 170,741          | -                | 170,741             | 133,401          | 37,340             |  |
| 0113700 Gas Accounting                      | 298,793          | 374,584          | (75,791)            | 285,815          | 12,978             |  |
| 0113800 Customer Billing                    | 39,704           | -                | 39,704              | 79,290           | (39,586)           |  |
| 0113900 Financial Reporting                 | 123,801          | 344,172          | (220,371)           | 111,830          | 11,971             |  |
| 0114600 Dallas Taxation                     | 96,603           | 169,716          | (73,113)            | 91,442           | 5,161              |  |
| 0118300 Dallas Stores                       | 22               | -                | 22                  | -                | 22                 |  |
| 0119200 Controller Miscellaneous            | (30,425)         | -                | (30,425)            | -                | (30,425)           |  |
| ACCOUNTING                                  | <u>1,843,303</u> | <u>2,083,434</u> | <u>(240,131)</u>    | <u>1,686,289</u> | <u>157,014</u>     |  |
| 0115000 Information Services                | 337,163          | 147,881          | 189,282             | 144,411          | 192,752            |  |
| 0115100 Production Services                 | 875,369          | 1,013,564        | (138,195)           | 924,470          | (49,101)           |  |
| 0115200 Mass Mail                           | 1,361,212        | 1,385,279        | (24,067)            | 1,352,196        | 9,016              |  |
| 0115300 Information Systems                 | 634,195          | 627,415          | 6,780               | 627,871          | 6,324              |  |
| 0115400 Information Support                 | 227,113          | 235,489          | (8,376)             | 252,816          | (25,703)           |  |
| 0115500 Office Equipment                    | 17,394           | 25,146           | (7,752)             | 91,639           | (74,245)           |  |
| 0115600 Telecommunication Services          | 282,712          | 164,235          | 118,477             | 20,520           | 262,192            |  |
| INFORMATION TECHNOLOGY                      | <u>3,735,158</u> | <u>3,599,009</u> | <u>136,149</u>      | <u>3,413,923</u> | <u>321,235</u>     |  |
| 0116400 Internal Audit                      | 239,755          | 346,917          | (107,162)           | 250,763          | (11,008)           |  |
| INTERNAL AUDIT                              | <u>239,755</u>   | <u>346,917</u>   | <u>(107,162)</u>    | <u>250,763</u>   | <u>(11,008)</u>    |  |
|   |                  |                  |                     |                  | (37)               |  |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Year-To-Date Ended 3/31/98**

| Department Name  | FY '98           |                   | Actual             |        | Actual       |                  | Actual           |       |
|--|------------------|-------------------|--------------------|--------|--------------|------------------|------------------|-------|
|  | Actual           | Budget            | Over (Under)       | Budget | Over (Under) | Prior Year       | Over (Under)     | Prior |
| 0054900 Investor Relations                             | 653,195          | 794,660           | (141,465)          |        |              | 709,057          | (55,862)         |       |
| 0052400 Public Affairs                                 | 130,944          | -                 | 130,944            |        |              | 151,699          | (20,755)         |       |
| 0117700 Corporate Communications                       | 235,985          | 325,572           | (89,587)           |        |              | 311,911          | (75,926)         |       |
| <b>INVESTOR RELATIONS</b>                              | <b>1,020,124</b> | <b>1,120,232</b>  | <b>(100,108)</b>   |        |              | <b>1,172,667</b> | <b>(152,543)</b> |       |
| 0054600 New Business Ventures                          | 109,176          | 137,658           | (28,482)           |        |              | -                | 109,176          |       |
| <b>NEW BUSINESS VENTURES</b>                           | <b>109,176</b>   | <b>137,658</b>    | <b>(28,482)</b>    |        |              | <b>-</b>         | <b>109,176</b>   |       |
| 0054400 Financial & Strategic Planning                 | 245,920          | 123,774           | 122,146            |        |              | 154,287          | 91,633           |       |
| 0054500 Business Strategies & Competitive Intelligence | 5,107            | 183,492           | (178,385)          |        |              | -                | 5,107            |       |
| 0114300 Budget & Planning                              | 73,985           | 152,771           | (78,786)           |        |              | 110,194          | (36,209)         |       |
| <b>PLANNING &amp; BUDGETING</b>                        | <b>325,012</b>   | <b>460,037</b>    | <b>(135,025)</b>   |        |              | <b>264,481</b>   | <b>60,531</b>    |       |
| 0054000 Price Policy & Administration                  | 489,051          | 540,534           | (51,483)           |        |              | 585,484          | (96,433)         |       |
| <b>PRICE POLICY &amp; ADMINISTRATION</b>               | <b>489,051</b>   | <b>540,534</b>    | <b>(51,483)</b>    |        |              | <b>585,484</b>   | <b>(96,433)</b>  |       |
| 0054100 Regulatory Affairs                             | 156,038          | 165,897           | (9,859)            |        |              | -                | 156,038          |       |
| <b>REGULATORY AFFAIRS</b>                              | <b>156,038</b>   | <b>165,897</b>    | <b>(9,859)</b>     |        |              | <b>-</b>         | <b>156,038</b>   |       |
| 0114500 Dallas Treasury                                | 170,569          | 292,161           | (121,592)          |        |              | 204,394          | (33,825)         |       |
| 0114700 Dallas Risk Management                         | 933,814          | 1,428,442         | (494,628)          |        |              | -                | 933,814          |       |
| 0114800 Dallas Treasurer                               | 108,290          | 117,456           | (9,166)            |        |              | 1,103,706        | (995,416)        |       |
| 0117600 Purchasing                                     | 91,790           | 101,852           | (10,062)           |        |              | 93,383           | (1,593)          |       |
| 0118000 Remittance Processing                          | 422,645          | 441,805           | (19,160)           |        |              | 335,498          | 87,147           |       |
| 0118500 Mail & Supply                                  | 115,568          | 122,218           | (6,650)            |        |              | 127,697          | (12,129)         |       |
| 0118600 Purchasing & Stores                            | 67,955           | 67,921            | 34                 |        |              | 111,538          | (43,583)         |       |
| 0118909 Fleet Administration                           | 39               | 38,752            | (38,713)           |        |              | -                | 39               |       |
| <b>TREASURY:</b>                                       | <b>1,910,670</b> | <b>2,610,607</b>  | <b>(699,937)</b>   |        |              | <b>1,976,216</b> | <b>(65,546)</b>  |       |
| <b>TOTAL FINANCE:</b>                                  | <b>9,828,287</b> | <b>11,064,325</b> | <b>(1,236,038)</b> |        |              | <b>9,349,823</b> | <b>478,464</b>   |       |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Year-To-Date Ended 3/31/98**

| Department Name                                      | FY '98<br>Actual | Budget           | Actual<br>Over (Under)<br>Budget | Prior<br>Year    | Actual<br>Over (Under)<br>Prior |
|--|------------------|------------------|----------------------------------|------------------|---------------------------------|
| <b>OPERATIONS:</b>                                   |                  |                  |                                  |                  |                                 |
| 0056000 Business Development<br>BUSINESS DEVELOPMENT | 294,035          | 379,394          | (85,359)                         | 322,922          | (28,887)                        |
|  | 294,035          | 379,394          | (85,359)                         | 322,922          | (28,887)                        |
| 0120100 Amarillo Call Center<br>CALL CENTER          | 34,644           | -                | 34,644                           | -                | 34,644                          |
|  | 34,644           | -                | 34,644                           | -                | 34,644                          |
| 0051500 Interstate Gas Supply                        | 339,612          | 357,600          | (17,988)                         | 255,372          | 84,240                          |
| 0051600 Intrastate Gas Supply                        | 283,241          | 256,500          | 26,741                           | 258,223          | 25,018                          |
| 0051700 Corporate Gas Control                        | 230,845          | 289,200          | (58,355)                         | -                | 230,845                         |
| 0051900 Gas Supply                                   | 142,143          | 150,700          | (8,557)                          | 146,288          | (4,145)                         |
| GAS SUPPLY & GAS CONTROL                             | 995,841          | 1,054,000        | (58,159)                         | 659,883          | 335,958                         |
| 0056200 Technical Services<br>TECHNICAL SERVICES     | 228,816          | 158,496          | 70,320                           | 568,546          | (339,730)                       |
|  | 228,816          | 158,496          | 70,320                           | 568,546          | (339,730)                       |
| <b>TOTAL OPERATIONS:</b>                             | <b>1,553,336</b> | <b>1,591,890</b> | <b>(38,554)</b>                  | <b>1,551,351</b> | <b>1,985</b>                    |
| <b>HUMAN RESOURCES:</b>                              |                  |                  |                                  |                  |                                 |
| 0056100 Professional Development                     | 24,900           | 148,326          | (123,426)                        | 67,921           | (43,021)                        |
| 0117000 Dallas EAPC                                  | -                | 10,308           | -                                | -                | -                               |
| 0117100 Corporate Services                           | 16,106           | -                | 16,106                           | 225,053          | (208,947)                       |
| 0117200 Compensation & Employment                    | 279,380          | 330,652          | (51,272)                         | 312,621          | (33,241)                        |
| 0117300 Human Resources - VP                         | 120,592          | 131,484          | (10,892)                         | 121,078          | (86)                            |
| 0117400 Employee & Labor Relations                   | 57,890           | 57,102           | 788                              | 16,481           | 41,409                          |
| 0117500 Employee Benefits                            | 728,583          | 653,908          | 74,675                           | 644,299          | 84,284                          |
| 0117800 Employee Communications                      | 102,179          | 117,732          | (15,553)                         | -                | 102,179                         |
| 0117900 Facilities                                   | 77,833           | 87,187           | (9,354)                          | -                | 77,833                          |
| 0118100 Employee Development                         | 161,412          | 218,378          | (56,966)                         | 264,111          | (102,699)                       |
| 0119000 Employee Relocation Expense                  | 58,171           | 407,514          | (349,343)                        | 396,701          | (338,530)                       |
| 0119210 Performance Plan                             | 700,000          | -                | 700,000                          | 900,000          | (200,000)                       |
| 0119300 Outside Directors Retirement Cost            | 138,000          | -                | 138,000                          | 84,000           | 54,000                          |
| 0119400 Treasury - Worker's Comp                     | 187              | -                | 187                              | 86               | 101                             |
| 0119500 Human Resources - Benefits                   | 5,540            | -                | 5,540                            | 669              | 4,871                           |
| 0119600 Retirement Costs                             | 919,895          | 1,350,000        | (430,105)                        | 1,167,988        | (248,093)                       |
| <b>HUMAN RESOURCES:</b>                              | <b>3,390,668</b> | <b>3,512,591</b> | <b>(111,615)</b>                 | <b>4,201,008</b> | <b>(810,340)</b>                |

**ATMOS ENERGY CORPORATION**  
**Analysis of Shared Services - Actual vs. Budget**  
**For The Year-To-Date Ended 3/31/98**

| Department Name                 | FY '98      |             | Budget | Actual<br>Over (Under)<br>Budget | Prior<br>Year | Actual<br>Over (Under)<br>Prior |
|---------------------------------|-------------|-------------|--------|----------------------------------|---------------|---------------------------------|
|                                 | Actual      | Budget      |        |                                  |               |                                 |
| LEGAL:                          |             |             |        |                                  |               |                                 |
| 0052000 Legal                   | 2,524,152   | 1,143,495   |        | 1,380,657                        | 1,056,822     | 1,467,330                       |
| 0051400 Contract Administration | 23,914      | 69,132      |        | (45,218)                         | -             | 23,914                          |
| 0052200 Governmental Affairs    | 46,104      | 61,938      |        | (15,834)                         | 46,761        | (657)                           |
| 0057900 Corporate Secretary     | 571,518     | 690,040     |        | (118,522)                        | 415,870       | 155,648                         |
| 0118200 Central Records         | 78,626      | 132,246     |        | (53,620)                         | 104,553       | (25,927)                        |
| LEGAL:                          | 3,244,314   | 2,096,851   |        | 1,147,463                        | 1,624,006     | 1,620,308                       |
| OVERHEAD CAPITALIZED:           |             |             |        |                                  |               |                                 |
| 0119800 Overhead Capitalized    | (5,286,000) | (5,303,502) |        | 17,502                           | (5,140,000)   | (146,000)                       |
| OVERHEAD CAPITALIZED:           | (5,286,000) | (5,303,502) |        | 17,502                           | (5,140,000)   | (146,000)                       |
| TOTAL O&M                       | 14,351,702  | 14,599,149  |        | (237,139)                        | 17,309,833    | (2,958,131)                     |
| DEPRECIATION                    | 1,626,116   | 1,188,000   |        | 438,116                          | 2,224,675     | (598,559)                       |
| TAXES - OTHER                   | 509,606     | 342,000     |        | 167,606                          | 506,752       | 2,854                           |
| TOTAL                           | 16,487,424  | 16,129,149  |        | 368,583                          | 20,041,260    | (3,553,836)                     |

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE MONTH ENDED 03/31/98

| Line No. | Description (a)                       | 1998            |                |                |                 |                 |                 | Total Utility Business Units (g) | Line No. |
|----------|---------------------------------------|-----------------|----------------|----------------|-----------------|-----------------|-----------------|----------------------------------|----------|
|          |                                       | Energas (b)     | CKC (c)        | Trans Ia (d)   | UCG (e)         | WKG (f)         |                 |                                  |          |
|          | Operating revenues                    |                 |                |                |                 |                 |                 |                                  |          |
| 1        | Gas                                   | \$21,225,824.74 | \$8,286,973.20 | \$2,774,032.24 | \$37,558,790.00 | \$10,204,750.80 | \$80,050,370.98 | 1                                |          |
| 2        | Transportation                        | 104,093.83      | 131,891.89     | 11,620.34      | 984,660.00      | 865,292.85      | 2,097,558.91    | 2                                |          |
| 3        | Other                                 | 0.00            | 0.00           | 0.00           | 0.00            | 0.00            | 0.00            | 3                                |          |
| 4        | Total operating revenues              | 21,329,918.57   | 8,418,865.09   | 2,785,652.58   | 38,543,450.00   | 11,070,043.65   | 82,147,929.89   | 4                                |          |
| 5        | Purchased gas cost                    | 12,912,768.54   | 4,551,154.39   | (280,614.30)   | 24,070,339.00   | 5,992,659.28    | 47,246,306.91   | 5                                |          |
| 6        | Gross profit                          | 8,417,150.03    | 3,867,710.70   | 3,066,266.88   | 14,473,111.00   | 5,077,384.37    | 34,901,622.98   | 6                                |          |
|          | Operating expenses                    |                 |                |                |                 |                 |                 |                                  |          |
| 7        | Operation                             | 1,569,387.60    | 899,040.17     | 576,530.23     | 2,208,131.75    | 1,115,447.57    | 6,368,537.32    | 7                                |          |
| 8        | Maintenance                           | 80,324.55       | 60,578.75      | 41,828.93      | 463,593.00      | 68,569.09       | 714,894.32      | 8                                |          |
| 9        | Depreciation and amortization         | 548,925.06      | 416,766.16     | 306,393.74     | 1,537,706.00    | 545,335.42      | 3,355,126.38    | 9                                |          |
| 10       | Taxes - other than income taxes       | 1,150,663.98    | 213,841.81     | 191,231.32     | 1,121,026.00    | 165,285.73      | 2,842,048.84    | 10                               |          |
| 11       | Shared services - direct              | 577,681.57      | 185,504.69     | 281,425.97     | 0.00            | 448,100.02      | 1,492,712.25    | 11                               |          |
| 12       | Shared services - billed              | 727,436.39      | 325,464.98     | 214,572.72     | 675,893.25      | 422,406.07      | 2,365,773.41    | 12                               |          |
| 13       | Provision for income taxes            | 1,089,029.12    | 570,669.73     | 456,338.65     | 2,746,246.38    | 801,491.32      | 5,663,775.20    | 13                               |          |
| 14       | Total operating expenses              | 5,743,448.27    | 2,671,866.29   | 2,068,321.56   | 8,752,596.38    | 3,566,635.22    | 22,802,867.72   | 14                               |          |
| 15       | Operating income (loss)               | 2,673,701.76    | 1,195,844.41   | 997,945.32     | 5,720,514.62    | 1,510,749.15    | 12,098,755.26   | 15                               |          |
|          | Other income                          |                 |                |                |                 |                 |                 |                                  |          |
| 16       | Merchandise                           | (11,632.22)     | (203.77)       | 210.84         | (33,136.00)     | 22,361.21       | (22,399.94)     | 16                               |          |
| 17       | Interest income                       | 14,832.67       | 0.00           | 304.92         | 55,308.00       | 1,515.96        | 71,961.55       | 17                               |          |
| 18       | Other nonoperating income             | (49,410.89)     | 15,649.77      | (4,438.61)     | 2,556.97        | (3,909.60)      | (39,552.36)     | 18                               |          |
| 19       | Total other income (loss)             | (46,210.44)     | 15,446.00      | (3,922.85)     | 24,728.97       | 19,967.57       | 10,009.25       | 19                               |          |
| 20       | Income (loss) before interest charges | 2,627,491.32    | 1,211,290.41   | 994,022.47     | 5,745,243.59    | 1,530,716.72    | 12,108,764.51   | 20                               |          |
| 21       | Interest charges                      | 493,102.17      | 284,441.23     | 228,240.71     | 1,229,965.07    | 393,593.62      | 2,629,342.80    | 21                               |          |
| 22       | Net income (loss)                     | \$2,134,389.15  | \$926,849.18   | \$765,781.76   | \$4,515,278.52  | \$1,137,123.10  | \$9,479,421.71  | 22                               |          |

ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE QUARTER ENDED 03/31/98

1998

| Line No. | Description (a)                       | Utility Business Units |                 |                 |                  | WKG (f)         | Total Utility Business Units (g) | Line No. |
|----------|---------------------------------------|------------------------|-----------------|-----------------|------------------|-----------------|----------------------------------|----------|
|          |                                       | Energy Gas (b)         | CGC (c)         | Trans La (d)    | UCG (e)          |                 |                                  |          |
| 1        | Operating revenues                    |                        |                 |                 |                  |                 |                                  |          |
| 2        | Gas                                   | \$65,232,120.88        | \$38,945,261.56 | \$13,244,409.20 | \$126,437,439.00 | \$32,860,379.16 | \$366,719,609.80                 | 1        |
| 3        | Transportation                        | 290,085.83             | 397,262.61      | 37,446.21       | 3,230,201.00     | 2,464,438.22    | 6,420,133.87                     | 2        |
| 3        | Other                                 | 0.00                   | 0.00            | 0.00            | 0.00             | 0.00            | 0.00                             | 3        |
| 4        | Total operating revenues              | 65,522,206.71          | 29,342,524.17   | 13,281,855.41   | 129,668,340.00   | 35,324,817.38   | 273,139,743.67                   | 4        |
| 5        | Purchased gas cost                    | 37,932,407.47          | 16,098,946.18   | 2,988,698.84    | 78,950,404.00    | 19,547,982.01   | 155,518,438.50                   | 5        |
| 6        | Gross profit                          | 27,589,799.24          | 13,243,577.99   | 10,293,156.57   | 50,717,936.00    | 15,776,835.37   | 117,621,305.17                   | 6        |
| 7        | Operating expenses                    |                        |                 |                 |                  |                 |                                  |          |
| 8        | Operation                             | 5,700,741.20           | 3,241,440.83    | 1,776,524.75    | 8,634,871.15     | 3,813,387.01    | 23,166,964.94                    | 7        |
| 8        | Maintenance                           | 246,498.27             | 216,236.42      | 145,879.43      | 1,239,586.00     | 231,571.28      | 2,079,771.40                     | 8        |
| 9        | Depreciation                          | 1,646,775.18           | 1,247,311.36    | 919,181.22      | 4,590,033.00     | 1,636,006.26    | 10,039,307.02                    | 9        |
| 10       | Taxes - other than income taxes       | 4,090,819.94           | 658,630.74      | 575,554.35      | 2,987,599.00     | 485,714.44      | 8,798,318.47                     | 10       |
| 11       | Shared services - direct              | 955,194.03             | 473,857.59      | 664,811.86      | 0.00             | 577,860.84      | 2,671,724.32                     | 11       |
| 12       | Shared services - billed              | 1,823,142.03           | 792,987.59      | 526,071.31      | 1,628,851.48     | 1,020,979.62    | 5,792,032.03                     | 12       |
| 13       | Provision for income taxes            | 4,032,618.79           | 2,191,181.82    | 1,702,916.15    | 10,696,081.87    | 2,809,889.18    | 21,432,687.81                    | 13       |
| 14       | Total operating expenses              | 18,495,789.44          | 8,821,646.35    | 6,310,939.07    | 29,777,022.50    | 10,575,408.63   | 73,980,805.99                    | 14       |
| 15       | Operating income (loss)               | 9,094,009.80           | 4,421,931.64    | 3,982,217.50    | 20,940,913.50    | 5,201,426.74    | 43,640,499.18                    | 15       |
| 16       | Other income                          |                        |                 |                 |                  |                 |                                  |          |
| 16       | Merchandise                           | 28,141.88              | (1,031.56)      | 7,041.06        | (43,380.00)      | 77,970.24       | 68,741.62                        | 16       |
| 17       | Interest income                       | 60,824.83              | 155.40          | 1,600.14        | 366,972.00       | 7,014.78        | 436,567.15                       | 17       |
| 18       | Other nonoperating income             | (107,278.34)           | 33,211.31       | (17,171.53)     | (4,680.74)       | (15,784.50)     | (111,703.80)                     | 18       |
| 19       | Total other income (loss)             | (18,311.63)            | 32,335.15       | (8,530.33)      | 318,911.26       | 69,200.52       | 393,604.97                       | 19       |
| 20       | Income (loss) before interest charges | 9,075,698.17           | 4,454,266.79    | 3,973,687.17    | 21,259,824.76    | 5,270,637.26    | 44,034,104.15                    | 20       |
| 21       | Interest charges                      | 1,530,279.90           | 913,826.88      | 1,163,035.15    | 3,874,173.37     | 1,236,921.94    | 8,718,237.24                     | 21       |
| 22       | Net income (loss)                     | \$7,545,418.27         | \$3,540,439.91  | \$2,810,652.02  | \$17,385,651.39  | \$4,033,705.32  | \$35,315,866.91                  | 22       |



ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE SIX MONTHS ENDED 03/31/98

1998

| Line No. | Description (a)                       | Utility Business Units |                 |                 |                 | WKG (f)         | Total Utility Business Units (g) | Line No. |
|----------|---------------------------------------|------------------------|-----------------|-----------------|-----------------|-----------------|----------------------------------|----------|
|          |                                       | Energas (b)            | GGC (c)         | Trans La (d)    | UCG (e)         |                 |                                  |          |
|          | Operating revenues                    |                        |                 |                 |                 |                 |                                  |          |
| 1        | Gas                                   | \$135,167,672.75       | \$58,381,943.45 | \$26,429,126.35 | \$23,719,448.00 | \$84,051,961.11 | \$541,950,151.66                 | 1        |
| 2        | Transportation                        | 540,133.19             | 795,599.77      | 65,310.97       | 7,170,662.00    | 4,683,626.80    | 13,255,332.73                    | 2        |
| 3        | Other                                 | 0.00                   | 0.00            | 0.00            | 0.00            | 0.00            | 0.00                             | 3        |
| 4        | Total operating revenues              | 135,707,805.94         | 59,177,543.22   | 26,494,437.32   | 245,090,110.00  | 88,735,587.91   | 555,205,484.39                   | 4        |
| 5        | Purchased gas cost                    | 87,333,211.49          | 34,919,299.16   | 8,167,935.09    | 155,023,136.00  | 58,845,736.96   | 344,299,318.70                   | 5        |
| 6        | Gross profit                          | 48,374,594.45          | 24,258,244.06   | 18,326,502.23   | 90,066,974.00   | 29,889,850.95   | 210,916,165.69                   | 6        |
|          | Operating expenses                    |                        |                 |                 |                 |                 |                                  |          |
| 7        | Operation                             | 11,648,098.00          | 6,403,478.41    | 3,495,879.81    | 21,415,265.08   | 7,436,339.50    | 50,399,060.80                    | 7        |
| 8        | Maintenance                           | 536,364.97             | 361,401.43      | 274,956.45      | 2,711,276.00    | 449,617.09      | 4,333,615.94                     | 8        |
| 9        | Depreciation and amortization         | 3,292,676.88           | 2,487,288.26    | 1,838,362.44    | 9,179,939.00    | 3,271,983.81    | 20,070,250.39                    | 9        |
| 10       | Taxes - other than income taxes       | 6,861,415.34           | 1,322,647.61    | 1,148,704.71    | 6,251,224.00    | 996,951.01      | 16,580,942.67                    | 10       |
| 11       | Shared services - direct              | 1,805,006.79           | 815,742.22      | 1,067,243.92    | 0.00            | 1,245,712.76    | 4,933,705.69                     | 11       |
| 12       | Shared services - billed              | 3,629,882.89           | 1,455,266.81    | 1,010,363.37    | 3,274,541.97    | 2,042,075.98    | 11,412,131.02                    | 12       |
| 13       | Provision for income taxes            | 6,052,698.61           | 3,675,690.39    | 2,881,094.79    | 15,182,234.15   | 4,877,961.03    | 32,669,678.97                    | 13       |
| 14       | Total operating expenses              | 33,826,143.48          | 16,521,515.13   | 11,716,605.49   | 58,014,480.20   | 20,320,641.18   | 140,399,385.48                   | 14       |
| 15       | Operating income (loss)               | 14,548,450.97          | 7,736,728.93    | 6,609,896.74    | 32,052,493.80   | 9,569,209.77    | 70,516,780.21                    | 15       |
|          | Other income                          |                        |                 |                 |                 |                 |                                  |          |
| 16       | Merchandise                           | 13,462.29              | (1,904.31)      | 14,401.36       | (84,078.00)     | 158,168.03      | 100,049.37                       | 16       |
| 17       | Interest income                       | 106,716.55             | 381.87          | 2,189.11        | 729,191.00      | 12,773.74       | 851,252.27                       | 17       |
| 18       | Other nonoperating income             | (253,284.56)           | 64,584.97       | (46,334.91)     | (26,723.74)     | (33,021.09)     | (294,779.33)                     | 18       |
| 19       | Total other income (loss)             | (133,105.72)           | 63,062.53       | (29,744.44)     | 618,389.26      | 137,920.68      | 666,522.31                       | 19       |
| 20       | Income (loss) before interest charges | 14,415,345.25          | 7,799,791.46    | 6,580,152.30    | 32,670,883.06   | 9,707,130.45    | 71,173,302.52                    | 20       |
| 21       | Interest charges                      | 3,200,655.97           | 1,870,980.14    | 1,838,865.28    | 7,884,536.58    | 2,585,294.01    | 17,380,331.98                    | 21       |
| 22       | Net income (loss)                     | \$11,214,689.28        | \$5,928,811.32  | \$4,741,287.02  | \$24,786,346.48 | \$7,121,836.44  | \$53,792,970.54                  | 22       |

WESTERN KENTUCKY GAS BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE MONTH ENDED 03/31/98

1998

| Line No. | Description (a)                    | Eliminations and Adjustments (d) |          |   | Line No.        |
|----------|------------------------------------|----------------------------------|----------|---|-----------------|
|          |                                    | WKKG (b)                         | WKGR (c) | Western Kentucky Gas Business Units (e) |                 |
| 1        | Operating revenues                 |                                  |          |   | 1               |
| 2        | Gas                                | \$10,204,750.80                  | \$0.00   | \$0.00                                  | \$10,204,750.80 |
| 3        | Transportation                     | 865,292.85                       | 0.00     | 0.00                                    | 865,292.85      |
| 3        | Other                              | 0.00                             | 0.00     | 0.00                                    | 0.00            |
| 4        | Total operating revenues           | 11,070,043.65                    | 0.00     | 0.00                                    | 11,070,043.65   |
| 5        | Purchased gas cost                 | 5,992,659.28                     | 0.00     | 0.00                                    | 5,992,659.28    |
| 6        | Gross profit                       | 5,077,384.37                     | 0.00     | 0.00                                    | 5,077,384.37    |
| 7        | Operating expenses                 |                                  |          |   | 7               |
| 8        | Operation                          | 1,115,447.57                     | 0.00     | 0.00                                    | 1,115,447.57    |
| 8        | Maintenance                        | 68,569.09                        | 0.00     | 0.00                                    | 68,569.09       |
| 9        | Depreciation and amortization      | 545,335.42                       | 0.00     | 0.00                                    | 545,335.42      |
| 10       | Taxes - other than income taxes    | 165,285.73                       | 0.00     | 0.00                                    | 165,285.73      |
| 11       | Shared services - direct           | 448,100.02                       | 0.00     | 0.00                                    | 448,100.02      |
| 12       | Shared services - billed           | 422,015.86                       | 0.00     | 390.21                                  | 422,406.07      |
| 13       | Provision for income taxes         | 801,491.32                       | 0.00     | 0.00                                    | 801,491.32      |
| 14       | Total operating expenses           | 3,566,245.01                     | 0.00     | 390.21                                  | 3,566,635.22    |
| 15       | Operating income (loss)            | 1,511,139.36                     | 0.00     | (390.21)                                | 1,510,749.15    |
| 16       | Other income                       |                                  |          |   |                 |
| 17       | Merchandise                        | 22,361.21                        | 0.00     | 0.00                                    | 22,361.21       |
| 17       | Interest income                    | 1,515.96                         | 0.00     | 0.00                                    | 1,515.96        |
| 18       | Shared services - billed           | 0.00                             | (390.21) | 390.21                                  | 0.00            |
| 19       | Other nonoperating income          | (4,485.84)                       | 576.24   | 0.00                                    | (3,909.60)      |
| 20       | Total other income (loss)          | 19,391.33                        | 186.03   | 390.21                                  | 19,967.57       |
| 21       | Income (loss) before interest chgs | 1,530,530.69                     | 186.03   | 0.00                                    | 1,530,716.72    |
| 22       | Interest charges                   | 393,593.62                       | 0.00     | 0.00                                    | 393,593.62      |
| 23       | Net income (loss)                  | \$1,136,937.07                   | \$186.03 | \$0.00                                  | \$1,137,123.10  |

WESTERN KENTUCKY GAS BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE QUARTER ENDED 03/31/98

1998

| Line No. | Description (a)                    | Eliminations    |            |                 |   | Line No. |
|----------|------------------------------------|-----------------|------------|-----------------|---|----------|
|          |                                    | WKG (b)         | WKGR (c)   | Adjustments (d) | Western Kentucky Gas Business Units (e) |          |
| 1        | Operating revenues                 |                 |            |                 |   |          |
| 2        | Gas                                | \$32,860,379.16 | \$0.00     | \$0.00          | \$32,860,379.16                         | 1        |
| 3        | Transportation                     | 2,464,438.22    | 0.00       | 0.00            | 2,464,438.22                            | 2        |
| 3        | Other                              | 0.00            | 0.00       | 0.00            | 0.00                                    | 3        |
| 4        | Total operating revenues           | 35,324,817.38   | 0.00       | 0.00            | 35,324,817.38                           | 4        |
| 5        | Purchased gas cost                 | 19,547,982.01   | 0.00       | 0.00            | 19,547,982.01                           | 5        |
| 6        | Gross profit                       | 15,776,835.37   | 0.00       | 0.00            | 15,776,835.37                           | 6        |
| 7        | Operating expenses                 |                 |            |                 |   |          |
| 8        | Operation                          | 3,813,387.01    | 0.00       | 0.00            | 3,813,387.01                            | 7        |
| 8        | Maintenance                        | 231,571.28      | 0.00       | 0.00            | 231,571.28                              | 8        |
| 9        | Depreciation and amortization      | 1,636,006.26    | 0.00       | 0.00            | 1,636,006.26                            | 9        |
| 10       | Taxes - other than income taxes    | 485,714.44      | 10.00      | 0.00            | 485,714.44                              | 10       |
| 11       | Shared services - direct           | 577,860.84      | 0.00       | 0.00            | 577,860.84                              | 11       |
| 12       | Shared services - billed           | 1,019,966.80    | 0.00       | 1,012.82        | 1,020,979.62                            | 12       |
| 13       | Provision for income taxes         | 2,809,889.18    | 0.00       | 0.00            | 2,809,889.18                            | 13       |
| 14       | Total operating expenses           | 10,574,385.81   | 10.00      | 1,012.82        | 10,575,408.63                           | 14       |
| 15       | Operating income (loss)            | 5,202,449.56    | (10.00)    | (1,012.82)      | 5,201,426.74                            | 15       |
|          | Other income                       |                 |            |                 |   |          |
| 16       | Merchandise                        | 77,970.24       | 0.00       | 0.00            | 77,970.24                               | 16       |
| 17       | Interest income                    | 7,014.78        | 0.00       | 0.00            | 7,014.78                                | 17       |
| 18       | Shared services - billed           | 0.00            | (1,012.82) | 1,012.82        | 0.00                                    | 17       |
| 19       | Other nonoperating income          | (18,126.85)     | 2,342.35   | 0.00            | (15,784.50)                             | 19       |
| 20       | Total other income (loss)          | 66,858.17       | 1,329.53   | 1,012.82        | 69,200.52                               | 20       |
| 21       | Income (loss) before interest chgs | 5,269,307.73    | 1,319.53   | 0.00            | 5,270,627.26                            | 21       |
| 22       | Interest charges                   | 1,236,921.94    | 0.00       | 0.00            | 1,236,921.94                            | 22       |
| 23       | Net income (loss)                  | \$4,032,385.79  | \$1,319.53 | \$0.00          | \$4,033,705.32                          | 23       |

WESTERN KENTUCKY GAS BUSINESS UNITS  
CONSOLIDATING STATEMENT OF INCOME  
FOR THE SIX MONTHS ENDED 03/31/98

| Line No. | Description (a)                    | 1998            |             |   |   | Line No. |
|----------|------------------------------------|-----------------|-------------|---|---|----------|
|          |                                    | WKG<br>(b)      | WKGR<br>(c) | Eliminations<br>and<br>Adjustments<br>(d) | Western Kentucky<br>Gas Business Units<br>(e) |          |
| 1        | Operating revenues                 |                 |             |   |   |          |
| 2        | Gas                                | \$84,051,961.11 | \$0.00      | \$0.00                                    | \$84,051,961.11                               | 1        |
| 3        | Transportation                     | 4,683,626.80    | 0.00        | 0.00                                      | 4,683,626.80                                  | 2        |
| 3        | Other                              | 0.00            | 0.00        | 0.00                                      | 0.00  | 3        |
| 4        | Total operating revenues           | 88,735,587.91   | 0.00        | 0.00                                      | 88,735,587.91                                 | 4        |
| 5        | Purchased gas cost                 | 58,845,736.96   | 0.00        | 0.00                                      | 58,845,736.96                                 | 5        |
| 6        | Gross profit                       | 29,889,850.95   | 0.00        | 0.00                                      | 29,889,850.95                                 | 6        |
| 7        | Operating expenses                 |                 |             |   |   |          |
| 8        | Operation                          | 7,436,339.50    | 0.00        | 0.00                                      | 7,436,339.50                                  | 7        |
| 9        | Maintenance                        | 449,617.09      | 0.00        | 0.00                                      | 449,617.09                                    | 8        |
| 10       | Depreciation and amortization      | 3,271,983.81    | 0.00        | 0.00                                      | 3,271,983.81                                  | 9        |
| 11       | Taxes - other than income taxes    | 996,941.01      | 10.00       | 0.00                                      | 996,951.01                                    | 10       |
| 12       | Shared services - direct           | 1,245,712.76    | 0.00        | 0.00                                      | 1,245,712.76                                  | 11       |
| 12       | Shared services - billed           | 2,039,898.81    | 0.00        | 2,177.17                                  | 2,042,075.98                                  | 12       |
| 13       | Provision for income taxes         | 4,877,961.03    | 0.00        | 0.00                                      | 4,877,961.03                                  | 13       |
| 14       | Total operating expenses           | 20,318,454.01   | 10.00       | 2,177.17                                  | 20,330,641.18                                 | 14       |
| 15       | Operating income (loss)            | 9,571,396.94    | (10.00)     | (2,177.17)                                | 9,569,209.77                                  | 15       |
| 16       | Other income                       |                 |             |   |   |          |
| 17       | Merchandise                        | 158,168.03      | 0.00        | 0.00                                      | 158,168.03                                    | 16       |
| 17       | Interest income                    | 12,773.74       | 0.00        | 0.00                                      | 12,773.74                                     | 17       |
| 18       | Shared services - billed           | 0.00            | (2,177.17)  | 2,177.17                                  | 0.00  | 17       |
| 19       | Other nonoperating income          | (35,213.29)     | 2,192.20    | 0.00                                      | (33,021.09)                                   | 19       |
| 20       | Total other income (loss)          | 135,728.48      | 15.03       | 2,177.17                                  | 137,920.68                                    | 20       |
| 21       | Income (loss) before interest chgs | 9,707,125.42    | 5.03        | 0.00                                      | 9,707,130.45                                  | 21       |
| 22       | Interest charges                   | 2,585,294.01    | 0.00        | 0.00                                      | 2,585,294.01                                  | 22       |
| 23       | Net income (loss)                  | \$7,121,831.41  | \$5.03      | \$0.00                                    | \$7,121,836.44                                | 23       |

WESTERN KENTUCKY GAS COMPANY  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE: 03/31/98

| Line No. | Description (a)                      | Current Month   |              |                         | Year to Date    |                       |                             | Prior           |                 |                         | Line No. |                |
|----------|--------------------------------------|-----------------|--------------|-------------------------|-----------------|-----------------------|-----------------------------|-----------------|-----------------|-------------------------|----------|----------------|
|          |                                      | Actual (b)      | Actual       |                         | Actual (g)      | Actual                |                             | Year Actual (j) | Actual          |                         |          | Prior Year (k) |
|          |                                      |                 | Budget (c)   | Over (Under) Budget (d) |                 | Prior Year Actual (e) | Over (Under) Prior Year (f) |                 | Budget (h)      | Over (Under) Budget (i) |          |                |
| 1        | Operating revenues                   | \$10,204,750.80 | \$16,550,000 | \$13,060,814.17         | \$84,051,961.11 | \$96,475,000.00       | \$12,423,038.89             | \$99,194,685.84 | \$15,142,724.73 | 1                       |          |                |
| 2        | Gas                                  | 865,292.85      | 700,000      | 728,159.11              | 4,683,626.80    | 4,200,000.00          | 483,626.80                  | 3,622,660.39    | 1,060,966.41    | 2                       |          |                |
| 3        | Transportation                       | 0.00            | 0            | 0.00                    | 0.00            | 0.00                  | 0.00                        | 0.00            | 0.00            | 3                       |          |                |
| 4        | Other                                | 11,070,043.65   | 17,250,000   | 13,788,973.28           | 88,735,587.91   | 100,675,000.00        | (11,939,412.09)             | 102,817,346.23  | (14,081,758.32) | 4                       |          |                |
| 5        | Total operating revenues             | 5,992,659.28    | 10,782,000   | 7,820,032.97            | 58,845,736.96   | 65,375,000.00         | (6,529,268.04)              | 73,686,026.13   | (14,840,289.17) | 5                       |          |                |
| 6        | Purchased gas cost                   | 5,077,384.37    | 6,468,000    | 5,968,940.31            | 29,889,880.95   | 35,300,000.00         | (5,410,149.05)              | 29,131,320.10   | 758,530.85      | 6                       |          |                |
| 7        | Gross profit                         | 1,115,447.57    | 1,263,000    | 1,397,699.11            | 7,436,339.50    | 7,689,000.00          | (252,660.50)                | 8,140,603.27    | (704,263.77)    | 7                       |          |                |
| 8        | Operating expenses                   | 68,569.09       | 132,000      | 78,280.56               | 449,617.09      | 792,000.00            | (342,382.91)                | 462,169.44      | 206,448.03      | 8                       |          |                |
| 9        | Operation                            | 545,335.42      | 544,000      | 510,922.63              | 3,271,983.81    | 3,264,000.00          | 7,983.81                    | 3,065,535.78    | 84,140.21       | 9                       |          |                |
| 10       | Maintenance                          | 165,285.73      | 189,000      | 151,599.04              | 1,245,712.76    | 896,000.00            | 100,941.01                  | 912,800.80      | 17,118.62       | 10                      |          |                |
| 11       | Depreciation                         | 448,100.02      | 0            | 448,100.02              | 2,039,898.81    | 3,442,000.00          | (1,402,101.19)              | 3,897,830.06    | (1,857,991.25)  | 11                      |          |                |
| 12       | Taxes - other than income taxes      | 432,015.86      | 558,000      | 1,639,560.22            | 4,877,961.03    | 6,687,000.00          | (1,809,038.97)              | 3,780,285.78    | 1,097,675.25    | 12                      |          |                |
| 13       | Shared Services - direct             | 801,491.32      | 1,356,000    | 570,937.11              | 20,318,454.01   | 22,770,000.00         | (2,451,545.99)              | 21,487,819.27   | (1,169,365.26)  | 13                      |          |                |
| 14       | Shared Services - billed             | 3,566,245.01    | 4,042,000    | 4,546,793.79            | 20,318,454.01   | 22,770,000.00         | (2,451,545.99)              | 21,487,819.27   | (1,169,365.26)  | 14                      |          |                |
| 15       | Provision for income taxes           | 1,511,139.36    | 2,426,000    | 1,472,146.52            | 9,571,396.94    | 12,530,000.00         | (2,958,603.06)              | 7,643,500.83    | 1,927,896.11    | 15                      |          |                |
| 16       | Total operating expenses             | 22,361.21       | (2,000)      | 2,799.98                | 158,168.03      | (12,000.00)           | 170,168.03                  | 258,096.24      | (99,928.21)     | 16                      |          |                |
| 17       | Operating income (loss)              | 1,515.96        | 4,000        | 2,065.66                | 12,773.74       | 24,000.00             | (11,226.26)                 | 13,840.43       | (1,066.69)      | 17                      |          |                |
| 18       | Other income                         | (4,485.84)      | 35,000       | (24,992.32)             | (35,213.29)     | 210,000.00            | (245,213.29)                | (42,182.05)     | 6,968.76        | 18                      |          |                |
| 19       | Merchandise                          | 19,391.33       | 37,000       | (20,126.68)             | 135,728.48      | 222,000.00            | (86,271.52)                 | 229,754.62      | (94,026.14)     | 19                      |          |                |
| 20       | Interest income                      | 1,530,530.69    | 2,463,000    | 1,402,019.84            | 9,707,125.42    | 12,752,000.00         | (3,044,874.58)              | 7,873,255.45    | 1,833,869.97    | 20                      |          |                |
| 21       | Other nonoperating income            | 393,595.62      | 386,000      | 354,654.15              | 2,585,294.01    | 2,511,000.00          | 74,294.01                   | 2,150,076.63    | 435,217.38      | 21                      |          |                |
| 22       | Total other income (loss)            | \$1,136,937.07  | \$2,077,000  | \$1,047,365.69          | \$7,121,831.41  | \$10,241,000.00       | (\$3,119,168.59)            | \$5,723,178.82  | \$1,398,652.59  | 22                      |          |                |
| 23       | Income (loss) before interest charge | 1,530,530.69    | 2,463,000    | 1,402,019.84            | 9,707,125.42    | 12,752,000.00         | (3,044,874.58)              | 7,873,255.45    | 1,833,869.97    | 23                      |          |                |
| 24       | Interest charges                     | 393,595.62      | 386,000      | 354,654.15              | 2,585,294.01    | 2,511,000.00          | 74,294.01                   | 2,150,076.63    | 435,217.38      | 24                      |          |                |
| 25       | Net income (loss)                    | \$1,136,937.07  | \$2,077,000  | \$1,047,365.69          | \$7,121,831.41  | \$10,241,000.00       | (\$3,119,168.59)            | \$5,723,178.82  | \$1,398,652.59  | 25                      |          |                |

WESTERN KENTUCKY GAS COMPANY  
STATEMENTS OF INCOME  
FOR THE QUARTER ENDED 03/31/98

| Line No. | Description (a)                       | Actual (b)      | Budget (c)   | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Prior Year (f) | Line No. |
|----------|---------------------------------------|-----------------|--------------|--------------------------------|-----------------------|------------------------------------|----------|
| 1        | Operating revenues                    |                 |              |                                |                       |                                    |          |
| 2        | Gas                                   | \$32,800,379.16 | \$61,184,000 | \$29,004,379                   | \$54,487,500.29       | \$28,810,485                       | 1        |
| 3        | Transportation                        | 2,464,438.22    | 2,100,000    | 364,438                        | 1,956,168.63          | 508,270                            | 2        |
| 4        | Other                                 | 0.00            | 0            | 0                              | 0.00                  | 0                                  | 3        |
|          | Total operating revenues              | 35,324,817.38   | 63,284,000   | 29,368,817                     | 56,443,668.92         | 29,318,754                         | 4        |
| 5        | Purchased gas cost                    | 19,547,982.01   | 40,000,000   | (20,512,018)                   | 38,776,579.83         | (19,228,598)                       | 5        |
| 6        | Gross profit                          | 15,776,835.37   | 23,224,000   | 49,880,835                     | 17,667,089.09         | 48,547,352                         | 6        |
| 7        | Operating expenses                    |                 |              |                                |                       |                                    |          |
| 8        | Operation                             | 3,813,387.01    | 3,856,000    | (42,613)                       | 4,049,894.56          | (236,508)                          | 7        |
| 9        | Maintenance                           | 231,571.28      | 396,000      | (164,429)                      | 256,511.89            | (24,941)                           | 8        |
| 10       | Depreciation                          | 1,636,006.26    | 1,632,000    | 4,006                          | 1,532,767.89          | 103,238                            | 9        |
| 11       | Taxes - other than income taxes       | 485,704.44      | 599,000      | (113,296)                      | 482,000.18            | 3,704                              | 10       |
| 12       | Shared Services - direct              | 577,860.84      | 0            | 577,861                        | 607,395.82            | (29,535)                           | 11       |
| 13       | Shared Services - billed              | 1,019,966.80    | 1,709,000    | (689,033)                      | 2,703,849.94          | (1,683,883)                        | 12       |
| 14       | Provision for income taxes            | 2,809,889.18    | 5,500,000    | (2,690,111)                    | 2,736,673.98          | 73,215                             | 13       |
| 15       | Total operating expenses              | 10,574,385.81   | 13,692,000   | (3,117,614)                    | 12,369,094.26         | (1,794,708)                        | 14       |
|          | Operating income (loss)               | 5,202,449.56    | 9,532,000    | 52,998,450                     | 5,297,994.83          | 50,342,060                         | 15       |
| 16       | Other income                          |                 |              |                                |                       |                                    |          |
| 17       | Merchandise                           | 77,970.24       | (6,000)      | 83,970                         | 114,102.65            | (36,132)                           | 16       |
| 18       | Interest income                       | 7,014.78        | 12,000       | (4,985)                        | 9,021.39              | (2,007)                            | 17       |
| 19       | Other nonoperating income             | (18,126.85)     | 105,000      | (123,127)                      | (43,640.32)           | 25,513                             | 18       |
| 20       | Total other income (loss)             | 66,858.17       | 111,000      | (44,142)                       | 79,483.72             | (12,626)                           | 19       |
|          | Income (loss) before interest charges | 5,269,307.73    | 9,643,000    | 52,954,308                     | 5,377,478.55          | 50,329,435                         | 20       |
| 21       | Interest charges                      | 1,236,921.94    | 1,218,000    | 18,922                         | 1,045,790.30          | 191,192                            | 21       |
| 22       | Net income (loss)                     | \$4,032,385.79  | \$8,425,000  | \$52,935,386                   | \$4,331,748.25        | \$50,138,243                       | 22       |

WESTERN KENTUCKY GAS RESOURCES, INC.  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 03/31/98

| Line No. | Description (a)                       | Current Month |            |                                | Year to Date |            |                                | Line No.   |
|----------|---------------------------------------|---------------|------------|--------------------------------|--------------|------------|--------------------------------|------------|
|          |                                       | Actual (b)    | Budget (c) | Actual Over (Under) Budget (d) | Actual (e)   | Budget (f) | Actual Over (Under) Budget (g) |            |
| 1        | Operating revenues                    |               |            |                                |              |            |                                |            |
| 2        | Gas                                   | \$0.00        | \$0        | \$0.00                         | \$0.00       | \$0        | \$0.00                         | \$0.00     |
| 3        | Transportation                        | 0.00          | 0          | 0.00                           | 0.00         | 0          | 0.00                           | 0.00       |
| 4        | Other                                 | 0.00          | 0          | 0.00                           | 0.00         | 0          | 0.00                           | 0.00       |
| 5        | Total operating revenues              | 0.00          | 0          | 0.00                           | 0.00         | 0          | 0.00                           | 0.00       |
| 6        | Purchased gas cost                    | 0.00          | 0          | 0.00                           | 0.00         | 0          | 0.00                           | 0.00       |
| 7        | Gross profit                          | 0.00          | 0          | 0.00                           | 0.00         | 0          | 0.00                           | 0.00       |
| 8        | Operating expenses                    |               |            |                                |              |            |                                |            |
| 9        | Operation                             | 0.00          | 0          | 0.00                           | 0.00         | 0          | 0.00                           | 0.00       |
| 10       | Maintenance                           | 0.00          | 0          | 0.00                           | 0.00         | 0          | 0.00                           | 0.00       |
| 11       | Depreciation                          | 0.00          | 0          | 0.00                           | 0.00         | 0          | 0.00                           | 0.00       |
| 12       | Taxes - other than income taxes       | 0.00          | 0          | 0.00                           | 0.00         | 0          | 0.00                           | 0.00       |
| 13       | Provision for income taxes            | 0.00          | 0          | 0.00                           | 0.00         | 0          | 0.00                           | 0.00       |
| 14       | Total operating expenses              | 0.00          | 0          | 0.00                           | 0.00         | 0          | 0.00                           | 0.00       |
| 15       | Operating income (loss)               | 0.00          | 0          | 0.00                           | 0.00         | 0          | 0.00                           | 0.00       |
| 16       | Other income                          |               |            |                                |              |            |                                |            |
| 17       | Merchandise                           | 0.00          | 0          | 0.00                           | 0.00         | 0          | 0.00                           | 0.00       |
| 18       | Interest income                       | 0.00          | 0          | 0.00                           | 0.00         | 0          | 0.00                           | 0.00       |
| 19       | Shared Services - Billed              | (390.21)      | 3,000      | (3,390.21)                     | (3,521.43)   | 18,000     | (20,177.17)                    | 7,201.09   |
| 20       | Other nonoperating income             | 576.24        | 0          | 576.24                         | (500.12)     | 0          | 2,192.20                       | 5,242.56   |
| 21       | Total other income (loss)             | 186.03        | 3,000      | (2,813.97)                     | (4,021.55)   | 18,000     | (17,984.97)                    | 12,443.65  |
| 22       | Income (loss) before interest charges | 186.03        | 3,000      | (2,813.97)                     | (21.55)      | 18,000     | (17,994.97)                    | 8,443.65   |
| 23       | Interest charges                      | 0.00          | 0          | 0.00                           | 0.00         | 0          | 0.00                           | 0.00       |
| 24       | Net income (loss)                     | \$186.03      | \$3,000    | (\$2,813.97)                   | (\$21.55)    | \$18,000   | (\$17,994.97)                  | \$8,443.65 |

WESTERN KENTUCKY GAS RESOURCES, INC.  
STATEMENTS OF INCOME  
FOR THE QUARTER ENDED 03/31/98

| Line No. | Description (a)                       | Actual (b) | Budget (c) | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Prior Year (f) | Line No. |
|----------|---------------------------------------|------------|------------|--------------------------------|-----------------------|------------------------------------|----------|
| 1        | Operating revenues                    |            |            |                                |                       |                                    |          |
| 2        | Gas                                   | \$0.00     | \$0        | \$0.00                         | \$0.00                | \$0.00                             | 1        |
| 3        | Transportation                        | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 2        |
| 3        | Other                                 | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 3        |
| 4        | Total operating revenues              | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 4        |
| 5        | Purchased gas cost                    | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 5        |
| 6        | Gross profit                          | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 6        |
| 7        | Operating expenses                    |            |            |                                |                       |                                    |          |
| 8        | Operation                             | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 7        |
| 9        | Maintenance                           | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 8        |
| 9        | Depreciation                          | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 9        |
| 10       | Taxes - other than income taxes       | 10.00      | 0          | 10.00                          | 0.00                  | 10.00                              | 10       |
| 11       | Provision for income taxes            | 0.00       | 0          | 0.00                           | (3,000.00)            | 3,000.00                           | 11       |
| 12       | Total operating expenses              | 10.00      | 0          | 10.00                          | (3,000.00)            | 3,010.00                           | 12       |
| 13       | Operating income (loss)               | (10.00)    | 0          | (10.00)                        | 3,000.00              | (3,010.00)                         | 13       |
| 14       | Other income                          |            |            |                                |                       |                                    |          |
| 14       | Merchandise                           | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 14       |
| 15       | Interest income                       | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 15       |
| 16       | Shared services - billed              | (1,012.82) | 9,000      | (10,012.82)                    | (6,011.23)            | 4,998.41                           | 16       |
| 17       | Other nonoperating income             | 2,342.35   | 0          | 2,342.35                       | 4,199.53              | (1,857.18)                         | 17       |
| 18       | Total other income (loss)             | 1,329.53   | 9,000      | (7,670.47)                     | (1,811.70)            | 3,141.23                           | 18       |
| 19       | Income (loss) before interest charges | 1,319.53   | 9,000      | (7,680.47)                     | 1,188.30              | 131.23                             | 19       |
| 20       | Interest charges                      | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 20       |
| 21       | Net income (loss)                     | \$1,319.53 | \$9,000    | (\$7,680.47)                   | \$1,188.30            | \$131.23                           | 21       |



ATMOS ENERGY SERVICES, INC.  
STATEMENTS OF INCOME  
FOR THE MONTH AND YEAR TO DATE 03/31/98

| Line No. | Description (a)                      | Current Month |              |                                | Year to Date          |                                    |              | Actual Over (Under) Prior Year (k) | Line No.     |
|----------|--------------------------------------|---------------|--------------|--------------------------------|-----------------------|------------------------------------|--------------|------------------------------------|--------------|
|          |                                      | Actual (b)    | Budget * (c) | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Prior Year (f) | Budget * (h) |                                    |              |
| 1        | Operating revenues                   |               |              |                                |                       |                                    |              |                                    |              |
| 2        | Gas                                  | \$0.00        | \$0          | \$0.00                         | \$0.00                | \$0.00                             | \$0.00       | \$0.00                             | \$0.00       |
| 3        | Transportation                       | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00                               | 0.00         |
| 4        | Other                                | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00                               | 0.00         |
| 5        | Total operating revenues             | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00                               | 0.00         |
| 6        | Purchased gas cost                   | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00                               | 0.00         |
| 7        | Gross profit                         | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00                               | 0.00         |
| 8        | Operating expenses                   |               |              |                                |                       |                                    |              |                                    |              |
| 9        | Operation                            | 0.00          | 0            | 0.00                           | 522.34                | (522.34)                           | 160.00       | 160.00                             | 2,987.25     |
| 10       | Maintenance                          | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00                               | 0.00         |
| 11       | Depreciation                         | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00                               | 0.00         |
| 12       | Taxes - other than income taxes      | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00                               | 0.00         |
| 13       | Shared Services - Billed             | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00                               | 0.00         |
| 14       | Provision for income taxes           | 0.00          | 0            | 0.00                           | (1,000.00)            | 1,000.00                           | 0.00         | 0.00                               | (1,000.00)   |
| 15       | Total operating expenses             | 0.00          | 0            | 0.00                           | (477.66)              | 477.66                             | 160.00       | 160.00                             | 1,987.25     |
| 16       | Operating income (loss)              | 0.00          | 0            | 0.00                           | 477.66                | (477.66)                           | (160.00)     | (160.00)                           | (1,987.25)   |
| 17       | Other income                         |               |              |                                |                       |                                    |              |                                    |              |
| 18       | Merchandise                          | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00                               | 0.00         |
| 19       | Interest income                      | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00                               | 0.00         |
| 20       | Other nonoperating income            | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00                               | 0.00         |
| 21       | Total other income (loss)            | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00                               | 0.00         |
| 22       | Income (loss) before interest charge | 0.00          | 0            | 0.00                           | 477.66                | (477.66)                           | (160.00)     | (160.00)                           | (1,987.25)   |
| 23       | Interest charges                     | 0.00          | 0            | 0.00                           | 0.00                  | 0.00                               | 0.00         | 0.00                               | 0.00         |
| 24       | Net income (loss)                    | \$0.00        | \$0          | \$0.00                         | \$477.66              | (\$477.66)                         | (\$160.00)   | (\$160.00)                         | (\$1,987.25) |

ATMOS ENERGY SERVICES, INC.  
STATEMENTS OF INCOME  
FOR THE QUARTER ENDED 03/31/08

| Line No. | Description (a)                       | Actual (b) | Budget (c) | Actual Over (Under) Budget (d) | Prior Year Actual (e) | Actual Over (Under) Prior Year (f) | Line No. |
|----------|---------------------------------------|------------|------------|--------------------------------|-----------------------|------------------------------------|----------|
| 1        | Operating revenues                    |            |            |                                |                       |                                    | 1        |
| 2        | Gas                                   | \$0.00     | \$0        | \$0.00                         | \$0.00                | \$0.00                             | 2        |
| 3        | Transportation                        | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 3        |
| 4        | Other                                 | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 4        |
| 5        | Total operating revenues              | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 5        |
| 6        | Purchased gas cost                    | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 6        |
| 7        | Gross profit                          | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 7        |
| 8        | Operating expenses                    |            |            |                                |                       |                                    | 8        |
| 9        | Operation                             | 90.00      | 0          | 90.00                          | 1,107.59              | (1,017.59)                         | 9        |
| 10       | Maintenance                           | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 10       |
| 11       | Depreciation                          | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 11       |
| 12       | Taxes - other than income taxes       | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 12       |
| 13       | Shared Services - billed              | 0.00       | 0          | 0.00                           | (1,000.00)            | 1,000.00                           | 13       |
| 14       | Provision for income taxes            | 0.00       | 0          | 0.00                           | 107.59                | (17.59)                            | 14       |
| 15       | Total operating expenses              | 90.00      | 0          | 90.00                          | (107.59)              | 17.59                              | 15       |
| 16       | Operating income (loss)               | (90.00)    | 0          | (90.00)                        | 0.00                  | 0.00                               | 16       |
| 17       | Other income                          |            |            |                                |                       |                                    | 17       |
| 18       | Merchandise                           | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 18       |
| 19       | Interest income                       | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 19       |
| 20       | Other nonoperating income             | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 20       |
| 21       | Total other income (loss)             | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 21       |
| 22       | Income (loss) before interest charges | (90.00)    | 0          | (90.00)                        | (107.59)              | 17.59                              | 22       |
| 23       | Interest charges                      | 0.00       | 0          | 0.00                           | 0.00                  | 0.00                               | 23       |
| 24       | Net income (loss)                     | (\$90.00)  | \$0        | (\$90.00)                      | (\$107.59)            | \$17.59                            | 24       |

ATMOS ENERGY CORPORATION  
COMBINING BALANCE SHEETS\*  
AS OF 03/31/98

| Line No.      | Description (a)   | ATMOS (b)               | UNITED CITIES (c)       | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (c)           | Line No. |
|---------------|---|-------------------------|-------------------------|--------------------------------|---------------------------|----------|
| <b>ASSETS</b> |   |                         |                         |                                |                           |          |
| 1             | Property, plant and equipment                             |                         |                         |                                |                           | 1        |
| 2             | Utility plant   | \$742,746,197.53        | \$508,266,155.00        | \$0.00                         | \$1,251,012,352.53        | 2        |
| 3             | Nonutility plant  | 2,892,668.66            | 0.00                    | 0.00                           | 2,892,668.66              | 3        |
| 4             | Construction work in progress                             | 67,582,231.82           | 2,377,335.00            | 0.00                           | 69,959,566.82             | 4        |
| 5             | Less accumulated depreciation and amortization            | 813,221,098.01          | 510,643,490.00          | 0.00                           | 1,323,864,588.01          | 5        |
| 6             | Net property, plant and equipment                         | 309,155,286.36          | 196,019,022.00          | 0.00                           | 505,174,308.36            | 6        |
| 7             | Investments in & advances to subsidiaries                 | 504,065,811.65          | 314,624,468.00          | 0.00                           | 818,690,279.65            | 7        |
| 8             | Current assets  | 3,900,881.01            | 4,452,327.00            | 0.00                           | 8,353,208.01              | 8        |
| 9             | Cash and temporary cash investments                       | 3,038,733.43            | 1,859,790.00            | 0.00                           | 4,898,523.43              | 9        |
| 10            | Accounts receivable, less allowance for doubtful accounts | 57,261,936.10           | 47,568,260.00           | 0.00                           | 104,830,196.10            | 10       |
| 11            | Inventories   | 7,543,160.02            | 4,786,323.00            | 0.00                           | 12,329,483.02             | 11       |
| 12            | Gas stored underground                                    | 6,747,953.24            | 10,508,031.00           | 0.00                           | 17,255,984.24             | 12       |
| 13            | Other current assets                                      | 2,852,458.71            | 1,027,803.00            | 0.00                           | 3,880,261.71              | 13       |
| 14            | Intercompany accounts                                     | 31,781,590.44           | (27,174,619.81)         | 0.00                           | 4,606,970.63              | 14       |
| 15            | Total current assets                                      | 109,225,831.94          | 38,575,587.19           | 0.00                           | 147,801,419.13            | 15       |
| 16            | Deferred charges and other assets                         | 56,843,204.01           | 39,415,307.81           | 0.00                           | 96,258,511.82             | 16       |
|               | <b>Total assets</b>                                       | <b>\$674,035,728.61</b> | <b>\$397,067,690.00</b> | <b>\$0.00</b>                  | <b>\$1,071,103,418.61</b> |          |

\*This balance sheet combines Energas, Trans, I.A., Western Kentucky & Gretnley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

ATMOS ENERGY CORPORATION  
COMBINING BALANCE SHEETS\*  
AS OF 03/31/98

| Line No.  | Description (a)                            | ATMOS (b)        | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)    | Line No. |
|---|--|------------------|-------------------|--------------------------------|--------------------|----------|
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |  |                  |                   |                                |                    |          |
| Shareholders' equity                              |  |                  |                   |                                |                    |          |
| 1   | Common stock                               | \$83,681.06      | \$66,601.11       | \$0.00                         | \$150,282.17       | 1        |
| 2   | Common stock subscribed                    | 0.00             | 0.00              | 0.00                           | 0.00               | 2        |
| 3   | Additional paid-in capital                 | 129,629,772.53   | 132,664,593.89    | 0.00                           | 262,294,366.42     | 3        |
| 4   | Retained earnings                          | 60,738,885.50    | 28,764,385.00     | 0.00                           | 89,503,270.50      | 4        |
| 5   | Total shareholders' equity                 | 190,452,339.09   | 161,495,580.00    | 0.00                           | 351,947,919.09     | 5        |
| Long-term debt (including current maturities) (1) |  |                  |                   |                                |                    |          |
| 6   |  | 157,303,308.00   | 133,000,000.00    | 0.00                           | 290,303,308.00     | 6        |
| 7   | Total capitalization                       | 347,755,647.09   | 294,495,580.00    | 0.00                           | 642,251,227.09     | 7        |
| Current liabilities                               |  |                  |                   |                                |                    |          |
| 8   | Notes payable                              | 141,700,000.00   | 0.00              | 0.00                           | 141,700,000.00     | 8        |
| 9   | Accounts payable                           | 48,958,954.96    | 18,943,356.00     | 0.00                           | 67,902,310.96      | 9        |
| 10  | Accrued taxes                              | 6,519,026.43     | 4,274,263.00      | 0.00                           | 10,793,289.43      | 10       |
| 11  | Income taxes payable                       | 1,051,647.88     | 7,051,556.00      | 0.00                           | 8,103,203.88       | 11       |
| 12  | Dividends declared                         | 0.00             | 0.00              | 0.00                           | 0.00               | 12       |
| 13  | Customers' deposits                        | 7,939,570.29     | 5,583,176.00      | 0.00                           | 13,522,746.29      | 13       |
| 14  | Other current liabilities                  | 21,322,422.14    | 28,837,802.00     | 0.00                           | 50,160,224.14      | 14       |
| 15  | Intercompany accounts                      | 0.00             | 435,613.00        | 0.00                           | 435,613.00         | 15       |
| 16  | Total current liabilities                  | 227,491,621.70   | 65,125,766.00     | 0.00                           | 292,617,387.70     | 16       |
| 17  | Deferred federal income taxes              | 56,294,379.30    | 24,697,904.00     | 0.00                           | 80,992,283.30      | 17       |
| 18  | Deferred credits                           | 42,494,080.52    | 12,748,440.00     | 0.00                           | 55,242,520.52      | 18       |
| 19  | Total liabilities and shareholders' equity | \$674,035,728.61 | \$197,067,690.00  | \$0.00                         | \$1,071,103,418.61 | 19       |

\*This balance sheet combines Inergas, Trans La, Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

ATMOS ENERGY CORPORATION  
 COMBINING STATEMENTS OF INCOME\*  
 FOR THE MONTH ENDED MARCH 31, 1998

| Line No. | Description (a)                       | ATMOS (b)       | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e) | Line No. |
|----------|---------------------------------------|-----------------|-------------------|--------------------------------|-----------------|----------|
| 1        | Operating revenues                    |                 |                   |                                |                 |          |
| 2        | Gas                                   | \$38,322,958.44 | \$37,558,790.00   | \$0.00                         | \$75,881,748.44 | 1        |
| 3        | Transportation                        | 1,297,075.40    | 984,660.00        | 0.00                           | 2,281,735.40    | 2        |
|          | Other                                 | 0.00            | 0.00              | 0.00                           | 0.00            | 3        |
| 4        | Total operating revenues              | 39,620,033.84   | 38,543,450.00     | 0.00                           | 78,163,483.84   | 4        |
| 5        | Purchased gas cost                    | 19,848,035.04   | 24,070,339.00     | 0.00                           | 43,918,374.04   | 5        |
| 6        | Gross profit                          | 19,771,998.80   | 14,473,111.00     | 0.00                           | 34,245,109.80   | 6        |
|          | Operating expenses                    |                 |                   |                                |                 |          |
| 7        | Operation                             | 6,510,401.53    | 2,884,025.00      | 0.00                           | 9,394,426.53    | 7        |
| 8        | Maintenance                           | 252,441.98      | 463,593.00        | 0.00                           | 716,034.98      | 8        |
| 9        | Depreciation                          | 2,085,474.69    | 1,537,706.00      | 0.00                           | 3,623,180.69    | 9        |
| 10       | Taxes - other than income taxes       | 1,815,159.15    | 1,121,026.00      | 0.00                           | 2,936,185.15    | 10       |
| 11       | Provision for income taxes            | 2,805,048.51    | 2,803,197.00      | 0.00                           | 5,608,245.51    | 11       |
| 12       | Total operating expenses              | 13,468,525.86   | 8,809,547.00      | 0.00                           | 22,278,072.86   | 12       |
| 13       | Operating income (loss)               | 6,303,472.94    | 5,663,564.00      | 0.00                           | 11,967,036.94   | 13       |
|          | Other income                          |                 |                   |                                |                 |          |
| 14       | Merchandise                           | 10,736.06       | (33,136.00)       | 0.00                           | (22,399.94)     | 14       |
| 15       | Interest income                       | 16,653.55       | 55,308.00         | 0.00                           | 71,961.55       | 15       |
| 16       | Other nonoperating income             | (12,197.06)     | 6,889.00          | 0.00                           | (5,308.06)      | 16       |
| 17       | Total other income (loss)             | 15,192.55       | 29,061.00         | 0.00                           | 44,253.55       | 17       |
| 18       | Income (loss) before interest charges | 6,318,665.49    | 5,692,625.00      | 0.00                           | 12,011,290.49   | 18       |
| 19       | Interest charges                      | 1,561,848.46    | 1,067,249.00      | 0.00                           | 2,629,097.46    | 19       |
| 20       | Net income (loss)                     | \$4,756,817.03  | \$4,625,376.00    | \$0.00                         | \$9,382,193.03  | 20       |

\*This statement of income combines Energas, Trans I.a., Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

ATMOS ENERGY CORPORATION  
COMBINING STATEMENTS OF INCOME\*  
FOR THE QUARTER ENDED 03/31/98

| Line No. | Description (a)                       | ATMOS (b)        | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS | TOTAL ATMOS (d)  | Line No. |
|----------|---------------------------------------|------------------|-------------------|----------------------------|------------------|----------|
| 1        | Operating revenues                    |                  |                   |                            |                  | 1        |
| 2        | Gas                                   | \$132,470,927.48 | \$126,437,439.00  | \$0.00                     | \$258,908,366.48 | 2        |
| 3        | Transportation                        | 3,673,501.03     | 3,230,901.00      | 0.00                       | 6,904,402.03     | 3        |
|          | Other                                 | 0.00             | 0.00              | 0.00                       | 0.00             |          |
| 4        | Total operating revenues              | 136,144,428.51   | 129,668,340.00    | 0.00                       | 265,812,768.51   | 4        |
| 5        | Purchased gas cost                    | 70,160,062.38    | 78,950,404.00     | 0.00                       | 149,110,466.38   | 5        |
| 6        | Gross profit                          | 65,984,366.13    | 50,717,936.00     | 0.00                       | 116,702,302.13   | 6        |
|          | Operating expenses                    |                  |                   |                            |                  |          |
| 7        | Operation                             | 19,079,902.81    | 10,263,722.63     | 0.00                       | 29,343,625.44    | 7        |
| 8        | Maintenance                           | 859,773.69       | 1,239,586.00      | 0.00                       | 2,099,359.69     | 8        |
| 9        | Depreciation                          | 6,253,436.95     | 4,590,033.00      | 0.00                       | 10,843,469.95    | 9        |
| 10       | Taxes - other than income taxes       | 6,091,278.28     | 2,987,599.00      | 0.00                       | 9,078,877.28     | 10       |
| 11       | Provision for income taxes            | 10,698,048.51    | 10,852,109.60     | 0.00                       | 21,550,158.11    | 11       |
| 12       | Total operating expenses              | 42,982,440.24    | 29,933,050.23     | 0.00                       | 72,915,490.47    | 12       |
| 13       | Operating income (loss)               | 23,001,925.89    | 20,784,885.77     | 0.00                       | 43,786,811.66    | 13       |
|          | Other income                          |                  |                   |                            |                  |          |
| 14       | Merchandise                           | 112,121.62       | (43,380.00)       | 0.00                       | 68,741.62        | 14       |
| 15       | Interest income                       | 69,595.15        | 366,972.00        | 0.00                       | 436,567.15       | 15       |
| 16       | Other nonoperating income             | (48,216.07)      | 2,408.00          | 0.00                       | (45,808.07)      | 16       |
| 17       | Total other income (loss)             | 133,500.70       | 326,000.00        | 0.00                       | 459,500.70       | 17       |
| 18       | Income (loss) before interest charges | 23,135,426.59    | 21,110,885.77     | 0.00                       | 44,246,312.36    | 18       |
| 19       | Interest charges                      | 5,470,118.88     | 3,246,837.00      | 0.00                       | 8,716,955.88     | 19       |
| 20       | Net income (loss)                     | \$17,665,307.71  | \$17,864,048.77   | \$0.00                     | \$35,529,356.48  | 20       |

\*This statement of income combines Energas, Tians I.a, Western Kentucky & Greely Gas divisions(per ledger) with United Cities Gas statement and does not include subsidiaries.

ATMOS ENERGY CORPORATION  
COMBINING STATEMENTS OF INCOME\*  
FOR SIX MONTHS ENDED MARCH 31, 1998

| Line No. | Description (a)                       | ATMOS (b)        | UNITED CITIES (c) | ELIMINATIONS & ADJUSTMENTS (d) | TOTAL ATMOS (e)  | Line No. |
|----------|---------------------------------------|------------------|-------------------|--------------------------------|------------------|----------|
| 1        | Operating revenues                    |                  |                   |                                |                  | 1        |
| 2        | Gas                                   | \$288,290,419.96 | 237,919,448.00    | \$0.00                         | \$526,209,867.96 | 2        |
| 3        | Transportation                        | 7,167,073.49     | 7,170,662.00      | 0.00                           | 14,337,735.49    | 3        |
|          | Other                                 | 0.00             | 0.00              | 0.00                           | 0.00             |          |
| 4        | Total operating revenues              | 295,457,493.45   | 245,090,110.00    | 0.00                           | 540,547,603.45   | 4        |
| 5        | Purchased gas cost                    | 176,715,673.96   | 155,023,136.00    | 0.00                           | 331,738,809.96   | 5        |
| 6        | Gross profit                          | 118,741,819.49   | 90,066,974.00     | 0.00                           | 208,808,793.49   | 6        |
|          | Operating expenses                    |                  |                   |                                |                  |          |
| 7        | Operation                             | 37,085,893.56    | 24,689,807.05     | 0.00                           | 61,775,700.61    | 7        |
| 8        | Maintenance                           | 1,649,222.19     | 2,711,276.00      | 0.00                           | 4,360,498.19     | 8        |
| 9        | Depreciation                          | 12,499,237.25    | 9,179,959.00      | 0.00                           | 21,679,196.25    | 9        |
| 10       | Taxes - other than income taxes       | 10,783,249.18    | 6,251,224.00      | 0.00                           | 17,034,473.18    | 10       |
| 11       | Provision for income taxes            | 17,419,048.51    | 15,594,100.75     | 0.00                           | 33,013,149.26    | 11       |
| 12       | Total operating expenses              | 79,436,650.69    | 58,426,346.80     | 0.00                           | 137,862,997.49   | 12       |
| 13       | Operating income (loss)               | 39,305,168.80    | 31,640,627.20     | 0.00                           | 70,945,796.00    | 13       |
|          | Other income                          |                  |                   |                                |                  |          |
| 14       | Merchandise                           | 184,127.37       | (84,078.00)       | 0.00                           | 100,049.37       | 14       |
| 15       | Interest income                       | 122,061.27       | 729,191.00        | 0.00                           | 851,252.27       | 15       |
| 16       | Other nonoperating income             | (137,757.70)     | (19,635.00)       | 0.00                           | (157,392.70)     | 16       |
| 17       | Total other income (loss)             | 168,430.94       | 625,478.00        | 0.00                           | 793,908.94       | 17       |
| 18       | Income (loss) before interest charges | 39,473,599.74    | 32,266,105.20     | 0.00                           | 71,739,704.94    | 18       |
| 19       | Interest charges                      | 10,852,327.94    | 6,526,233.00      | 0.00                           | 17,378,559.94    | 19       |
| 20       | Net income (loss)                     | \$38,621,271.80  | \$25,739,873.20   | \$0.00                         | \$54,361,145.00  | 20       |

\*This statement of income combines Inergas, Trans La, Western Kentucky & Greeley Gas divisions (per ledger) with United Cities Gas statement and does not include subsidiaries.

ATMOS ENERGY CORPORATION  
PROPERTY, PLANT AND EQUIPMENT  
AS OF MARCH 31, 1998

| GAS PLANT                                | Year to Date    |              |             |           | Balance 03/31/98 |
|--|-----------------|--------------|-------------|-----------|------------------|
|  | Balance 9/30/97 | Additions    | Retirements | Transfers |                  |
| Atmos                                    |                 |              |             |           |                  |
| Atmos General Office(2)                  | \$39,305,772.63 | \$0.00       | \$0.00      | \$655.12  | \$39,306,427.75  |
| Total Atmos                              | 39,305,772.63   | 0.00         | 0.00        | 655.12    | 39,306,427.75    |
| Energas                                  |                 |              |             |           |                  |
| Amarillo Transmission Div.(1)            | 3,209,615.20    | 0.00         | 0.00        | 0.00      | 3,209,615.20     |
| Amarillo City Plant Dist. Div.(3)        | 48,276,563.22   | 419,301.73   | 0.00        | 0.00      | 48,695,864.95    |
| Fritch & Sanford City Plt. Dist. Div.(4) | 953,581.61      | 0.00         | 1,573.73    | 0.00      | 952,007.88       |
| West Texas City Plant Dist. Div.(5)      | 158,615,097.05  | 1,767,716.47 | 0.00        | 0.00      | 160,382,813.52   |
| Dalhart City Plant Dist. Div.(6)         | 2,108,641.38    | 0.00         | 14,339.19   | 0.00      | 2,094,302.19     |
| West Texas Rural Irrigation Div.(8)      | 23,269,273.27   | 0.00         | (1,903.58)  | 0.00      | 23,271,176.85    |
| Energas General Office(10)               | 2,437,569.38    | 0.00         | 0.00        | 0.00      | 2,437,569.38     |
| Fain-Amarillo Creek Transmission(11)     | 71,230.00       | 0.00         | 0.00        | 0.00      | 71,230.00        |
| Amarillo Rural Dist. Div.(13)            | 371,855.76      | 0.00         | 0.00        | 0.00      | 371,855.76       |
| Dalhart Rural Dist. Div.(17)             | 61,651.11       | 0.00         | 0.00        | 0.00      | 61,651.11        |
| Dalhart Rural Irrigation Div.(18)        | 333,690.52      | 0.00         | 0.00        | 0.00      | 333,690.52       |
| West Texas Rural Dist. Div.(21)          | 11,127,951.62   | 0.00         | 0.00        | 0.00      | 11,127,951.62    |
| Meter Shop Facilities & Meters(22)       | 0.00            | 0.00         | 0.00        | 0.00      | 0.00             |
| Total Energas                            | 250,836,720.12  | 2,187,018.20 | 14,009.34   | 0.00      | 253,009,728.98   |
| Trans La                                 |                 |              |             |           |                  |
| Trans La Dist. Div.(7)                   | 111,390,280.93  | 1,031,898.32 | 173,919.51  | 0.00      | 112,448,259.74   |
| Total Trans La                           | 111,390,280.93  | 1,031,898.32 | 173,919.51  | 0.00      | 112,448,259.74   |
| Western Kentucky Gas                     |                 |              |             |           |                  |
| Western Kentucky Gas Div.(9)             | 189,388,594.45  | 2,535,341.75 | 0.00        | 0.00      | 191,923,936.20   |
| Total Western Kentucky Gas               | 189,388,594.45  | 2,535,341.75 | 0.00        | 0.00      | 191,923,936.20   |



ATMOS ENERGY CORPORATION  
PROPERTY, PLANT AND EQUIPMENT  
AS OF MARCH 31, 1998

|                                    | Year to Date       |                 |              |               |                    |
|------------------------------------|--------------------|-----------------|--------------|---------------|--------------------|
|                                    | Balance 9/30/97    | Additions       | Retirements  | Transfers     | Balance 03/31/98   |
| <b>GAS PLANT</b>                   |                    |                 |              |               |                    |
| Greeley                            |                    |                 |              |               |                    |
| Meter Shop Facilities & Meters(24) | \$11,380,596.90    | \$0.00          | \$0.00       | \$0.00        | \$11,380,596.90    |
| Missouri Dist. Div.(29)            | 690,434.01         | 9,621.50        | 418.56       | 0.00          | 699,636.95         |
| Denver Company Office(30)          | 1,797,536.72       | 0.00            | 0.00         | 0.00          | 1,797,536.72       |
| Greeley Dist. Div.(33)             | 23,770,593.23      | 1,285,717.06    | 41,175.03    | 0.00          | 25,015,135.26      |
| Northwest Colorado Dist. Div.(34)  | 17,345,814.60      | 5,955.03        | 2,734.36     | 0.00          | 17,349,035.27      |
| Fremont County Dist. Div.(35)      | 23,294,862.37      | 13,952.65       | 46.86        | 0.00          | 23,308,768.16      |
| Durango Dist. Div.(36)             | 15,387,957.07      | 14,551.75       | 0.00         | 0.00          | 15,402,508.82      |
| Central Colorado Dist. Div.(37)    | 0.00               | 0.00            | 0.00         | 0.00          | 0.00               |
| Cortez Dist. Div.(38)              | 0.00               | 0.00            | 0.00         | 0.00          | 0.00               |
| Southeast Colorado Dist. Div.(39)  | 0.00               | 0.00            | 0.00         | 0.00          | 0.00               |
| Kaw Valley Dist. Div.(82)          | 14,012,329.00      | 419,370.88      | 54,643.94    | 0.00          | 14,377,055.94      |
| Central Kansas Dist. Div.(83)      | 8,127,974.64       | 0.00            | 0.00         | 0.00          | 8,127,974.64       |
| Cane Dist. Div.(84)                | 5,305,815.42       | 0.00            | 0.00         | 0.00          | 5,305,815.42       |
| Eastern Kansas Dist. Div.(85)      | 3,667,121.03       | 5,533.91        | 14,536.25    | 0.00          | 3,658,118.69       |
| Southwest Kansas Dist. Div.(86)    | 13,003,584.57      | 0.00            | 0.00         | 0.00          | 13,003,584.57      |
| Total Greeley Gas                  | 137,784,619.56     | 1,754,702.78    | 113,555.00   | 0.00          | 139,425,767.34     |
| United Cities                      |                    |                 |              |               |                    |
| United Cities Dist. Divisions      | 495,033,830.05     | 6,328,985.52    | 357,785.76   | (22,162.29)   | 500,982,867.52     |
| Total United Cities Gas            | 495,033,830.05     | 6,328,985.52    | 357,785.76   | (22,162.29)   | 500,982,867.52     |
| Total Gas Plant                    | \$1,223,739,817.74 | \$13,837,946.57 | \$659,269.61 | (\$21,507.17) | \$1,236,896,987.53 |

**ATMOS ENERGY CORPORATION**  
**PROPERTY, PLANT AND EQUIPMENT**  
**AS OF MARCH 31, 1998**

|   | Year to Date       |                 |                |                |                    |
|---|--------------------|-----------------|----------------|----------------|--------------------|
|   | Balance 9/30/97    | Additions       | Retirements    | Transfers      | Balance 03/31/98   |
| <b>OTHER GAS PLANT &amp; NON-UTILITY PROPERTY</b> |                    |                 |                |                |                    |
| Atmos   |                    |                 |                |                |                    |
| Atmos General Office                              |                    |                 |                |                |                    |
| Construction Work In Progress                     | \$31,465,556.99    | \$24,223,420.47 | \$0.00         | \$0.00         | \$55,688,977.46    |
| Non-utility Plant                                 | 1,132,200.02       | 1,185,831.60    | 871,849.89     | 0.00           | 1,446,181.73       |
| Total Atmos                                       | 32,597,757.01      | 25,409,252.07   | 871,849.89     | 0.00           | 57,135,159.19      |
| Energas   |                    |                 |                |                |                    |
| Construction Work In Progress                     | 1,379,247.81       | 3,384,374.98    | 0.00           | 0.00           | 4,763,622.79       |
| Non-utility Plant                                 | 517,520.24         | 0.00            | 0.00           | 0.00           | 517,520.24         |
| Total Energas                                     | 1,896,768.05       | 3,384,374.98    | 0.00           | 0.00           | 5,281,143.03       |
| Trans La  |                    |                 |                |                |                    |
| Construction Work In Progress                     | 340,764.90         | 1,807,811.98    | 0.00           | 0.00           | 2,148,576.88       |
| Acquisition Adj. - Trans La                       | 2,048,887.47       | 0.00            | 0.00           | 0.00           | 2,048,887.47       |
| Non-utility Plant                                 | 215,890.91         | 0.00            | 0.00           | 0.00           | 215,890.91         |
| Total Trans La                                    | 2,605,543.28       | 1,807,811.98    | 0.00           | 0.00           | 4,413,355.26       |
| Western Kentucky Gas                              |                    |                 |                |                |                    |
| Construction Work In Progress                     | 779,599.09         | 3,200,149.50    | 0.00           | 0.00           | 3,979,748.59       |
| Acquisition Adj. - W.K.G.                         | 3,336,783.64       | 0.00            | 0.00           | 0.00           | 3,336,783.64       |
| Total Western Kentucky Gas                        | 4,116,382.73       | 3,200,149.50    | 0.00           | 0.00           | 7,316,532.23       |
| Greeley   |                    |                 |                |                |                    |
| Construction Work In Progress                     | (1,956,742.97)     | 2,958,049.07    | 0.00           | 0.00           | 1,001,306.10       |
| Acquisition Adj. - G.G.C. Prior                   | 1,446,406.41       | 0.00            | 0.00           | 0.00           | 1,446,406.41       |
| Non-utility Plant                                 | 713,075.78         | 0.00            | 0.00           | 0.00           | 713,075.78         |
| Total Greeley Gas                                 | 202,739.22         | 2,958,049.07    | 0.00           | 0.00           | 3,160,788.29       |
| United Cities                                     |                    |                 |                |                |                    |
| Construction Work In Progress                     | 631,379.28         | 2,277,640.65    | 0.00           | (531,685.41)   | 2,377,335.00       |
| Acquisition Adj. - U.C.G.C. - Prior               | 7,283,287.48       | 0.00            | 0.00           | 0.00           | 7,283,287.48       |
| Total United Cities Gas                           | 7,914,666.76       | 2,277,640.65    | 0.00           | (531,685.41)   | 9,660,622.48       |
| Total Other Gas Plt & Non-utility Prop            | 49,333,857.05      | 39,037,278.25   | 871,849.89     | (531,685.41)   | 86,967,600.48      |
| Total Property, Plt. and Equipment                | \$1,273,073,674.79 | \$52,875,224.82 | \$1,531,119.50 | (\$553,192.58) | \$1,323,864,588.01 |

**ATMOS ENERGY CORPORATION**  
**ACCUMULATED PROVISION**  
**FOR DEPRECIATION AND AMORTIZATION**  
**AS OF MARCH 31, 1998**

|  | Year to Date    |              |              | Balance 03/31/98 |
|--|-----------------|--------------|--------------|------------------|
|  | Balance 9/30/97 | Provision    | Adjustment   |                  |
| <b>GAS PLANT</b>                         |                 |              |              |                  |
| <b>Atmos</b>                             |                 |              |              |                  |
| Retirement work in progress              | \$4,900.00      | \$0.00       | \$650.00     | \$5,550.00       |
| Atmos General Office(2)                  | 15,625,575.32   | 1,406,395.14 | 329.67       | 17,032,300.13    |
| Total accum. prov. for depr. - Atmos     | 15,630,475.32   | 1,406,395.14 | 979.67       | 17,037,850.13    |
| <b>Energias</b>                          |                 |              |              |                  |
| Retirement work in progress              | 28,638.26       | 0.00         | (115,092.18) | (86,453.92)      |
| Amarillo Transmission Div.(1)            | 2,302,858.65    | 34,584.72    | 0.00         | 2,337,443.37     |
| Amarillo City Plant Dist. Div.(3)        | 18,510,022.40   | 677,678.70   | 0.00         | 19,187,701.10    |
| Fritch & Sanford City Plt. Dist. Div.(4) | 384,725.27      | 10,853.70    | (1,573.73)   | 394,005.24       |
| West Texas City Plant Dist. Div.(5)      | 61,038,208.56   | 2,749,892.02 | (167.19)     | 63,787,933.39    |
| Dalhart City Plant Dist. Div.(6)         | 999,800.33      | 36,114.90    | (11,600.19)  | 1,024,315.04     |
| West Texas Rural Irrigation Div.(8)      | 9,943,565.84    | 246,463.64   | 1,021.62     | 10,191,051.10    |
| Energias General Office(10)              | 1,135,624.24    | 187,769.94   | 0.00         | 1,323,394.18     |
| Faln-Amarillo Creek Transmission(11)     | 71,230.00       | 0.00         | 0.00         | 71,230.00        |
| Amarillo Rural Dist. Div.(13)            | 154,218.32      | 4,293.12     | 0.00         | 158,511.44       |
| Dalhart Rural Dist. Div.(17)             | 53,743.97       | 844.92       | 0.00         | 54,588.89        |
| Dalhart Rural Irrigation Div.(18)        | 262,696.11      | 5,112.06     | 0.00         | 267,808.17       |
| West Texas Rural Dist. Div.(21)          | 3,139,533.57    | 145,726.26   | 18.05        | 3,285,277.88     |
| Total accum. prov. for depr. - Energias  | 98,024,865.52   | 4,099,333.98 | (127,393.62) | 101,996,805.88   |
| <b>Trans La(7)</b>                       |                 |              |              |                  |
| Retirement work in progress              | 0.00            | 0.00         | (14,229.71)  | (14,229.71)      |
| Trans La Dist. Div.                      | 31,633,759.74   | 2,185,918.68 | (313,012.28) | 33,506,666.14    |
| Total accum. prov. for depr. - Trans La  | 31,633,759.74   | 2,185,918.68 | (327,241.99) | 33,492,436.43    |
| <b>Western Kentucky Gas(9)</b>           |                 |              |              |                  |
| Retirement work in progress              | (938.81)        | 0.00         | (78,044.71)  | (78,983.52)      |
| Western Kentucky Gas Div.                | 85,835,926.91   | 3,404,657.97 | 21.53        | 89,240,606.41    |
| Total accum. prov. for depr. - WKG       | 85,834,988.10   | 3,404,657.97 | (78,023.18)  | 89,161,622.89    |

ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF MARCH 31, 1998

|   | Year to Date            |                        |                         | Balance 03/31/98        |
|---|-------------------------|------------------------|-------------------------|-------------------------|
|   | Balance 9/30/97         | Provision              | Adjustment              |                         |
| <b>GAS PLANT</b>  |                         |                        |                         |                         |
| <b>Greeley</b>  |                         |                        |                         |                         |
| Retirement work in progress                                 | \$10,580.22             | \$0.00                 | (\$933.51)              | \$9,646.71              |
| Meter Shop Facilities & Meters(24)                          | 1,863,396.75            | 200,617.63             | 0.00                    | 2,064,014.38            |
| Missouri Dist. Div.(29)                                     | 171,052.82              | 11,229.56              | (836.49)                | 181,445.89              |
| Denver Company Office(30)                                   | 445,376.43              | 138,803.49             | 0.00                    | 584,179.92              |
| Greeley Dist. Div.(33)                                      | 8,401,512.44            | 478,679.43             | (59,944.72)             | 8,820,247.15            |
| Northwest Colorado Dist. Div.(34)                           | 5,398,662.61            | 347,493.67             | (3,597.72)              | 5,742,558.56            |
| Fremont County Dist. Div.(35)                               | 13,159,784.27           | 513,005.85             | (1,287.00)              | 13,671,503.12           |
| Durango Dist. Div.(36)                                      | 5,489,406.90            | 311,002.11             | 0.00                    | 5,800,409.01            |
| Central Colorado Dist. Div.(37)                             | 0.00                    | 0.00                   | 0.00                    | 0.00                    |
| Cortez Dist. Div.(38)                                       | 0.00                    | 0.00                   | 0.00                    | 0.00                    |
| Southeast Colorado Dist. Div.(39)                           | 0.00                    | 0.00                   | 0.00                    | 0.00                    |
| Kaw Valley Dist. Div.(82)                                   | 3,793,572.47            | 266,511.01             | (82,638.47)             | 3,977,445.01            |
| Central Kansas Dist. Div.(83)                               | 3,116,646.02            | 160,973.98             | 0.00                    | 3,277,620.00            |
| Cane Dist. Div.(84)   | 2,616,430.15            | 102,184.83             | 0.00                    | 2,718,614.98            |
| Eastern Kansas Dist. Div.(85)                               | 879,665.10              | 72,595.96              | (10,766.25)             | 941,494.81              |
| Southwest Kansas Dist. Div.(86)                             | 7,430,702.63            | 264,813.71             | 0.00                    | 7,695,516.34            |
| Total accum. prov. for depr. - GGC                          | 52,776,788.81           | 2,867,911.23           | (160,004.16)            | 55,484,695.88           |
| <b>United Cities</b>  |                         |                        |                         |                         |
| Retirement work in progress                                 | (\$6,748.17)            | \$0.00                 | \$150,220.17            | \$143,472.00            |
| United Cities Dist. Divisions                               | 184,836,303.91          | 5,115,601.09           | 0.00                    | 189,951,905.00          |
| Total United Cities Gas                                     | 184,829,555.74          | 5,115,601.09           | 150,220.17              | 190,095,377.00          |
| <b>Total accumulated prov. for depreciation.- Gas Plant</b> | <b>\$468,730,433.23</b> | <b>\$19,079,818.09</b> | <b>(\$541,463.11) *</b> | <b>\$487,268,788.21</b> |

ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF MARCH 31, 1998

|  | Year to Date    |                |             |                  |
|--|-----------------|----------------|-------------|------------------|
|  | Balance 9/30/97 | Provision      | Adjustment  | Balance 03/31/98 |
| <b>OTHER GAS PLANT IN SERVICE</b>                                    |                 |                |             |                  |
| Atmos  |                 |                |             |                  |
| Atmos General Office Division(2)                                     | \$829,702.44    | \$224,120.64   | \$0.00      | \$1,053,823.08   |
| Total Atmos  | 829,702.44      | 224,120.64     | 0.00        | 1,053,823.08     |
| Energas  |                 |                |             |                  |
| Amarillo City Plant Dist. Div.(3)                                    | 158,220.56      | 20,815.38      | 0.00        | 179,035.94       |
| Fritch & Sanford City Plant Dist. Div.(4)                            | 5,916.44        | (17.70)        | 0.00        | 5,898.74         |
| West Texas City Plant Dist. Div.(5)                                  | 1,091,563.86    | 85,863.40      | 0.00        | 1,177,427.26     |
| Dalhart Div.(6)  | 7,189.97        | 1,113.42       | 0.00        | 8,303.39         |
| West Texas Irrigation Div.(8)  | 7,091.04        | 455.64         | 0.00        | 7,546.68         |
| Energas General Office(10)   | 1,875.32        | 1,052.10       | 0.00        | 2,927.42         |
| Amarillo Rural Div.(13)  | 516.26          | 54.78          | 0.00        | 571.04           |
| Dalhart Irrigation Div.(18)  | 311.30          | 27.30          | 0.00        | 338.60           |
| West Texas Rural Div.(21)  | 31,889.52       | 3,158.22       | 0.00        | 35,047.74        |
| Total Energas  | 1,304,574.27    | 112,522.54     | 0.00        | 1,417,096.81     |
| Trans La   |                 |                |             |                  |
| Trans La Distribution Division(7)                                    | 220,015.31      | 30,904.14      | 53,696.81   | 304,616.26       |
| Total Trans La   | 220,015.31      | 30,904.14      | 53,696.81   | 304,616.26       |
| Western Kentucky Gas   |                 |                |             |                  |
| Western Kentucky Gas Division(9)                                     | 564,100.18      | 0.00           | 0.00        | 564,100.18       |
| Total WKG  | 564,100.18      | 0.00           | 0.00        | 564,100.18       |
| Greeley  |                 |                |             |                  |
| Greeley Dist. Div.(33)   | 60,232.62       | 0.00           | 0.00        | 60,232.62        |
| Northwest Colorado Dist. Div.(34)                                    | 66,924.56       | 0.00           | 0.00        | 66,924.56        |
| Fremont County Dist. Div.(35)  | 94,718.87       | 0.00           | 0.00        | 94,718.87        |
| Durango Dist. Div.(36)   | 23,493.78       | 0.00           | 0.00        | 23,493.78        |
| Central Colorado Dist. Div.(37)                                      | 0.00            | 0.00           | 0.00        | 0.00             |
| Cortez Dist. Div.(38)  | 0.00            | 0.00           | 0.00        | 0.00             |
| Southeast Colorado Dist. Div.(39)                                    | 0.00            | 0.00           | 0.00        | 0.00             |
| Kaw Valley Dist. Div.(82)  | 84,791.05       | 416.81         | 0.00        | 85,207.86        |
| Central Kansas Dist. Div.(83)  | 10,901.94       | 0.00           | 0.00        | 10,901.94        |
| Cane Dist. Div.(84)  | 3,106.06        | 284.82         | 0.00        | 3,390.88         |
| Southwest Kansas(86)   | 88.02           | 87.99          | 0.00        | 176.01           |
| Total Greeley Gas  | 344,256.90      | 789.62         | 0.00        | 345,046.52       |
| United Cities  |                 |                |             |                  |
| United Cities Dist. Divisions  | 1,022,940.53    | 3,288,604.47   | 0.00        | 4,311,545.00     |
| Total United Cities Gas  | 1,022,940.53    | 3,288,604.47   | 0.00        | 4,311,545.00     |
| Total accumulated provision for amort. of other gas plant in service | \$4,285,589.63  | \$3,656,941.41 | \$53,696.81 | \$7,996,227.85   |

ATMOS ENERGY CORPORATION  
ACCUMULATED PROVISION  
FOR DEPRECIATION AND AMORTIZATION  
AS OF MARCH 31, 1998

|   | Year to Date      |                  |             |                   |
|---|-------------------|------------------|-------------|-------------------|
|   | Balance 9/30/97   | Provision        | Adjustment  | Balance 03/31/98  |
| <b>NON-UTILITY PLANT IN SERVICE (CNG)</b>                                 |                   |                  |             |                   |
| Texas   |                   |                  |             |                   |
| Energas   | \$284,635.61      | \$25,875.96      | \$0.00      | \$310,511.57      |
| Total Texas   | <u>284,635.61</u> | <u>25,875.96</u> | <u>0.00</u> | <u>310,511.57</u> |
| Louisiana   |                   |                  |             |                   |
| Trans La  | 118,740.55        | 10,794.60        | 0.00        | 129,535.15        |
| Total Louisiana   | <u>118,740.55</u> | <u>10,794.60</u> | <u>0.00</u> | <u>129,535.15</u> |
| Greeley   |                   |                  |             |                   |
| Greeley Gas   | 434,287.68        | 23,788.20        | 0.00        | 458,075.88        |
| Total Greeley Gas   | <u>434,287.68</u> | <u>23,788.20</u> | <u>0.00</u> | <u>458,075.88</u> |
| Total accumulated provision for amort.<br>of non-utility plant in service | <u>837,663.84</u> | <u>60,458.76</u> | <u>0.00</u> | <u>898,122.60</u> |

**UTILITY PLANT ACQUISITION ADJUSTMENT**

|   |                         |                        |                       |                         |
|---|-------------------------|------------------------|-----------------------|-------------------------|
| Louisiana   |                         |                        |                       |                         |
| Trans La  | 3,762,016.75            | (91,150.98)            | 0.00                  | 3,670,865.77            |
| Total Louisiana   | <u>3,762,016.75</u>     | <u>(91,150.98)</u>     | <u>0.00</u>           | <u>3,670,865.77</u>     |
| Kentucky  |                         |                        |                       |                         |
| W.K.G.  | 2,277,713.90            | 102,490.62             | 0.00                  | 2,380,204.52            |
| Total Kentucky  | <u>2,277,713.90</u>     | <u>102,490.62</u>      | <u>0.00</u>           | <u>2,380,204.52</u>     |
| Greeley   |                         |                        |                       |                         |
| G.G.C.  | 1,341,129.41            | 6,870.00               | 0.00                  | 1,347,999.41            |
| Total Greeley Gas   | <u>1,341,129.41</u>     | <u>6,870.00</u>        | <u>0.00</u>           | <u>1,347,999.41</u>     |
| United Cities   |                         |                        |                       |                         |
| Acquisition Adj. - U.C.G.C. Prior   | 1,528,772.50            | 83,327.50              | 0.00                  | 1,612,100.00            |
| Total United Cities Gas   | <u>1,528,772.50</u>     | <u>83,327.50</u>       | <u>0.00</u>           | <u>1,612,100.00</u>     |
| Total Accumulated Prov. for Amort. of Utility Plant<br>Acquisition Adjustment | <u>8,909,632.56</u>     | <u>101,537.14</u>      | <u>0.00</u>           | <u>9,011,169.70</u>     |
| Total accumulated provision for depreciation<br>& amortization                | <u>\$482,763,319.26</u> | <u>\$22,898,755.40</u> | <u>(\$487,766.30)</u> | <u>\$505,174,308.36</u> |

|  |                        |
|--|------------------------|
| Total Depreciation Provision as per Balance Sheet            | \$22,898,755.40        |
| Less: Depreciation Provision charged to other accounts       | 10,339,059.39          |
| Less: Depreciation Provision charged to other accounts (CNG) | 60,458.76              |
| Total Depreciation Expense as per Income Statement           | <u>\$12,499,237.25</u> |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF MARCH 31

04/27/96  
01:18 PM

Reference

| Page No. | Line No. | Acct. No. | Description   | 1998           | 1997           | As of September 30, 1997 |
|----------|----------|-----------|---|----------------|----------------|--------------------------|
|          |          |           | <b>NET PROPERTY, PLANT AND EQUIPMENT</b>                            |                |                |                          |
|          |          |           | Amos - Net Property, Plant and Equipment                            | 504,065,811.65 | 430,706,136.21 | 474,743,400.28           |
|          |          |           | United Cities Gas - Net Property, Plant and Equipment               | 314,634,468.00 | 0.00           | 314,590,548.00           |
|          | 59       | 6         | Total Net Property, Plant and Equipment                             | 818,690,279.65 | 430,706,136.21 | 789,333,948.28           |
|          |          |           | <b>INVESTMENTS IN &amp; ADVANCES TO SUBSIDIARIES</b>                |                |                |                          |
|          |          |           | <b>1230 Investments in Associated Companies</b>                     |                |                |                          |
|          |          |           | Amos Energy Services, Inc.  | 1,000.00       | 1,000.00       | 1,000.00                 |
|          |          |           | Egasco, Inc.  | 1,000.00       | 1,000.00       | 1,000.00                 |
|          |          |           | Enernart, Inc.  | 1,000.00       | 1,000.00       | 1,000.00                 |
|          |          |           | Trans La Industrial Gas Company, Inc.                               | 2,293,047.89   | 2,293,047.89   | 2,293,047.89             |
|          |          |           | Western Kentucky Gas Resources                                      | 1,604,833.12   | 1,604,833.12   | 1,604,833.12             |
|          |          |           | Amos - Total Investments in & Advances to Subsidiaries              | 3,900,881.01   | 3,900,881.01   | 3,900,881.01             |
|          |          |           | United Cities Gas - Total Investments in & Advances to Subsidiaries | 4,452,327.00   | 0.00           | 4,452,327.00             |
|          | 59       | 7         | Total Investments in & Advances to Subsidiaries                     | 8,353,208.01   | 3,900,881.01   | 8,353,208.01             |
|          |          |           | <b>CASH AND TEMPORARY CASH INVESTMENTS</b>                          |                |                |                          |
|          |          |           | <b>1310 Cash in Banks</b>   |                |                |                          |
|          |          |           | Cash - ACTS Refund  | (53,953.88)    | (31,611.63)    | (116,646.66)             |
|          |          |           | Cash - Auxiliary Accounts   | 240,820.47     | 1,833,894.56   | 540,950.76               |
|          |          |           | Cash - Concentration Account - ANB - 513                            | (3,208,291.18) | (928,967.44)   | (2,639,517.39)           |
|          |          |           | Cash - Concentration Account - Nations Bank                         | 3,903,529.72   | 2,417,766.91   | 1,267,873.91             |
|          |          |           | Cash - Customer Refund  | (96,408.63)    | (32,707.25)    | (78,087.66)              |
|          |          |           | Cash - Other  | 28,719.93      | 29,292.60      | 29,112.43                |
|          |          |           | Cash - Fleet Bank   | 178,372.00     | 178,372.00     | 178,372.00               |
|          |          |           | Total Cash in Banks   | 992,788.43     | 3,466,039.75   | (817,942.61)             |
|          |          |           | <b>1350 Working Funds</b>   | 45,945.00      | 62,065.00      | 52,355.00                |
|          |          |           | <b>1360 Temporary Cash Investments</b>                              |                |                |                          |
|          |          |           | Amos - Total Cash and Temporary Cash Investments                    | 2,000,000.00   | 3,000,000.00   | 3,000,000.00             |
|          |          |           | United Cities Gas - Total Cash and Temporary Cash Investments       | 3,038,733.43   | 6,528,104.75   | 2,234,412.39             |
|          |          |           | Amos - Total Cash and Temporary Cash Investments                    | 1,859,790.00   | 0.00           | 487,507.00               |
|          | 59       | 8         | Total Cash and Temporary Cash Investments                           | 4,898,523.43   | 6,528,104.75   | 2,721,919.39             |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF MARCH 31

01/27/96  
01:18 PM

Reference

| Page No. | Line No. | Acct. No. | Description                                | 1998      | 1997      | As of September 30, 1997 |
|----------|----------|-----------|--|-----------|-----------|--------------------------|
|          |          |           | <b>ACCOUNTS RECEIVABLE, LESS ALLOWANCE</b> |           |           |                          |
|          |          |           | <b>FOR DULIFUL ACCOUNTS</b>                |           |           |                          |
|          |          |           | 1410 Notes Receivable                      |           |           |                          |
|          |          |           | (Main Extension Notes)                     |           |           |                          |
|          |          |           | Tom King & Dr. Thomas Fields               | 2,680.00  | 2,680.00  | 2,680.00                 |
|          |          |           | Bowers, Michael and Melissa                | 1,785.00  | 1,785.00  | 1,785.00                 |
|          |          |           | Hayes Estates                              | 0.00      | 301.00    | 154.20                   |
|          |          |           | Murphy and Rochester, Inc.                 | 16,510.00 | 16,510.00 | 16,510.00                |
|          |          |           | Ida Road                                   | 230.00    | 230.00    | 230.00                   |
|          |          |           | The Gardens Subdivision                    | 1,060.00  | 1,060.00  | 1,060.00                 |
|          |          |           | Dwight W. Andrus, Jr.                      | 0.00      | 4,480.00  | 4,480.00                 |
|          |          |           | Regency Development Co.                    | 0.00      | 3,156.00  | 3,156.00                 |
|          |          |           | Herbert Construction Co., Inc.             | 8,240.00  | 8,240.00  | 8,240.00                 |
|          |          |           | Oak Park Inc.                              | 0.00      | 1,630.00  | 1,630.00                 |
|          |          |           | Charles Bourgeois                          | 1,470.00  | 1,470.00  | 1,470.00                 |
|          |          |           | Meyers, Tom                                | 462.00    | 462.00    | 462.00                   |
|          |          |           | Bailes, Julian                             | 1,318.00  | 1,318.00  | 1,318.00                 |
|          |          |           | Dupuis, Jason                              | 3,439.00  | 3,439.00  | 3,439.00                 |
|          |          |           | Chilimacha Tribe of I/A                    | 4,415.00  | 4,415.00  | 4,415.00                 |
|          |          |           | Bell Mendel Sub-Division                   | 1,170.00  | 1,170.00  | 1,170.00                 |
|          |          |           | River Ridge Estates                        | 1,933.00  | 1,933.00  | 1,933.00                 |
|          |          |           | Austin Village Phase II                    | 0.00      | 11,360.00 | 11,360.00                |
|          |          |           | Vermillion Bluff                           | 2,680.00  | 2,680.00  | 2,680.00                 |
|          |          |           | Fenewood Sub. Ph VIII                      | 0.00      | 3,210.00  | 3,210.00                 |
|          |          |           | Pain Place Subdivision                     | 4,260.00  | 4,260.00  | 4,260.00                 |
|          |          |           | Oak Place Subdivision                      | 9,010.00  | 9,010.00  | 9,010.00                 |
|          |          |           | Shenandoah Estates Ph VIII                 | 7,970.00  | 7,970.00  | 7,970.00                 |
|          |          |           | Chinquapin Acres Ext. #1                   | 2,228.00  | 2,228.00  | 2,228.00                 |
|          |          |           | Cambridge Drive Ext.                       | 5,250.00  | 5,250.00  | 5,250.00                 |
|          |          |           | Beaulieu Estates                           | 9,557.00  | 9,557.00  | 9,557.00                 |
|          |          |           | Sugar Ridge                                | 6,750.00  | 6,750.00  | 6,750.00                 |
|          |          |           | Silver Maple                               | 5,909.00  | 5,909.00  | 5,909.00                 |
|          |          |           | Ahem Acres                                 | 990.00    | 990.00    | 990.00                   |
|          |          |           | Bayou Bend                                 | 1,620.00  | 1,620.00  | 1,620.00                 |
|          |          |           | Ingrams Subdivision                        | 8,715.00  | 8,715.00  | 8,715.00                 |
|          |          |           | Magnolia Landing Ext.                      | 15,041.00 | 15,041.00 | 15,041.00                |
|          |          |           | Highway Acres #2 Ext.                      | 475.00    | 475.00    | 475.00                   |
|          |          |           | Pin Oak Estates                            | 5,681.00  | 5,681.00  | 5,681.00                 |
|          |          |           | Austin Village III                         | 0.00      | 8,970.00  | 8,970.00                 |
|          |          |           | Fenewood Phase IV                          | 0.00      | 4,675.00  | 4,675.00                 |
|          |          |           | Broussard Park Est. Phase #5               | 8,695.00  | 8,695.00  | 8,695.00                 |
|          |          |           | Summerfield Subdivision                    | 7,500.00  | 7,500.00  | 7,500.00                 |
|          |          |           | Bear Creek Subdivision                     | 8,030.00  | 8,030.00  | 8,030.00                 |
|          |          |           | Acadiana Plaza Subdivision                 | 7,900.00  | 7,900.00  | 7,900.00                 |
|          |          |           | Summerset Place                            | 2,640.00  | 2,640.00  | 2,640.00                 |
|          |          |           | Woodridge Subdivision Phase I              | 4,125.00  | 4,125.00  | 4,125.00                 |
|          |          |           | Kings Pointe Development                   | 0.00      | 5,325.00  | 5,325.00                 |



ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF MARCH 31

04/27/98  
01:18 PM

Reference

| Page No. | Line No. | Acct. No. | Description                          | 1998       | 1997       | As of September 30, 1997 |
|----------|----------|-----------|--------------------------------------|------------|------------|--------------------------|
|          |          |           | Austin Village Phase 4               | 8,930.00   | 8,930.00   | 8,930.00                 |
|          |          |           | New Center Commons                   | 0.00       | 4,745.00   | 4,745.00                 |
|          |          |           | Beallieu Estates Subd. #1            | 5,970.00   | 5,970.00   | 5,970.00                 |
|          |          |           | Beallieu Estates Subd. #2            | 4,465.00   | 4,465.00   | 4,465.00                 |
|          |          |           | Enclave Development                  | 1,810.00   | 1,810.00   | 1,810.00                 |
|          |          |           | Ozene Road                           | 3,520.00   | 3,520.00   | 3,520.00                 |
|          |          |           | Sugarland Estates Phase A            | 4,130.00   | 4,130.00   | 4,130.00                 |
|          |          |           | The Oaks Subdivision                 | 8,900.00   | 8,900.00   | 8,900.00                 |
|          |          |           | Acadian Place Estates                | 1,907.00   | 1,907.00   | 1,907.00                 |
|          |          |           | St. Clair V Subdivision              | 10,044.00  | 10,044.00  | 10,044.00                |
|          |          |           | Jean Clair Subdivision               | 8,453.00   | 8,453.00   | 8,453.00                 |
|          |          |           | Judice Estates                       | 7,415.00   | 7,415.00   | 7,415.00                 |
|          |          |           | Twin Pines Mobile Home               | 12,950.00  | 12,950.00  | 12,950.00                |
|          |          |           | Brunswick Place                      | 3,235.00   | 3,235.00   | 3,235.00                 |
|          |          |           | Letriomphe Tract II                  | 7,070.00   | 7,070.00   | 7,070.00                 |
|          |          |           | Letriomphe Tract I, PIII             | 3,300.00   | 3,300.00   | 3,300.00                 |
|          |          |           | Copperfield South                    | 22,000.00  | 0.00       | 22,000.00                |
|          |          |           | Woodlake Subdivision                 | 3,295.00   | 0.00       | 3,295.00                 |
|          |          |           | Beallieu Place Subdivision - Phase 3 | 6,260.00   | 0.00       | 6,260.00                 |
|          |          |           | B.F. Miller Extension                | 7,730.00   | 0.00       | 7,730.00                 |
|          |          |           | Hickberry Place                      | 10,420.00  | 0.00       | 10,420.00                |
|          |          |           | E. Bayou Oaks                        | 10,620.00  | 0.00       | 10,620.00                |
|          |          |           | Kingspointe Phase 2                  | 12,120.00  | 0.00       | 12,120.00                |
|          |          |           | Amy Estates                          | 8,490.00   | 0.00       | 8,490.00                 |
|          |          |           | Summerfield Phase II                 | 5,077.00   | 0.00       | 5,077.00                 |
|          |          |           | Austin Village Phase 6               | 11,545.00  | 0.00       | 11,545.00                |
|          |          |           | Giverny Gardens                      | 0.00       | 1,610.00   | 1,610.00                 |
|          |          |           | Fernwood Sub. Ph XII                 | 8,790.00   | 0.00       | 8,790.00                 |
|          |          |           | Sugar Ridge Subdivision              | 9,291.00   | 0.00       | 9,291.00                 |
|          |          |           | Total Notes Receivable               | 377,475.00 | 311,299.00 | 366,487.20               |

1420 Customer Accounts Receivable  
1420 1.2 - Gas Ledger

General Office

|   |                 |              |
|---|-----------------|--------------|
| Unbilled revenue - Energas                | 4,178,000.00    | 2,261,000.00 |
| Unbilled revenue - GGC                    | 4,679,000.00    | 1,409,000.00 |
| Unbilled revenue - Trans Ia               | 1,708,000.00    | 889,000.00   |
| Unbilled revenue - WKG                    | 6,375,000.00    | 2,373,000.00 |
| PGA - Correcting Account - Energas        | (3,361,000.00)  | 623,000.00   |
| PGA - Correcting Account - GGC            | 425,960.00      | 8,709,594.00 |
| PGA - Correcting Account - Trans Ia       | 42,000.00       | 225,000.00   |
| PGA - Correcting Account - WKG            | (10,405,000.00) | 5,010,000.00 |
| Handbilled Industrial Accounts - Energas  | 182,459.72      | 137,781.35   |
| Handbilled Industrial Accounts - GGC      | 0.00            | 0.00         |
| Handbilled Industrial Accounts - Trans Ia | 108,786.57      | 90,031.55    |
| Handbilled Industrial Accounts - WKG      | 706,499.64      | 2,286,869.50 |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF MARCH 31

04/27/98  
01:18 PM

Reference

| Page No. | Line No. | Acct. No. | Description                                       | 1998          | 1997          | As of September 30, 1997 |
|----------|----------|-----------|---|---------------|---------------|--------------------------|
|          |          |           | Energas Div - Amarillo System (City and Rural)    | 3,376,835.06  | 3,712,423.37  | 746,816.67               |
|          |          |           | Dalhart City Plant System (City and Rural)        | 155,616.20    | 294,432.27    | 51,269.30                |
|          |          |           | Fritch & Sanford System                           | 119,798.50    | 75,195.93     | 11,311.17                |
|          |          |           | West Texas City Plant System (City and Rural)     | 18,187,650.30 | 18,429,744.32 | 12,102,455.58            |
|          |          |           | Greeley Gas Company Division                      | 9,993,949.66  | 7,485,298.60  | 2,257,484.51             |
|          |          |           | Trans I.a Division                                | 2,683,761.07  | 3,617,475.81  | 1,302,481.08             |
|          |          |           | Western Kentucky Gas Division                     | 10,678,552.88 | 6,595,950.26  | 516,088.24               |
|          |          |           | Total Gas Ledger Receivables                      | 55,911,869.60 | 69,362,066.63 | 41,002,182.95            |
|          |          |           | I420 3 - Merchandise Ledger                       | 2,069,982.66  | 2,165,237.61  | 2,172,379.34             |
|          |          |           | I420 4 - Service Ledger                           | 572,980.42    | 257,140.46    | 270,935.33               |
|          |          |           | I420 6 - Customer Surcharge - GGC                 | 9,179.60      | 13,406.35     | 11,088.80                |
|          |          |           | Total Customer Accounts Receivable                | 58,563,912.28 | 71,797,851.05 | 43,456,586.42            |
|          |          |           | I430 Other Accounts Receivable                    |               |               |                          |
|          |          |           | I430 1 - Miscellaneous                            |               |               |                          |
|          |          |           | Additional Billing                                |               |               |                          |
|          |          |           | Additional Billing - WKG                          | 0.00          | 12,846.95     | (93,443.42)              |
|          |          |           | A-Z Bus Sales                                     | 0.00          | 165.26        | 0.00                     |
|          |          |           | Eddins - Walcher Rent                             | (3,975.00)    | 0.00          | 0.00                     |
|          |          |           | Clyde Plant Extraction - Koch                     | 3,280.26      | 15,613.05     | (1,488.09)               |
|          |          |           | Cortez Outage                                     | 20,473.77     | 0.00          | 0.00                     |
|          |          |           | Eureka Outage                                     | 3,132.62      | 0.00          | 0.00                     |
|          |          |           | Forsan Outage                                     | (513.95)      | 0.00          | 0.00                     |
|          |          |           | KN - Tahoka Outage                                | 14.60         | 0.00          | 0.00                     |
|          |          |           | GGC Auto Salvage A/R                              | (1,168.50)    | 47,479.01     | 0.00                     |
|          |          |           | Greeley Outage                                    | (6,144.35)    | 0.00          | 0.00                     |
|          |          |           | Breaux Bridge Outage                              | 4,077.14      | 0.00          | 0.00                     |
|          |          |           | KN - Plainview Linecut                            | 48.70         | 0.00          | 528.22                   |
|          |          |           | KN - Big Spring OVR/ODOR                          | 1,227.04      | 0.00          | 0.00                     |
|          |          |           | Monroe Outage                                     | 330.74        | 0.00          | 5,033.34                 |
|          |          |           | Platteville Outage                                | 41,903.25     | 53,740.15     | 41,903.25                |
|          |          |           | Thibodaux Outage                                  | 0.00          | 9,053.95      | 0.00                     |
|          |          |           | Westar - Post Outage                              | 0.00          | 1,178.31      | 0.00                     |
|          |          |           | Winnfield Outage                                  | (169.19)      | 5,865.36      | 5,865.36                 |
|          |          |           | CNG - Amarillo                                    | (99.61)       | (173.32)      | (173.32)                 |
|          |          |           | CNG - Canyon                                      | (422.30)      | 1,530.66      | 510.08                   |
|          |          |           | CNG - Lafayette                                   | 0.00          | 127.86        | 0.00                     |
|          |          |           | Meter Salvage Receivable                          | 2,775.00      | 8,571.40      | 8,056.10                 |
|          |          |           | Midwestern/Equitable Cash                         | 13,176.81     | 0.00          | 12,926.26                |
|          |          |           | Miscellaneous                                     | 58,824.88     | (51,141.78)   | 83,624.16                |
|          |          |           | Steamboat Springs Incident (Reimbursable Expense) | 0.00          | 75,146.11     | 12,126.80                |
|          |          |           | Total Miscellaneous Receivable                    | 136,791.91    | 180,002.97    | 75,468.74                |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF MARCH 31

04/27/98  
01:18 PM

18-27

| Reference                     | Page No. | Line No. | Acct. No. | Description   | 1998           | 1997           | As of September 30, 1997 |
|-------------------------------|----------|----------|-----------|---|----------------|----------------|--------------------------|
|                               |          | 1430 2   | 0541      | Employees' Expense Advances (incl. Bridge Loans)                | 115,184.17     | 38,095.65      | 81,131.23                |
|                               |          | 1430 2   | 06XX      | Merchandise Employees' Payroll Deductions                       | 119,472.34     | 178,207.43     | 139,500.82               |
|                               |          | 1431 2   | 0601      | Employee Rent   | 67.34          | 0.00           | 0.00                     |
|                               |          | 1430 7   |           | Trans La Miscellaneous  | 18,917.48      | 428,071.99     | 428,071.99               |
|                               |          |          |           | State Dept. of Transportation                                   | 90.00          | 90.00          | 90.00                    |
|                               |          |          |           | Acadia Parish Police Jury                                       | 5,199.62       | 17,460.75      | 8,440.79                 |
|                               |          |          |           | L.I.G.  |                |                |                          |
|                               |          |          |           | Total Trans La Miscellaneous Receivables                        | 24,207.10      | 445,622.74     | 436,602.78               |
|                               |          | 1430 9   | 0500      | WKG PAC   | 2,369.95       | 738.63         | 575.98                   |
|                               |          | 1430 9   | 07XX      | Westar - Chart Reading & Misc.                                  | 1,896.32       | 5,190.77       | 3,838.09                 |
|                               |          |          |           | Total Other Accounts Receivable                                 | 399,989.13     | 847,858.19     | 737,117.64               |
|                               |          | 1440     |           | Allowance for Doubtful Accounts                                 | (2,079,440.31) | (1,667,589.39) | (966,451.32)             |
|                               |          |          |           | Atmos - Total Receivable, Less Allowance                        | 57,261,936.10  | 71,289,418.85  | 43,593,739.94            |
|                               |          |          |           | United Cities Gas - Total Receivable, Less Allowance            | 47,568,260.00  | 0.00           | 24,162,577.00            |
| 59                            | 9        |          |           | Total Accounts Receivable, Less Allowance for Doubtful Accounts | 104,830,196.10 | 71,289,418.85  | 67,756,316.94            |
| <b>INVENTORIES</b>            |          |          |           |   |                |                |                          |
|                               |          | 1540     |           | Plant Materials and Supplies                                    | 5,194,169.59   | 5,391,943.60   | 5,148,721.93             |
|                               |          | 1550     |           | Merchandise   | 148,798.65     | 182,792.30     | 160,233.09               |
|                               |          | 1630     |           | Stores Expense Undistributed                                    | 2,200,191.78   | 1,703,155.48   | 1,785,741.60             |
|                               |          |          |           | Atmos - Total Inventories                                       | 7,543,160.02   | 7,277,891.38   | 7,094,696.62             |
|                               |          |          |           | United Cities Gas - Total Inventories                           | 4,786,323.00   | 0.00           | 4,115,542.00             |
| 59                            | 10       |          |           | Total Inventories   | 12,329,483.02  | 7,277,891.38   | 11,210,238.62            |
| <b>GAS STORED UNDERGROUND</b> |          |          |           |   |                |                |                          |
|                               |          |          |           | Atmos - Total Gas Stored Underground, current                   | 6,747,953.24   | 4,776,187.64   | 14,683,860.36            |
|                               |          |          |           | United Cities Gas - Total Gas Stored Underground, current       | 10,508,031.00  | 0.00           | 26,905,596.00            |
| 59                            | 11       |          |           | Total Gas Stored Underground, current                           | 17,255,984.24  | 4,776,187.64   | 41,589,456.36            |
| <b>OTHER CURRENT ASSETS</b>   |          |          |           |   |                |                |                          |
|                               |          | 1340     |           | Other Special Deposits  | 16,877.74      | 14,762.74      | 16,887.74                |
|                               |          |          |           | Guaranty Deposits   |                |                |                          |
|                               |          |          |           | Total Other Special Deposits                                    | 16,877.74      | 14,762.74      | 16,887.74                |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF MARCH 31

04/27/98  
01:18 PM

| Reference                          | Page No. | Line No. | Acct. No. | Description  | 1998            | 1997            | As of September 30, 1997 |
|------------------------------------|----------|----------|-----------|--|-----------------|-----------------|--------------------------|
|                                    |          | 1660     |           | Prepayments  |                 |                 |                          |
|                                    |          |          |           | Prepaid Gas:   |                 |                 |                          |
|                                    |          |          |           | Alliance Prepaid Gas   | 82,643.27       | 0.00            | 1,172,398.13             |
|                                    |          |          |           | Tenn Alliance Prepaid Gas  | 192,804.34      | 0.00            | 16,816.84                |
|                                    |          |          |           | Cambridge Energy Research (Amort \$2,500/mo thru 01/98)                  | 0.00            | 0.00            | 5,000.00                 |
|                                    |          |          |           | Softwares Maintenance:   |                 |                 |                          |
|                                    |          |          |           | SCT Billing Software (Escalating amort to capital 02/97 thru 12/99)      | 588,236.09      | 425,851.09      | 750,601.09               |
|                                    |          |          |           | Oracle Database Maint (Escalating amort to IS clearing 02/97 thru 01/00) | 158,709.12      | 224,689.96      | 192,591.16               |
|                                    |          |          |           | Dues - AGA   | 65,287.25       | 0.00            | 0.00                     |
|                                    |          |          |           | Dues - SGA   | 12,000.14       | 11,999.98       | 3,999.94                 |
|                                    |          |          |           | Franchise Tax - City   | 341.54          | 2,390.78        | 1,366.16                 |
|                                    |          |          |           | Franchise Tax - Texas  | 16,000.00       | 78,000.00       | 0.00                     |
|                                    |          |          |           | Gas - Excess Nominations   | 181,238.70      | 182,605.07      | 181,898.76               |
|                                    |          |          |           | Institute of Gas Technology (Amort \$2,108/mo thru 12/97)                | 6,326.00        | 18,972.00       | 6,324.00                 |
|                                    |          |          |           | Insurance - Prop., Gen. Liab., Auto, etc.                                | 677,820.71      | 608,543.52      | 358,470.88               |
|                                    |          |          |           | Insurance - Retirement Cost  | 512,997.59      | 259,984.09      | 559,450.12               |
|                                    |          |          |           | CPSC Assessment (Quarterly)  | (10,876.07)     | 18,943.42       | 12,797.16                |
|                                    |          |          |           | KPSC Assessment (Amort \$13,368/mo thru 6/97)                            | 0.00            | 40,104.00       | 0.00                     |
|                                    |          |          |           | Occupational License   | 47,483.00       | 52,308.00       | 17,508.00                |
|                                    |          |          |           | Postage  | (5,032.69)      | 83,475.05       | 96,346.64                |
|                                    |          |          |           | Prepaid Debt. Exp.-Nations (Amort \$5,000/mo thru 8/98)                  | 24,999.97       | 14,583.32       | 54,999.97                |
|                                    |          |          |           | Rent - Gilliland Group (Oper Co)   | 284,592.01      | 284,592.01      | 284,592.01               |
|                                    |          |          |           | Total Prepayments  | 2,835,580.97    | 2,307,042.29    | 3,715,160.86             |
|                                    |          |          |           | Almos - Total Other Current Assets                                       | 2,852,458.71    | 2,321,805.03    | 3,732,048.60             |
| 59                                 | 12       |          |           | United Cities Gas - Total Other Current Assets                           | 1,027,803.00    | 0.00            | 1,807,255.00             |
|                                    |          |          |           | Total Other Current Assets   | 3,880,261.71    | 2,321,805.03    | 5,539,303.60             |
| <b>INTERCOMPANY ACCOUNTS - NET</b> |          |          |           |  |                 |                 |                          |
|                                    |          | 1460     |           | Accounts Receivable from Assoc. Co.                                      |                 |                 |                          |
|                                    |          |          |           | Almos Energy Services, Inc.  | 5,609.98        | 3,393.25        | 5,609.98                 |
|                                    |          |          |           | Egasco, Inc.   | 780,149.34      | 116,342.37      | 808,349.49               |
|                                    |          |          |           | Enertmart, Inc.  | 23,407,457.88   | 8,818,803.99    | 21,120,195.01            |
|                                    |          |          |           | Enertmart Trust  | (24,564,400.01) | (23,419,914.29) | (23,708,148.28)          |
|                                    |          |          |           | Trans La Industrial Gas Company, Inc.                                    | (2,393,256.16)  | (1,733,532.26)  | (2,738,776.04)           |
|                                    |          |          |           | United Cities Gas Company  | 35,521,996.81   | 0.00            | 66,906,326.59            |
|                                    |          |          |           | Western Kentucky Gas Resources   | (975,967.90)    | (939,295.20)    | (967,305.90)             |
|                                    |          |          |           | Almos - Total Intercompany Accounts                                      | 31,781,590.44   | (17,154,222.23) | 61,426,250.85            |
|                                    |          |          |           | United Cities Gas - Total Intercompany Accounts                          | (27,174,619.81) | 0.00            | (58,606,626.59)          |
| 59                                 | 13       |          |           | Total Intercompany Accounts - Net  | 4,606,970.63    | (17,154,222.23) | 2,819,624.26             |
|                                    |          | 59       | 14        | Total Current Assets   | 147,801,419.13  | 75,039,185.42   | 131,636,859.17           |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF MARCH 31

05/05/98  
03:24 PM

Reference

| Page No. | Line No. | Acct. No. | Description  | 1998       | 1997         | As of September 30, 1997 |
|----------|----------|-----------|--|------------|--------------|--------------------------|
|          |          |           | <b>DEFERRED CHARGES AND OTHER ASSETS</b>                   |            |              |                          |
|          | 1280     |           | Gilliland Lease Deposits                                   | 733,624.05 | 737,624.05   | 733,624.05               |
|          |          |           | Total Other Special Funds                                  | 733,624.05 | 737,624.05   | 733,624.05               |
|          | 1240     |           | Other Investments  |            |              |                          |
|          |          |           | Club Memberships   | 8,301.00   | 8,301.00     | 8,301.00                 |
|          |          |           | Herrington Industrial Development                          | 250.00     | 250.00       | 250.00                   |
|          |          |           | Windom Industrial Development                              | 750.00     | 750.00       | 750.00                   |
|          |          |           | Worthington Industries Inc                                 | 100.00     | 100.00       | 100.00                   |
|          |          |           | Total Other Investments                                    | 9,401.00   | 9,401.00     | 9,401.00                 |
|          | 1810     |           | Unamortized Debt Expense                                   |            |              |                          |
|          |          |           | John Hancock Notes (11.2% through 12/30/02)                | 39,064.50  | 47,288.58    | 43,176.54                |
|          |          |           | John Hancock Notes (9.76% through 12/30/04)                | 85,456.32  | 100,318.32   | 92,887.32                |
|          |          |           | Var. Annuity Life Ins. (9.57% through 9/30/06)             | 68,301.86  | 76,416.86    | 72,359.36                |
|          |          |           | Var. Annuity Life Ins. (7.95% through 9/01/06)             | 33,716.41  | 37,722.37    | 35,719.39                |
|          |          |           | Var. Annuity Life Ins. (8.07% through 10/01/06)            | 86,311.37  | 96,367.01    | 91,339.19                |
|          |          |           | New York Life Ins. (8.26% through 10/01/14)                | 99,493.47  | 105,493.11   | 102,493.29               |
|          |          |           | First Mortgage Bonds (9.4% through 2021)                   | 524,834.83 | 547,408.39   | 536,121.61               |
|          |          |           | Total Unamortized Debt Expense                             | 937,178.76 | 1,011,014.64 | 974,096.70               |
|          | 1840     |           | Clearing Accounts  |            |              |                          |
|          |          |           | Ditchers & Backhoes  | 219.35     | 12,914.26    | 0.00                     |
|          |          |           | Information Services                                       | 9,492.75   | 0.00         | 0.00                     |
|          |          |           | Meter Shop   | 174.82     | 0.00         | 0.00                     |
|          |          |           | Meter Loops  | 334.40     | 21,555.95    | 1,738.76                 |
|          |          |           | Payroll/Taxes  | 22,677.24  | 0.00         | (25,448.08)              |
|          |          |           | Vehicle System   | 65,500.04  | 159,006.41   | 0.00                     |
|          |          |           | Welders  | 945.77     | (5,749.59)   | 0.00                     |
|          |          |           | Total Clearing Accounts                                    | 99,344.37  | 187,727.03   | (23,709.32)              |
|          | 1860     |           | Miscellaneous Deferred Debits                              |            |              |                          |
|          |          |           | Advanced Payments to Employees                             | 266,007.86 | 31,123.78    | 218,605.61               |
|          |          |           | Kentucky PBR   | 7,236.25   | 0.00         | 0.00                     |
|          |          |           | Car Allowance (Amort calendar year)                        | 135,950.00 | 129,550.00   | 47,907.00                |
|          |          |           | Company Facilities:  |            |              |                          |
|          |          |           | Monroe Office  | 25,188.96  | 25,188.96    | 25,188.96                |
|          |          |           | Natchitoches Service Center (Reimbursable Upon Completion) | (6,951.48) | 4,635.73     | (7,435.32)               |
|          |          |           | Paducah Remodeling (Reimbursable Upon Completion)          | 97,503.81  | 97,503.81    | 97,503.81                |
|          |          |           | Thibodaux Office   | 38,357.48  | 0.00         | 38,357.48                |
|          |          |           | Colorado Pipeline Refunds                                  | 0.00       | 31,232.66    | 0.00                     |
|          |          |           | Consulting   | 79,999.98  | 120,000.00   | 80,000.00                |
|          |          |           | Danville Incident - K Y                                    | 17,333.79  | 6,985.64     | 17,333.79                |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF MARCH 31

04/27/98  
01:18 PM

Reference

| Page No. | Line No. | Acct. No. | Description   | 1998           | 1997           | As of September 30, 1997 |
|----------|----------|-----------|---|----------------|----------------|--------------------------|
|          |          |           | Deferred Take or Pay - GGC  | 305,702.98     | 255,053.97     | 322,550.59               |
|          |          |           | Department Projects:  |                |                |                          |
|          |          |           | Texas Gas Rate Case   | 5,267.07       | 0.00           | 722.36                   |
|          |          |           | Add O&M Standards to ALMS   | 64,729.49      | 61,463.34      | 64,729.49                |
|          |          |           | Functional Standard Costing   | 0.00           | 24,101.43      | 24,101.43                |
|          |          |           | Gas Contract Management System  | 29,293.79      | 24,438.34      | 27,209.90                |
|          |          |           | Internet Requirements Project   | 0.00           | 3,850.00       | 0.00                     |
|          |          |           | KN Meter Trf-Retirement   | 0.00           | 840,468.67     | 0.00                     |
|          |          |           | Odessa Service Center Remodel   | 14,732.44      | 0.00           | 0.00                     |
|          |          |           | Remote Paycenter Project  | 0.00           | 1,738.59       | 25,785.59                |
|          |          |           | Quality Review - CIS Project  | 0.00           | 229,362.73     | 245,383.88               |
|          |          |           | DBS Initials A/P  | 0.00           | 105,664.32     | 0.00                     |
|          |          |           | Drilling Permits - Energas  | 0.00           | 0.00           | 1,000.00                 |
|          |          |           | Executrain - Std. P.C. Training Cost                                    | 0.00           | 31,599.99      | 0.00                     |
|          |          |           | GGC ACH Cash Clearing   | (27,435.56)    | (6,695.15)     | (784.36)                 |
|          |          |           | GGC Cash Reconciliation   | 5,205.39       | 266.40         | 154.13                   |
|          |          |           | Lincoln Center Rent   | 248,418.94     | 142,964.89     | 171,776.49               |
|          |          |           | LPSC Settlement (Amort. Heating Sea., Fiscal 96 & 97)                   | 0.00           | 61,863.13      | 0.00                     |
|          |          |           | Misc. Charges to be Cleared Currently                                   | 223,623.05     | 118,944.19     | 74,834.22                |
|          |          |           | Other Work in Progress  | 101,991.05     | 96,540.32      | 102,306.21               |
|          |          |           | Pension Assets - Atmos  | (1,070,192.03) | (1,283,661.03) | (1,409,859.03)           |
|          |          |           | Pension Assets - WKG  | 11,422,436.94  | 11,312,525.94  | 11,294,519.94            |
|          |          |           | Pension Assets - GGC  | (475,212.00)   | (333,166.00)   | (450,970.00)             |
|          |          |           | Rate Cases:   |                |                |                          |
|          |          |           | Rate Case Exp - CO - Phase II (Amort \$1.225/mo. thru 12/98)            | 11,024.55      | 25,723.95      | 18,374.25                |
|          |          |           | Rate Case Exp - CO (1993)(Amort \$7,166/mo. 5/94 thru 4/97)             | 0.00           | 7,166.00       | 0.00                     |
|          |          |           | Rate Case 95-010 - WKG (Amort \$6,828.50/mo. 11/95 thru 10/98)          | 47,799.37      | 129,741.37     | 88,770.37                |
|          |          |           | Rate Case - West Texas (Amort \$1,514.58/mo. thru 11/99)                | 29,156.88      | 51,106.69      | 38,364.36                |
|          |          |           | Restricted Stock Grant Plan   | 5,351,786.91   | 889,278.42     | 3,117,164.34             |
|          |          |           | Retirement Cost (Rabbi Trusts and CVI)                                  | 21,904,085.43  | 18,141,280.32  | 21,209,828.66            |
|          |          |           | Trans La Lawsuit & COG Investigation (Amort \$27,000/mo 3/94 thru 2001) | 1,097,572.73   | 1,421,572.73   | 1,259,572.73             |
|          |          |           | Trans La Post Settlement  | 175,180.39     | 123,324.41     | 153,746.06               |
|          |          |           | Steamboat Springs Incident  | 0.00           | 0.00           | 0.00                     |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF MARCH 31

03/03/98  
03:24 PM

| Reference | Page | Line | Acct. | No. | No. | Description  | 1998               | 1997             | As of<br>September 30,<br>1997 |
|-----------|------|------|-------|-----|-----|--|--------------------|------------------|--------------------------------|
|           |      |      |       |     |     | Acquisition Costs - Atmos                                    | 8,639,836.98       | 1,968,001.56     | 6,671,232.48                   |
|           |      |      |       |     |     | Acquisition Costs - United Cities                            | 14,468,500.00      | 0.00             | 13,869,229.87                  |
|           |      |      |       |     |     | Conflict Costs   | 258,138.10         | 258,138.10       | 258,138.10                     |
|           |      |      |       |     |     | Leadership Conference  | 260,734.00         | 0.00             | 0.00                           |
|           |      |      |       |     |     | Atmos/UCG Integration - Atmos                                | 20,508,029.35      | 0.00             | 11,270,693.98                  |
|           |      |      |       |     |     | Atmos/UCG Integration - United Cities                        | 11,755,765.00      | 0.00             | 0.00                           |
|           |      |      |       |     |     | Separation/Integration Costs                                 | 4,500,000.00       | 0.00             | 17,000,000.00                  |
|           |      |      |       |     |     | Business Unit Review Meetings                                | 4,147.14           | 0.00             | 0.00                           |
|           |      |      |       |     |     | Sean - Delaney Retreat                                       | 420.13             | 0.00             | 0.00                           |
|           |      |      |       |     |     | Finance Team Meetings  | 0.00               | 0.00             | 0.00                           |
|           |      |      |       |     |     | Regulatory Summit  | 1,548.61           | 0.00             | 0.00                           |
|           |      |      |       |     |     | Five Year Plan Meetings                                      | 5,981.78           | 0.00             | 0.00                           |
|           |      |      |       |     |     | Marketing Initiative   | 289,400.64         | 0.00             | 0.00                           |
|           |      |      |       |     |     | Shared Services Meetings                                     | 173,014.92         | 0.00             | 0.00                           |
|           |      |      |       |     |     | H R Study - Towers Perrin                                    | 47,491.96          | 0.00             | 0.00                           |
|           |      |      |       |     |     | Diversity Council  | 8,304.26           | 0.00             | 0.00                           |
|           |      |      |       |     |     | Debt Offering - 1998   | 216.50             | 0.00             | 0.00                           |
|           |      |      |       |     |     | General Reserve - Accrual                                    | (19,759,403.00)    | 0.00             | (20,334,000.00)                |
|           |      |      |       |     |     | Total Miscellaneous Deferred Debits                          | 81,287,920.83      | 35,146,878.20    | 65,638,037.37                  |
|           |      |      |       |     |     | Atmos  | 83,067,469.01      | 37,092,644.92    | 67,331,469.80                  |
|           |      |      |       |     |     | United Cities Gas Deferred Debt less Acquisition Costs above | 13,191,042.81      | 0.00             | 14,970,607.13                  |
|           |      |      |       |     |     | Total Deferred Charges and Other Assets                      | 96,258,511.82      | 37,092,644.92    | 82,302,076.93                  |
|           |      |      |       |     |     | TOTAL ASSETS   | \$1,071,103,418.61 | \$546,738,847.56 | \$1,011,636,092.39             |

(1) Total UCG Acquisition: \$ 41,162,126.37

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF MARCH 31

10:42 AM

| Reference                   | Page | Line | Acct. | Description                                | 1998           | 1997           | As of<br>September 30,<br>1997 |
|-----------------------------|------|------|-------|--|----------------|----------------|--------------------------------|
| No.                         | No.  | No.  | No.   |  |                |                |                                |
| <b>SHAREHOLDERS' EQUITY</b> |      |      |       |  |                |                |                                |
|                             |      |      |       | Atmos - Total Shareholders' Equity         | 190,432,339.09 | 190,831,283.69 | 166,536,416.24                 |
|                             |      |      |       | United Cities - Total Shareholders' Equity | 161,495,580.00 | 0.00           | 135,755,714.49                 |
| 60                          | 5    |      |       | Total Shareholders' Equity                 | 351,927,919.09 | 190,831,283.69 | 302,292,130.73                 |
| <b>LONG-TERM DEBT</b>       |      |      |       |  |                |                |                                |
|                             |      |      |       | Atmos - Total Long Term Debt               | 157,303,308.00 | 165,303,308.00 | 162,303,308.00                 |
|                             |      |      |       | United Cities Gas - Total Long Term Debt   | 133,000,000.00 | 0.00           | 135,000,000.00                 |
| 60                          | 6    |      |       | Total Long-Term Debt                       | 290,303,308.00 | 165,303,308.00 | 297,303,308.00                 |
| 60                          | 7    |      |       | <b>TOTAL CAPITALIZATION</b>                | 642,231,227.09 | 356,134,591.69 | 599,595,438.73                 |
| <b>NOTES PAYABLE</b>        |      |      |       |  |                |                |                                |
|                             |      |      |       | Amarillo National Bank Master Note/Other   | 2,000,000.00   | 10,000,000.00  | 12,000,000.00                  |
|                             |      |      |       | Societe Generale                           | 19,700,000.00  | 0.00           | 0.00                           |
|                             |      |      |       | NationsBank                                | 110,000,000.00 | 0.00           | 140,000,000.00                 |
|                             |      |      |       | PNC Bank of Pittsburgh                     | 10,000,000.00  | 10,000,000.00  | 7,800,000.00                   |
|                             |      |      |       | 1st National Bank of Commerce              | 0.00           | 5,700,000.00   | 0.00                           |
|                             |      |      |       | Wachovia Bank - Georgia                    | 0.00           | 10,000,000.00  | 0.00                           |
|                             |      |      |       | Atmos - Total Notes Payable                | 141,700,000.00 | 35,700,000.00  | 170,400,000.00                 |
|                             |      |      |       | United Cities Gas - Total Notes Payable    | 0.00           | 0.00           | 0.00                           |
| 60                          | 8    |      |       | Total Notes Payable                        | 141,700,000.00 | 35,700,000.00  | 170,400,000.00                 |



ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF MARCH 31

10:42 AM

Reference

Page Line Acct.  
No. No. Description

As of  
September 30,  
1997

1998

1997

ACCOUNTS PAYABLE

|      |  |               |              |  |               |
|------|--|---------------|--------------|--|---------------|
| 2320 | Accounts Payable                                 |               |              |  | 179,431.90    |
|      | Accrued Annual Report Costs                      | (49,496.60)   | 83,821.21    |  | 9,900.00      |
|      | Accrued Audit Fees                               | 131,050.00    | 94,834.00    |  | 111,487.83    |
|      | Accrued Employee Awards                          | 29,999.01     | 13,535.69    |  | 30,684.03     |
|      | Accrued Payroll Labor Distribution               | 1,715,024.37  | 92,386.76    |  | 527,955.87    |
|      | Accrued Vacation                                 | 527,955.87    | 527,955.87   |  | 0.00          |
|      | Estimated Gas Cost                               | 26,873,031.12 | 0.00         |  | 334,402.02    |
|      | Def Cr Cleared Currently                         | 374,909.08    | 231,767.47   |  |               |
|      | DSM Program                                      |               |              |  |               |
|      | DSM Program - KY                                 |               |              |  |               |
|      | DSM Program - KY Payments                        | 146,633.78    | 250,004.00   |  | 250,000.00    |
|      | Employees' AD & D Insurance                      | (77,370.07)   | (78,603.57)  |  | (217,687.77)  |
|      | Employees' College Donation Deductions           | 3,226.96      | 5,984.10     |  | (123.00)      |
|      | Employees' Dependent Life Ins.                   | 91.10         | 28.00        |  | 28.00         |
|      | Employees' Egaspac                               | 1,271.40      | 2,047.00     |  | (21.00)       |
|      | Employees' WKG Pac                               | 27.50         | 27.50        |  | 55.00         |
|      | Employees' Trans La PAC                          | 1.84          | 453.25       |  | 377.25        |
|      | Employees' Credit Union                          | 9.69          | 0.00         |  | 0.00          |
|      | Employees' Long-Term Disability Insurance        | 0.00          | 68,674.51    |  | 64,398.70     |
|      | Employees' Medical/Dental Insurance:             | (12,559.80)   | 1,047.48     |  | (27,513.07)   |
|      | Medical/Dental Liability                         |               |              |  |               |
|      | Medical/Dental Premiums/Claims Clearing          | 2,561,649.32  | 1,434,653.69 |  | 1,428,983.46  |
|      | Employees' Supplemental Life Insurance           | (417,971.23)  | 306,830.12   |  | 289,638.31    |
|      | Employees' United Way                            | 6,586.14      | 14,697.99    |  | (2,184.92)    |
|      | Employees' Universal Life Ins.                   | 1,818.89      | 1,852.06     |  | 1,725.18      |
|      | Employees' U.S. Savings Bonds Deductions         | (2,311.47)    | 10,882.42    |  | (104.25)      |
|      | Employer's ESOP Contributions                    | 3,562.11      | 7,271.62     |  | 6,410.06      |
|      | Employer's ESOP Other Expense                    | (16,811.02)   | 337,610.32   |  | 87,652.07     |
|      | Employees' ESOP Withholding                      | 1,948.02      | 20,188.18    |  | 13,957.66     |
|      | Employer's Group Life Ins.                       | (313.88)      | 135,581.06   |  | 138,345.58    |
|      | KN Master Mtr Transfer                           | 41,328.02     | 31,096.98    |  | 47.87         |
|      | Mailed Refunds                                   | 300,000.00    | 300,000.00   |  | 300,000.00    |
|      | Miscellaneous Employee Insurance Accruals - GIC: | (17,141.76)   | 12,353.79    |  | 3,600.00      |
|      | Miscellaneous Contingent Liabilities             | (127.31)      | 25.18        |  | (1,200.28)    |
|      | Net Payroll Payable                              | 2,295.88      | 0.00         |  | 509,331.40    |
|      | Purchase Order Clearing                          | 37,862.07     | 3,665,193.69 |  | 2,129,272.93  |
|      | Contract Retainage                               | 179,122.98    | 254,703.67   |  | 234,018.06    |
|      | Uncashed Checks                                  | 15,848.66     | 0.00         |  | 12,266.53     |
|      | Unclaimed Pipeline Refund                        | 83,800.81     | 88,642.99    |  | 108,890.30    |
|      | Vouchers Payable                                 | 0.00          | 1,164.87     |  | 0.00          |
|      | Total Accrued Payables                           | 1,429,624.26  | 886,551.12   |  | 6,859,380.12  |
|      |  | 33,774,583.74 | 8,803,283.02 |  | 13,383,375.86 |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF MARCH 31

10:42 AM

Reference

| Page No. | Line No. | Acct. No. | Description                          | 1998         | 1997         | As of September 30, 1997 |
|----------|----------|-----------|--------------------------------------|--------------|--------------|--------------------------|
|          |          |           | Gas Purchased - Accounts Payable     |              |              |                          |
|          |          |           | Acadiana Natural Gas, Co.            | 0.00         | 112,768.54   | 58,363.45                |
|          |          |           | AMOCO                                | 183,400.00   | 51,796.62    | 135,000.00               |
|          |          |           | ANR Pipeline Company                 | 0.00         | 7,458.76     | 0.00                     |
|          |          |           | Brenco Gas Transmission, Inc.        | 0.00         | 6,138.00     | 893.25                   |
|          |          |           | City of Odessa - Purchase            | 0.00         | 0.00         | 5,000.00                 |
|          |          |           | Coastal Gas Marketing                | (510,240.00) | 356,473.95   | 154,000.00               |
|          |          |           | Colorado Interstate Gas Company      | 1,801.41     | 209,171.52   | 132,731.89               |
|          |          |           | Colorado Natural Gas                 | 0.69         | 362,403.44   | 78,344.67                |
|          |          |           | Costilla Petroleum Corp.             | 0.00         | 30,834.00    | 22,658.40                |
|          |          |           | Crescent Oil & Gas Company           | 0.00         | 36,510.47    | 17,241.95                |
|          |          |           | Delhi                                | 0.00         | 169,576.39   | 0.00                     |
|          |          |           | Engage Energy                        | 448,608.70   | 0.00         | 0.00                     |
|          |          |           | Enron                                | 0.00         | 1,321,151.26 | 0.00                     |
|          |          |           | Exchange Gas                         | (300,277.64) | (586,979.12) | (404,739.03)             |
|          |          |           | Gas Payable - LA Imbalance           | 45,194.55    | 46,210.29    | 45,714.17                |
|          |          |           | Hugoton                              | 17,475.39    | 63,773.19    | 8,264.75                 |
|          |          |           | Innovative Gas Services              | 0.00         | 77,841.00    | 0.00                     |
|          |          |           | Interenergy Resource Corp.           | 622.36       | 336,667.89   | 122,552.36               |
|          |          |           | K N Gas Supply Services              | (226,102.30) | 30,300.18    | 85,337.69                |
|          |          |           | Kansas Pipeline Partners             | 100.00       | 41,324.46    | 3,280.57                 |
|          |          |           | Kimball Energy Corp.                 | (0.11)       | 171,951.72   | 49,695.82                |
|          |          |           | KN Energy                            | 27.67        | 53,542.90    | 28,439.97                |
|          |          |           | KN Marketing                         | 867,908.81   | 4,051,378.27 | 1,207,998.30             |
|          |          |           | KPL Gas Services                     | 22,275.61    | 102,169.64   | 22,275.61                |
|          |          |           | LG & E Natural Plains Energy         | 128,227.36   | 1,175,337.56 | 554,227.95               |
|          |          |           | LIG Imbalance                        | (176,503.95) | 0.00         | 0.00                     |
|          |          |           | Local Gas Production                 | 16,093.68    | 23,100.29    | 159,402.62               |
|          |          |           | Local Gas Purchases - Fremont County | 21,768.18    | 413,348.42   | 274,824.95               |
|          |          |           | Louisiana Intrastate Gas Corp.       | 0.00         | 647,598.08   | 343,409.77               |
|          |          |           | Louisiana Land/Exploration Company   | 0.00         | 373,053.69   | 0.00                     |
|          |          |           | Mid-Louisiana Gathering              | 0.00         | 1,032.99     | 466.02                   |
|          |          |           | Moffat Pipeline Corp.                | 191.97       | 15,743.39    | 9,811.97                 |
|          |          |           | Natural Gas Clearinghouse            | (3.00)       | 710,559.70   | 692,739.65               |
|          |          |           | Natural Gas Clearinghouse            | 0.00         | 0.00         | (234,603.04)             |
|          |          |           | Noble Gas Marketing                  | 0.00         | (1,299.95)   | 0.00                     |
|          |          |           | Norann Energy Services               | (82,859.47)  | 196.94       | 0.00                     |
|          |          |           | Norann Gas Transm Corp               | 88,720.55    | 10,357.85    | 7,000.23                 |
|          |          |           | Other Payables                       | 744,345.06   | 378,017.51   | 1,322,632.19             |
|          |          |           | Oxy U.S.A., Inc.                     | 0.00         | 1,075.90     | 101.50                   |
|          |          |           | Panenergy Trading/Market             | 83,800.00    | 1,389,255.83 | 174,795.17               |
|          |          |           | Parina Oil and Gas Corp              | 238,348.15   | 0.00         | 0.00                     |
|          |          |           | Pennion Energy Services              | 200.00       | 90,350.74    | 101,585.66               |
|          |          |           | Peoples Natural Gas                  | (14,432.85)  | (9,119.69)   | (5,307.85)               |
|          |          |           | Pioneer Natural Resources Co.        | 5,717,363.39 | 2,553,193.28 | 848,830.50               |
|          |          |           | Pipeline Refunds - GGC               | 656,540.48   | 237,703.13   | 470,641.21               |
|          |          |           | Pipeline Refunds - Trans La (LIG)    | 3,675,726.64 | 0.00         | 9,789,532.64             |
|          |          |           | Public Service                       | (723,917.83) | 800,670.07   | 363,065.98               |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF MARCH 31

10:42 AM

Reference

| Page No. | Line No. | Acct. No. | Description                                      | 1998                 | 1997                 | As of September 30, 1997 |
|----------|----------|-----------|--|----------------------|----------------------|--------------------------|
|          |          |           | Southern Marketing                               | 6,509.93             | 6,761.74             | 7,375.55                 |
|          |          |           | Specified Energy Services                        | 0.00                 | 1,200.40             | 0.00                     |
|          |          |           | Tennessee Gas Pipeline                           | (787.10)             | 483,226.64           | 259,695.35               |
|          |          |           | Texasco Natural Gas Inc.                         | (454,883.50)         | 0.00                 | 1,698,769.24             |
|          |          |           | Texasco, Inc.                                    | 0.00                 | 575,153.85           | 785,502.00               |
|          |          |           | Texas Gas Transmission                           | 3,631,269.02         | 1,927,009.40         | 1,242,989.87             |
|          |          |           | Transportation Bank Gas                          | 286,491.00           | 202,707.20           | 782,886.61               |
|          |          |           | Transline Gas Company                            | (9,440.00)           | 65,748.99            | 2,321.16                 |
|          |          |           | Tuscaloosa Pipeline Company                      | 0.00                 | (33,178.66)          | 7,836.04                 |
|          |          |           | Union Pacific Fuels                              | (1,369,702.87)       | 330,788.19           | 2,136,910.37             |
|          |          |           | United Gas Services                              | 0.00                 | 83,401.01            | 61,386.95                |
|          |          |           | Vastar Gas                                       | 0.00                 | 359,259.39           | 0.00                     |
|          |          |           | Westar Gas Marketing                             | (4.14)               | 266,917.74           | 91,647.28                |
|          |          |           | Williams Energy Services                         | (921,347.16)         | 1,233,188.05         | 129,674.70               |
|          |          |           | Williams Natural Gas Company                     | 739,132.32           | 168,750.52           | 330,094.51               |
|          |          |           | WKG Supplier Imbalance                           | 25,826.38            | 30,976.46            | 29,718.34                |
|          |          |           | Woodward Marketing                               | 808,177.17           | 0.00                 | 2,125,826.36             |
|          |          |           | <b>Total Gas Purchased Payable</b>               | <b>13,655,616.55</b> | <b>21,466,642.02</b> | <b>26,338,735.27</b>     |
|          |          |           | 2410 Tax Collections Payable                     |                      |                      |                          |
|          |          |           | Astor Sales Tax                                  | (4,449.77)           | (4,449.77)           | (4,449.77)               |
|          |          |           | Astor Franchise Tax                              | 33,812.79            | 33,812.79            | 33,812.79                |
|          |          |           | City Franchise Fees - Louisiana                  | 80,642.93            | 0.00                 | 0.00                     |
|          |          |           | City Sales Tax - Canon City                      | 7,505.55             | 6,549.80             | 330.84                   |
|          |          |           | City Sales Tax - Durango                         | 9,302.25             | 3,814.04             | 2,614.46                 |
|          |          |           | City Sales Tax - Mount Crested Butte             | 3,027.79             | 2,838.23             | 1,536.18                 |
|          |          |           | City Sales Tax - Steamboat Springs               | 26,882.94            | 20,277.71            | 9,684.81                 |
|          |          |           | City Sales/Use Tax                               | (62,491.58)          | 46,008.51            | 15,295.05                |
|          |          |           | City Sales/Use Tax - Cortez                      | 8,488.81             | 6,841.87             | 2,708.80                 |
|          |          |           | City Sales/Use Tax - Greeley                     | 44,430.00            | 43,633.78            | 13,958.94                |
|          |          |           | City Sales/Use Tax - Gunnison                    | (26.81)              | (5.61)               | 107.24                   |
|          |          |           | City Sales/Use Tax - Lamar                       | 10,037.50            | 8,242.71             | 2,273.62                 |
|          |          |           | City & Parish Sales Tax - Louisiana              | 122.85               | (5.72)               | (9.65)                   |
|          |          |           | County City/Use Tax - Prowers                    | 216.79               | 147.39               | 210.99                   |
|          |          |           | County Sales/Use Tax                             | (26,169.91)          | 42,623.14            | 10,277.10                |
|          |          |           | County Use Tax - Fremont                         | 599.69               | 517.36               | 499.93                   |
|          |          |           | Employees' Federal Income Tax Withheld           | (126,928.30)         | 1,607,478.22         | 734,344.31               |
|          |          |           | Employees' FICA Tax                              | (141,471.26)         | 245,866.76           | 235,029.75               |
|          |          |           | Employees' Local Tax Withheld - KY               | 20,799.00            | 23,066.22            | 29,424.88                |
|          |          |           | Employees' State Income Tax Withheld - Colorado  | (2,694.66)           | 13,548.48            | 15,877.08                |
|          |          |           | Employees' State Income Tax Withheld - Kansas    | 7,344.41             | 3,422.98             | 3,007.67                 |
|          |          |           | Employees' State Income Tax Withheld - Kentucky  | 23,986.41            | 27,302.00            | 93,394.37                |
|          |          |           | Employees' State Income Tax Withheld - Louisiana | 10,940.66            | 6,094.22             | 12,678.35                |
|          |          |           | Employees' State Income Tax Withheld - Missouri  | 151.47               | 0.00                 | 509.41                   |
|          |          |           | Franchise Tax Collected - Colorado               | 239,128.64           | 194,102.94           | 161,783.77               |
|          |          |           | Franchise Tax Collected - Kansas                 | 187,275.86           | 185,200.65           | 47,495.98                |
|          |          |           | Franchise Tax Collected - Kentucky               | 203,378.59           | 165,732.79           | 44,798.56                |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF MARCH 31

10:42 AM

| Reference            | Page | Line | Acct. | Description                                | 1998          | 1997          | As of<br>September 30,<br>1997 |
|----------------------|------|------|-------|--|---------------|---------------|--------------------------------|
| No.                  | No.  | No.  | No.   |  |               |               |                                |
|                      |      |      |       | Franchise Tax Collected - Louisiana        | 64,112.52     | 219,773.32    | 74,426.73                      |
|                      |      |      |       | Franchise Tax Collected - Missouri         | 4,167.12      | 4,303.41      | 6,301.08                       |
|                      |      |      |       | Local Tax - Colorado                       | 170.25        | 155.25        | 149.50                         |
|                      |      |      |       | Occupational Tax Collections               | 194,278.95    | 49,172.53     | 21,763.20                      |
|                      |      |      |       | State Sales Tax - Colorado                 | 214,804.95    | 98,636.01     | 85,057.13                      |
|                      |      |      |       | State Sales Tax - Kentucky                 | 73,035.12     | 79,835.02     | 123,327.75                     |
|                      |      |      |       | State Sales Tax - Louisiana                | 33,653.16     | 2,646.83      | 17,311.93                      |
|                      |      |      |       | State Sales Tax - Texas                    | (348,441.80)  | 6,089.69      | (69,631.80)                    |
|                      |      |      |       | State Use Tax - Kansas                     | 434.26        | 1,461.79      | 638.66                         |
|                      |      |      |       | Utility School Tax (Remit monthly)         | 611,682.36    | 768,857.06    | 47,730.41                      |
|                      |      |      |       | Total Tax Collections Payable              | 1,528,724.67  | 3,913,592.40  | 1,794,270.05                   |
|                      |      |      |       | Atmos - Total Accounts Payable             | 48,958,954.96 | 34,183,517.44 | 41,516,381.18                  |
|                      |      |      |       | United Cities Gas - Total Accounts Payable | 18,943,356.00 | 0.00          | 14,933,663.54                  |
| 60                   | 9    |      |       | Total Accounts Payable                     | 67,902,310.96 | 34,183,517.44 | 56,450,044.72                  |
| <b>ACCRUED TAXES</b> |      |      |       |  |               |               |                                |
|                      |      |      |       | 2360 Accrued Taxes - Other                 | 3,334,231.76  | 2,939,180.86  | 4,992,989.56                   |
|                      |      |      |       | Ad Valorem                                 | 0.00          | 15.17         | 0.00                           |
|                      |      |      |       | CNG Use Tax - Kentucky                     | (198.25)      | 108.00        | 104.00                         |
|                      |      |      |       | Employer's Denver City Tax                 | 170,633.08    | 245,866.76    | 235,029.75                     |
|                      |      |      |       | Employer's FICA Tax                        | (9,687.38)    | (9,701.65)    | (8,448.50)                     |
|                      |      |      |       | Federal Motor Fuel Tax-CNG                 | 1,397,859.54  | 1,701,487.45  | 408,345.05                     |
|                      |      |      |       | Franchise - City                           | 4,955.81      | 2,188.86      | (3,183.38)                     |
|                      |      |      |       | Louisiana State Supervision & Inspection   | 4,004.04      | 2,692.64      | 6,303.31                       |
|                      |      |      |       | Parish & City Use Tax - Louisiana          | (47,847.91)   | (8,090.93)    | (7,737.26)                     |
|                      |      |      |       | Severance Tax                              | 612,957.68    | 672,116.52    | 462,957.68                     |
|                      |      |      |       | State Franchise Tax - Texas                | 759,580.35    | 1,010,158.67  | 41,357.44                      |
|                      |      |      |       | State Gross Receipts - Texas               | 4,515.97      | 4,446.25      | 2,784.31                       |
|                      |      |      |       | State Transportation Tax - Texas           | 3,166.84      | 4,141.12      | 2,995.15                       |
|                      |      |      |       | State Use Tax - Louisiana                  | 82,932.15     | 89,546.22     | 696.83                         |
|                      |      |      |       | Unemployment Tax - Federal                 | 5,326.69      | 3,919.00      | 149.25                         |
|                      |      |      |       | Unemployment Tax - State - Colorado        | 45.50         | 0.00          | 0.00                           |
|                      |      |      |       | Unemployment Tax - State - Tennessee       | 7,639.40      | 8,589.65      | (13.12)                        |
|                      |      |      |       | Unemployment Tax - State - Kentucky        | 2,688.83      | 3,737.66      | (4.67)                         |
|                      |      |      |       | Unemployment Tax - State - Louisiana       | 43,374.47     | 45,586.83     | 616.47                         |
|                      |      |      |       | Unemployment Tax - State - Texas           | 122,957.86    | 31,452.17     | 76,522.75                      |
|                      |      |      |       | Use Tax (City & State) - Texas             | 6,519,026.43  | 6,747,441.25  | 6,211,524.22                   |
|                      |      |      |       | Atmos - Total Accrued Taxes                | 4,274,263.00  | 0.00          | 5,488,677.46                   |
|                      |      |      |       | United Cities Gas - Total Accrued Taxes    | 10,793,289.43 | 6,747,441.25  | 11,700,201.68                  |
| 60                   | 10   |      |       | Total Accrued Taxes                        | 15,067,552.43 | 6,747,441.25  | 17,188,879.14                  |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF MARCH 31

10-42 AM

| Reference                        | Page | Line | Acct. | Description                                    | 1998           | 1997          | As of<br>September 30,<br>1997 |
|----------------------------------|------|------|-------|--|----------------|---------------|--------------------------------|
| No.                              | No.  | No.  | No.   |  |                |               |                                |
| <b>INCOME TAXES PAYABLE</b>      |      |      |       |  |                |               |                                |
| 2360                             |      |      |       | Accrued Income Taxes                           | 2,213,524.37   | 5,026,144.05  | (6,384,148.36)                 |
|                                  |      |      |       | Accrued Income Taxes - Federal                 | (1,161,876.69) | 914,584.43    | (2,256,201.00)                 |
|                                  |      |      |       | Accrued Income Taxes - State                   | 1,051,647.88   | 5,940,728.48  | (8,620,349.36)                 |
|                                  |      |      |       | Amnos - Total Income Taxes Payable             | 7,051,556.00   | 0.00          | (9,714,291.17)                 |
|                                  |      |      |       | United Cities Gas - Total Income Taxes Payable | 8,103,203.88   | 5,940,728.48  | (18,334,640.53)                |
| 60                               | 11   |      |       | Total Income Taxes Payable                     |                |               |                                |
| <b>CUSTOMERS' DEPOSITS</b>       |      |      |       |  |                |               |                                |
| 2350                             |      |      |       | Customers' Deposits                            | 2,765,636.21   | 3,383,361.72  | 3,256,848.10                   |
|                                  |      |      |       | Customers' Deposits - Colorado                 | 1,547,197.52   | 2,165,165.06  | 1,792,539.06                   |
|                                  |      |      |       | Customers' Deposits - Kentucky                 | 1,367,578.67   | 1,666,864.72  | 1,472,377.99                   |
|                                  |      |      |       | Customers' Deposits - Louisiana                | 2,239,157.89   | 3,042,561.15  | 2,765,269.87                   |
|                                  |      |      |       | Customers' Deposits - Texas                    | 7,939,370.29   | 10,259,952.65 | 9,287,035.02                   |
|                                  |      |      |       | Amnos - Total Customers' Deposits              | 5,583,176.00   | 0.00          | 5,751,958.00                   |
|                                  |      |      |       | United Cities Gas - Total Customers' Deposits  | 13,322,746.29  | 10,259,952.65 | 15,038,993.02                  |
| 60                               | 13   |      |       | Total Customers' Deposits                      |                |               |                                |
| <b>OTHER CURRENT LIABILITIES</b> |      |      |       |  |                |               |                                |
| 2370                             |      |      |       | Interest Accrued                               | 6,838.63       | 3,059.60      | 1,251.00                       |
|                                  |      |      |       | Commitment Fee                                 | 474,676.66     | 462,677.90    | 481,751.04                     |
|                                  |      |      |       | Customers' Deposits - Colorado                 | 12,861.08      | 16,195.46     | 63,697.94                      |
|                                  |      |      |       | Customers' Deposits - Kentucky                 | 8,581.49       | 10,179.40     | 44,735.02                      |
|                                  |      |      |       | Customers' Deposits - Louisiana                | 21,180.44      | 23,908.36     | 96,217.80                      |
|                                  |      |      |       | Customers' Deposits - Texas                    | 3,487,691.65   | 3,000,516.66  | 3,007,982.43                   |
|                                  |      |      |       | Long-Term Debt                                 | 28,161.86      | 11,504.46     | 34,568.61                      |
|                                  |      |      |       | Notes Payable                                  |                |               |                                |
|                                  |      |      |       | Total Interest Accrued                         | 4,039,991.81   | 3,528,041.84  | 3,730,203.84                   |
| 2420                             |      |      |       | Misc. Current & Accrued Liabilities            | 4,500,000.00   | 0.00          | 17,000,000.00                  |
|                                  |      |      |       | Separation/Integration Costs                   | (79,934.86)    | (79,836.67)   | (79,934.86)                    |
|                                  |      |      |       | Capacity Release Credits                       | 6,798,698.62   | 3,816,458.77  | 5,246,416.08                   |
|                                  |      |      |       | FAS 106 - OPEB                                 | 641,691.15     | 911,380.00    | 1,450,000.00                   |
|                                  |      |      |       | Performance Plan                               | (4,060.00)     | 0.00          | 0.00                           |
|                                  |      |      |       | UPFI Exchange                                  | (8,625.00)     | 0.00          | 0.00                           |
|                                  |      |      |       | UPFI Exchange #2                               | 3,177,192.12   | 7,270,235.50  | 2,737,498.56                   |
|                                  |      |      |       | Texas Gas Storage                              |                |               |                                |
|                                  |      |      |       | Total Misc. Current & Accrued Liabilities      | 15,024,962.03  | 11,918,237.60 | 26,333,979.78                  |
| 2620                             |      |      |       | Self Insurance Reserve                         | 1,700,000.00   | 1,643,387.06  | 1,000,000.00                   |
|                                  |      |      |       | General Liability                              |                |               |                                |

ATMOS ENERGY CORPORATION  
BALANCE SHEET ACCOUNTS  
AS OF MARCH 31

10:42 AM

| Reference | Page | Line | Acct. | Description  | 1998           | 1997           | As of<br>September 30,<br>1997 |
|-----------|------|------|-------|--|----------------|----------------|--------------------------------|
| No.       | No.  | No.  | No.   |  |                |                |                                |
|           |      |      |       | Auto Liability Claims                                  | (6,040.00)     | 0.00           | 0.00                           |
|           |      |      |       | Gen. Liab. (Each \$50M Claim Amortized over 12 months) | (686,491.70)   | (54,166.65)    | 0.00                           |
|           |      |      |       | Workers Compensation                                   | 1,250,000.00   | 1,225,000.00   | 1,200,000.00                   |
|           |      |      |       | Total Self Insurance Reserve                           | 2,257,468.30   | 2,814,220.41   | 2,200,000.00                   |
|           |      |      |       | Atmos - Total Other Current Liabilities                | 21,322,422.14  | 18,260,499.85  | 32,284,183.62                  |
| 60        | 14   |      |       | United Cities Gas - Total Other Current Liabilities    | 28,837,802.00  | 0.00           | 19,297,929.41                  |
|           |      |      |       | Total Other Current Liabilities                        | 51,160,224.14  | 18,260,499.85  | 51,582,113.03                  |
| 60        | 15   |      |       | Intercompany Accounts - United Cities Gas              | 435,613.00     | 0.00           | 276,957.00                     |
| 60        | 16   |      |       | Total Current Liabilities                              | 292,617,387.70 | 111,092,139.67 | 277,113,668.92                 |
|           |      |      |       | 282 Deferred Federal Income Taxes                      | 49,782,595.23  | 37,138,382.47  | 48,721,572.57                  |
|           |      |      |       | 283 Deferred State Income Taxes                        | 6,511,784.07   | 3,437,617.55   | 6,372,806.73                   |
|           |      |      |       | Atmos - Deferred Income Taxes                          | 56,294,379.30  | 40,576,000.02  | 55,094,379.30                  |
|           |      |      |       | United Cities Gas - Deferred Income Taxes              | 24,697,904.00  | 0.00           | 26,234,437.68                  |
| 60        | 17   |      |       | Total Deferred Income Taxes                            | 80,992,283.30  | 40,576,000.02  | 81,328,816.98                  |
|           |      |      |       | 2520 Customer Advances for Construction                | 9,073,367.34   | 8,443,848.98   | 8,776,173.29                   |
|           |      |      |       | 2530 Other Deferred Credits                            | 0.00           | 225,000.00     | 0.00                           |
|           |      |      |       | Advance from UP Alliance                               | 97,992.05      | 92,350.00      | 107,850.00                     |
|           |      |      |       | Directors' Fees  | 1,400,920.37   | 79,111.64      | 134,289.92                     |
|           |      |      |       | Outside Directors' Retirement Plan                     | 6,329,091.61   | 6,094,047.61   | 6,171,915.61                   |
|           |      |      |       | FAS 106 - OPEB   | 2,291,234.63   | 2,291,234.63   | 2,291,234.63                   |
|           |      |      |       | FAS 109 - Regulatory Liability / Protected             | 0.00           | 200,000.00     | 200,000.00                     |
|           |      |      |       | KN Master Mtr Transfer                                 | 0.00           | 61,863.13      | 0.00                           |
|           |      |      |       | LPSC Settlement (Amort. Heating Ser., Fiscal 96 & 97)  | 221,780.62     | 221,780.62     | 221,780.62                     |
|           |      |      |       | Protected Excess Deferred Tax - GGC                    | 392,454.15     | 392,454.15     | 392,454.15                     |
|           |      |      |       | Regulatory Liability - ITC                             | 109,652.32     | 172,247.52     | 160,546.89                     |
|           |      |      |       | Rent Amortization - Lafayette Office                   | 0.00           | 0.00           | 0.00                           |
|           |      |      |       | Rent Amortization - Midway Bldg.                       | 0.00           | 0.00           | 0.00                           |
|           |      |      |       | Rent Amortization - Three Lincoln Centre               | 21,766,086.62  | 19,850,677.09  | 20,590,905.84                  |
|           |      |      |       | Retirement Cost  | 32,609,212.37  | 29,680,766.39  | 30,270,977.66                  |
|           |      |      |       | Total Other Deferred Credits                           | 811,500.81     | 811,500.81     | 811,500.81                     |
|           |      |      |       | 2550 Deferred Credits - Accrued I.T.C.                 | 42,494,080.52  | 38,936,116.18  | 39,858,651.76                  |
|           |      |      |       | Atmos - Total Deferred Credits and Other Liab.         |                |                |                                |

ATMOS ENERGY CORPORATION  
 BALANCE SHEET ACCOUNTS  
 AS OF MARCH 31

10:42 AM

| Reference | Page No. | Line No. | Acct. No. | Description  | 1998               | 1997             | As of September 30, 1997 |
|-----------|----------|----------|-----------|--|--------------------|------------------|--------------------------|
| 60        | 18       |          |           | United Cities Gas - Total Deferred Credits and Other Liab. | 12,748,440.00      | 0.00             | 13,729,516.00            |
|           |          |          |           | Total Deferred Credits and Other Liab.                     | 55,242,520.52      | 38,936,116.18    | 53,888,167.76            |
| 60        | 19       |          |           | TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY                 | \$1,071,103,418.61 | \$546,738,847.56 | \$1,011,626,092.39       |

ATMCS ENERGY CORPORATION UTILITY BUSINESS UNITS  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 03/31/98

| Line No. | Description (a)   | Current Month |            | Prior Year Actual |             | Year to Date |             |
|----------|---|---------------|------------|-------------------|-------------|--------------|-------------|
|          |   | Actual (b)    | Budget (c) | Actual (d)        | Budget (e)  | Actual (f)   | Budget (g)  |
| 1        | Degree Days   | 558           | 502        | 403               | 3,486       | 3,631        | 3,421       |
| 2        | Meters in service (1)                                     |               |            |                   |             |              |             |
| 3        | Residential   | 892,069       | N/A        | 875,243           | 885,858     | N/A          | 870,431     |
| 4        | Commercial  | 96,430        |            | 94,585            | 95,452      |              | 93,770      |
| 5        | Industrial  | 1,866         |            | 1,868             | 1,903       |              | 1,938       |
| 6        | Public Authority & Other                                  | 4,874         |            | 4,786             | 4,841       |              | 4,776       |
| 7        | Agricultural  | 14,967        |            | 15,462            | 15,117      |              | 16,723      |
|          | Total meters in service                                   | 1,010,206     | N/A        | 991,944           | 1,003,171   | N/A          | 987,638     |
| 8        | Utility Sales Customers - Regulated (1)                   |               |            |                   |             |              |             |
| 9        | Residential   | 876,567       | N/A        | 861,726           | 868,227     | N/A          | 854,666     |
| 10       | Commercial  | 94,057        |            | 92,673            | 92,810      |              | 91,318      |
| 11       | Industrial  | 1,406         |            | 1,361             | 1,454       |              | 1,380       |
| 12       | Public Authority & Other                                  | 3,614         |            | 3,549             | 3,590       |              | 3,519       |
| 13       | Agricultural  | 299           |            | 305               | 299         |              | 308         |
|          | Total Regulated Sales Customers                           | 975,943       | N/A        | 959,614           | 966,380     | N/A          | 951,191     |
| 14       | Utility Sales Customers - Non Regulated (1)               |               |            |                   |             |              |             |
| 15       | Industrial  | 197           | N/A        | 189               | 193         | N/A          | 187         |
| 16       | Agricultural  | 6,442         |            | 6,739             | 6,434       |              | 6,673       |
|          | Total Non Regulated Sales Customers                       | 6,639         | N/A        | 6,928             | 6,626       | N/A          | 6,860       |
| 17       | Total Sales Customers (1)                                 | 982,582       | N/A        | 966,542           | 973,006     | N/A          | 958,051     |
| 18       | Transportation Customers (1) (2)                          | 577           | N/A        | 522               | 624         | N/A          | 508         |
| 19       | Total Utility Customers (1) (2)                           | 983,159       | N/A        | 967,064           | 973,630     | N/A          | 958,559     |
| 20       | Utility Gas Volumes Sold - Regulated (mcf as metered)     |               |            |                   |             |              |             |
| 21       | Residential   | 10,657,589    | N/A        | 9,044,229         | 56,071,898  | N/A          | 56,388,777  |
| 22       | Commercial  | 4,569,722     |            | 4,145,895         | 25,905,670  |              | 26,930,132  |
| 23       | Industrial  | 1,872,551     |            | 2,100,708         | 13,370,907  |              | 16,026,818  |
| 24       | Public Authority & Other                                  | 652,550       |            | 507,703           | 3,797,696   |              | 3,874,829   |
| 25       | Agricultural  | 4,859         |            | 65,090            | 89,355      |              | 153,358     |
| 26       | Unbilled  | (498,010)     |            | (1,830,439)       | 5,626,118   |              | 3,706,218   |
|          | Total Regulated Gas Volumes                               | 17,229,261    | N/A        | 14,033,186        | 104,861,644 | NA           | 107,080,132 |
| 27       | Utility Gas Volumes Sold - Non Regulated (mcf as metered) |               |            |                   |             |              |             |
| 28       | Industrial  | 477,355       | N/A        | 487,734           | 3,195,314   | N/A          | 3,233,002   |
| 29       | Agricultural  | 930,356       |            | 2,011,130         | 1,650,527   |              | 3,376,607   |
|          | Total Non Regulated Gas Volumes                           | 1,407,711     | NA         | 2,498,864         | 4,845,841   | NA           | 6,609,609   |
| 30       | Total Gas Volumes Sold                                    | 18,636,972    | N/A        | 16,532,050        | 109,707,485 | N/A          | 113,689,741 |
| 31       | Transport volumes (mcf as metered) (2)                    | 4,915,540     | N/A        | 4,299,282         | 29,089,625  | N/A          | 25,082,728  |
| 32       | Total Operating Volumes (2)                               | 23,552,512    | N/A        | 20,831,332        | 138,797,110 | N/A          | 138,772,469 |

N/A = Not Available



ATMOS ENERGY CORPORATION UTILITY BUSINESS UNITS  
CONSOLIDATED OPERATING REVENUE AND STATISTICS  
FOR THE MONTH AND YEAR TO DATE ENDED 03/31/98

| Line No. | Description (a)                           | Current Month    |               |                       | Year to Date      |                |                       |
|----------|---|------------------|---------------|-----------------------|-------------------|----------------|-----------------------|
|          |   | Actual (b)       | Budget (c)    | Prior Year Actual (d) | Actual (e)        | Budget (f)     | Prior Year Actual (g) |
| 1        | Utility Gas Sales Revenue - Regulated     |                  |               |                       |                   |                |                       |
| 2        | Residential                               | \$ 54,344,674.58 | N/A           | \$ 48,259,304.40      | \$ 311,932,034.15 | N/A            | \$ 321,297,490.21     |
| 3        | Commercial                                | 22,370,855.92    |               | 20,557,554.46         | 136,857,375.94    |                | 142,119,787.12        |
| 4        | Industrial                                | 7,301,015.78     |               | 8,632,029.50          | 58,076,788.44     |                | 67,912,559.79         |
| 5        | Public Authority & Other                  | 2,547,547.39     |               | 2,172,535.94          | 16,391,347.19     |                | 18,319,401.22         |
| 6        | Agricultural                              | 22,551.12        |               | 226,938.66            | 382,583.83        |                | 533,285.00            |
| 7        | Unbilled                                  | (11,669,083.00)  |               | (11,566,565.00)       | (2,875,450.00)    |                | 28,945,272.00         |
|          | Total Regulated Gas Sales Revenue         | 74,917,561.79    | N/A           | 68,281,797.96         | 520,764,679.55    | N/A            | 579,127,795.34        |
| 8        | Utility Gas Sales Revenue - Non Regulated |                  |               |                       |                   |                |                       |
| 9        | Industrial                                | 1,398,249.31     | N/A           | 1,456,962.43          | 10,068,670.52     | N/A            | 9,704,318.16          |
| 10       | Agricultural                              | 2,765,025.80     |               | 6,494,677.06          | 5,661,204.96      |                | 10,265,579.73         |
|          | Total Non Regulated Gas Sales Revenue     | 4,163,275.11     | N/A           | 7,951,639.49          | 15,729,875.48     | N/A            | 19,969,897.89         |
| 11       | Total Utility Gas Sales Revenue           | 79,080,836.90    | 97,289,000.00 | 76,233,437.45         | 536,494,555.03    | 579,796,000.00 | 599,097,693.23        |
| 12       | Other Gas Revenue                         | 969,534.08       | 859,000.00    | 760,847.44            | 5,455,594.63      | 4,238,000.00   | 3,512,496.54          |
| 13       | Total Utility Gas Revenue                 | 80,050,370.98    | 98,148,000.00 | 76,994,284.89         | 541,950,149.66    | 384,034,000.00 | 602,610,189.77        |
| 14       | Transportation Revenue (2)                | 2,097,558.91     | 1,628,000.00  | 1,841,705.16          | 13,255,331.73     | 9,723,000.00   | 10,359,785.95         |
| 15       | Other Operating Revenue                   | 0.00             | 0.00          | 0.00                  | 0.00              | 0.00           | 0.00                  |
| 16       | Total Utility Operating Revenue (2)       | 82,147,929.89    | 99,776,000.00 | 78,835,990.05         | 555,205,481.39    | 593,757,000.00 | 612,969,975.72        |
|          | Utility Purchased Gas Cost                |                  |               |                       |                   |                |                       |
| 17       | Regulated                                 | \$ 43,918,374.04 | N/A           | \$ 39,460,093.11      | \$ 331,738,809.96 | N/A            | \$ 389,042,966.16     |
| 18       | Non Regulated                             | 3,518,335.00     | N/A           | 6,493,497.32          | 13,675,035.85     | N/A            | 16,667,057.42         |
| 19       | Eliminations                              | (190,340.13)     | N/A           | (167,372.61)          | (1,124,457.98)    | N/A            | (1,321,879.68)        |
| 20       | Total Purchased Gas Cost                  | 47,246,368.91    | 63,652,000.00 | 45,786,217.82         | 344,289,387.83    | 376,931,000.00 | 404,388,143.90        |
| 21       | Gas Sales Margin - Regulated (3)          | \$ 30,999,187.75 | N/A           | \$ 28,821,704.85      | \$ 189,025,869.59 | N/A            | \$ 190,084,829.18     |
| 22       | Gas Sales Margin - Non Regulated (4)      | 644,940.11       | N/A           | 1,458,142.17          | 2,054,839.63      | N/A            | 3,302,840.47          |
| 23       | Gas Sales Margin - Total (5)              | 31,834,467.99    | 33,607,000.00 | 30,447,219.63         | 192,205,167.20    | 202,865,000.00 | 194,709,549.33        |
| 24       | Margin per MCF Sold - Regulated (6)       | \$ 1.80          | N/A           | \$ 2.05               | \$ 1.80           | N/A            | \$ 1.78               |
| 25       | Margin per MCF Sold - Non Regulated (6)   | 0.46             | N/A           | 0.58                  | 0.42              | N/A            | 0.50                  |
| 26       | Margin per MCF Sold - Total (6)           | 1.71             | N/A           | 1.84                  | 1.75              | N/A            | 1.71                  |

N/A = Not Available

- (1) The current month reflects the actual for the respective period as per the Meter Inventory Mgmt System, year to date reflects the average for the respective period.
- (2) Reflects intercompany eliminations.
- (3) Regulated gas sales revenue minus regulated gas costs.
- (4) Non regulated gas sales revenue minus non regulated gas costs.
- (5) Total gas sales revenue minus total gas costs.
- (6) Gas sales margin divided by gas sales volumes as metered.

WESTERN KENTUCKY GAS UTILITY BUSINESS UNIT  
CONSOLIDATED OPERATING REVENUE AND STATISTICS  
FOR THE MONTH AND YEAR TO DATE ENDED 03/31/98

| Line No. | Description (a)   | Current Month |            | Prior Year Actual (d) | Actual (e) | Year to Date |                       |
|----------|---|---------------|------------|-----------------------|------------|--------------|-----------------------|
|          |   | Actual (b)    | Budget (c) |                       |            | Budget (f)   | Prior Year Actual (g) |
| 1        | Degrees Days  | 540           | 556        | 465                   | 3,509      | 3,968        | 3,684                 |
| 2        | Meters in service (1)                                     |               |            |                       |            |              |                       |
| 3        | Residential   | 156,039       | N/A        | 151,861               | 152,840    | N/A          | 153,514               |
| 4        | Commercial  | 18,105        |            | 17,763                | 18,041     |              | 17,663                |
| 5        | Industrial  | 393           |            | 464                   | 426        |              | 466                   |
| 6        | Public Authority & Other                                  | 1,594         |            | 1,564                 | 1,588      |              | 1,555                 |
| 7        | Agricultural  | 0             |            | 0                     | 0          |              | 0                     |
|          | Total meters in service                                   | 176,131       | N/A        | 173,652               | 173,895    | N/A          | 173,198               |
| 8        | Utility Sales Customers - Regulated (1)                   |               |            |                       |            |              |                       |
| 9        | Residential   | 153,767       | N/A        | 151,733               | 152,264    | N/A          | 150,301               |
| 10       | Commercial  | 17,774        |            | 17,488                | 17,514     |              | 17,192                |
| 11       | Industrial  | 283           |            | 310                   | 317        |              | 320                   |
| 12       | Public Authority & Other                                  | 1,589         |            | 1,558                 | 1,578      |              | 1,547                 |
| 13       | Agricultural  | 0             |            | 0                     | 0          |              | 0                     |
|          | Total Regulated Sales Customers                           | 173,413       | N/A        | 171,089               | 171,672    | N/A          | 169,360               |
| 14       | Utility Sales Customers - Non Regulated (1)               |               |            |                       |            |              |                       |
| 15       | Industrial  | 0             | 0          | 0                     | 0          | 0            | 0                     |
| 16       | Agricultural  | 0             | 0          | 0                     | 0          | 0            | 0                     |
|          | Total Non Regulated Sales Customers                       | 0             | 0          | 0                     | 0          | 0            | 0                     |
| 17       | Total Sales Customers (1)                                 | 173,413       | N/A        | 171,089               | 171,672    | N/A          | 169,360               |
| 18       | Transportation Customers (1)(2)                           | 96            | N/A        | 66                    | 86         | N/A          | 52                    |
| 19       | Total Utility Customers (1)(2)                            | 173,509       | N/A        | 171,155               | 171,758    | N/A          | 169,412               |
| 20       | Utility Gas Volumes Sold - Regulated (mcf as metered)     |               |            |                       |            |              |                       |
| 21       | Residential   | 1,796,088     | N/A        | 1,671,021             | 9,670,272  | N/A          | 10,073,835            |
| 22       | Commercial  | 707,894       |            | 658,713               | 4,069,320  |              | 4,356,065             |
| 23       | Industrial  | 166,264       |            | 425,232               | 2,303,264  |              | 4,008,154             |
| 24       | Public Authority & Other                                  | 200,949       |            | 175,740               | 1,114,921  |              | 1,141,262             |
| 25       | Agricultural  | 0             |            | 0                     | 0          |              | 0                     |
| 26       | Unbilled  | (183,079)     |            | (354,482)             | 935,826    |              | 926,630               |
|          | Total Regulated Gas Volumes                               | 2,688,116     | N/A        | 2,576,224             | 18,093,603 | N/A          | 20,505,946            |
| 27       | Utility Gas Volumes Sold - Non Regulated (mcf as metered) |               |            |                       |            |              |                       |
| 28       | Industrial  | 0             | 0          | 0                     | 0          | 0            | 0                     |
| 29       | Agricultural  | 0             | 0          | 0                     | 0          | 0            | 0                     |
|          | Total Non Regulated Gas Volumes                           | 0             | 0          | 0                     | 0          | 0            | 0                     |
| 30       | Total Gas Volumes Sold                                    | 2,688,116     | N/A        | 2,576,224             | 18,093,603 | N/A          | 20,505,946            |
| 31       | Transport volumes (mcf as metered) (2)                    | 2,412,765     | N/A        | 2,092,814             | 13,483,251 | N/A          | 11,453,992            |
| 32       | Total Operating Volumes (2)                               | 5,100,881     | N/A        | 4,669,038             | 31,576,854 | N/A          | 31,959,938            |

N/A = Not Available

WESTERN KENTUCKY GAS UTILITY BUSINESS UNIT  
 CONSOLIDATED OPERATING REVENUE AND STATISTICS  
 FOR THE MONTH AND YEAR TO DATE ENDED 03/31/98

| Line No. | Description (a)                           | Current Month    |                  |                       | Year to Date     |                   |                       |
|----------|---|------------------|------------------|-----------------------|------------------|-------------------|-----------------------|
|          |   | Actual (b)       | Budget (c)       | Prior Year Actual (d) | Actual (e)       | Budget (f)        | Prior Year Actual (g) |
| 1        | Utility Gas Sales Revenue - Regulated     |                  |                  |                       |                  |                   |                       |
| 2        | Residential                               | \$ 8,945,677.95  | N/A              | \$ 8,550,465.17       | \$ 55,970,038.14 | N/A               | \$ 52,679,847.74      |
| 3        | Commercial                                | 3,390,005.24     |                  | 3,204,350.66          | 22,456,703.69    |                   | 21,506,079.87         |
| 4        | Industrial                                | 482,792.15       |                  | 1,528,214.13          | 10,469,986.76    |                   | 15,829,435.55         |
| 5        | Public Authority & Other                  | 905,954.48       |                  | 812,793.28            | 5,847,141.82     |                   | 5,359,059.12          |
| 6        | Agricultural                              | 0.00             |                  | 0.00                  | 0.00             |                   | 0.00                  |
| 7        | Unbilled                                  | (3,582,000.00)   |                  | (1,100,000.00)        | (11,413,000.00)  |                   | 3,359,000.00          |
|          | Total Regulated Gas Sales Revenue         | 10,142,429.82    | 16,429,000.00    | 12,995,823.24         | 83,330,870.41    | 95,898,000.00     | 98,733,422.28         |
| 8        | Utility Gas Sales Revenue - Non Regulated |                  |                  |                       |                  |                   |                       |
| 9        | Industrial                                | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00              | 0.00                  |
| 10       | Agricultural                              | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00              | 0.00                  |
|          | Total Non Regulated Gas Sales Revenue     | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00              | 0.00                  |
| 11       | Total Utility Gas Sales Revenue           | 10,142,429.82    | 16,429,000.00    | 12,995,823.24         | 83,330,870.41    | 95,898,000.00     | 98,733,422.28         |
| 12       | Other Gas Revenue                         | 62,320.98        | 121,000.00       | 64,990.93             | 721,090.70       | 577,000.00        | 461,263.56            |
| 13       | Total Utility Gas Revenue                 | 10,204,750.80    | 16,550,000.00    | 13,060,814.17         | 84,051,961.11    | 96,475,000.00     | 99,194,685.84         |
| 14       | Transportation Revenue (2)                | 865,292.85       | 700,000.00       | 728,159.11            | 4,683,626.80     | 4,200,000.00      | 3,622,660.39          |
| 15       | Other Operating Revenue                   | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00              | 0.00                  |
| 16       | Total Utility Operating Revenue (2)       | \$ 11,070,043.65 | \$ 17,250,000.00 | \$ 13,788,973.28      | \$ 88,735,587.91 | \$ 100,675,000.00 | \$ 102,817,346.23     |
| 17       | Utility Purchased Gas Cost                |                  |                  |                       |                  |                   |                       |
| 18       | Regulated                                 | \$ 5,992,659.28  | \$ 10,782,000.00 | \$ 7,820,032.97       | \$ 58,845,736.96 | \$ 65,375,000.00  | \$ 73,686,026.13      |
| 19       | Non Regulated                             | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00              | 0.00                  |
| 20       | Eliminations                              | 0.00             | 0.00             | 0.00                  | 0.00             | 0.00              | 0.00                  |
|          | Total Purchased Gas Cost                  | \$ 5,992,659.28  | \$ 10,782,000.00 | \$ 7,820,032.97       | \$ 58,845,736.96 | \$ 65,375,000.00  | \$ 73,686,026.13      |
| 21       | Gas Sales Margin - Regulated (3)          | \$ 4,149,770.54  | \$ 5,647,000.00  | \$ 5,175,790.27       | \$ 24,485,133.45 | \$ 30,523,000.00  | \$ 25,047,396.15      |
| 22       | Gas Sales Margin - Non Regulated (4)      |                  | 5,647,000.00     | 5,175,790.27          | 24,485,133.45    | 30,523,000.00     | 25,047,396.15         |
| 23       | Gas Sales Margin - Total (5)              | \$ 4,149,770.54  | N/A              | \$ 2.01               | \$ 1.35          | N/A               | \$ 1.22               |
| 24       | Margin per MCF Sold - Regulated (6)       | 1.54             | N/A              | 2.01                  | 1.35             | N/A               | 1.22                  |
| 25       | Margin per MCF Sold - Non Regulated (6)   |                  |                  |                       |                  |                   |                       |
| 26       | Margin per MCF Sold - Total (6)           | 1.54             | N/A              | 2.01                  | 1.35             | N/A               | 1.22                  |

N/A = Not Available

(1) The current month reflects the actual for the respective period as per the Meter Inventory Mgmt. System, year to date reflects the average for the respective period.  
 (2) Reflects intercompany eliminations.  
 (3) Regulated gas sales revenue minus regulated gas costs.  
 (4) Non regulated gas sales revenue minus non regulated gas costs.  
 (5) Total gas sales revenue minus total gas costs.  
 (6) Gas sales margin divided by gas sales volumes as metered.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED OPERATION EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 03/31/98

(TS3)

| Line No.                                | Description (a)                           | Current Month |             | Year to Date          |             | Twelve Months Ended |                       |
|---|---|---------------|-------------|-----------------------|-------------|---------------------|-----------------------|
|   |   | Actual (b)    | Budget* (c) | Prior Year Actual (d) | Actual (e)  | Budget* (f)         | Prior Year Actual (g) |
| <b>Manufactured Gas Production Exp.</b> |   |               |             |                       |             |                     |                       |
| 1                                       | 717 Liquefied Petroleum Gas Expenses      | \$0.00        | \$0         | \$0.00                | \$0.00      | \$0                 | \$0.00                |
| 2                                       | 723 Fuel for L-P Gas Process              | 0.00          | 0           | 0.00                  | 0.00        | 0                   | 0.00                  |
| 3                                       | 728 L-P Gas - Raw Materials               | 0.00          | 0           | 0.00                  | 0.00        | 0                   | 0.00                  |
| 4                                       | 735 Misc. Production Expenses             | 0.00          | 0           | 0.00                  | 0.00        | 0                   | 0.00                  |
| 5                                       | 736 Rents                                 | 0.00          | 0           | 0.00                  | 0.00        | 0                   | 0.00                  |
| 6                                       | Total Manufactured Gas Prod. Expense      | 0.00          | 0           | 0.00                  | 0.00        | 0                   | 0.00                  |
| <b>Natural Gas Production Expenses</b>  |   |               |             |                       |             |                     |                       |
| 7                                       | 750 Operation Supervision and Engineering | 22.78         | 0           | 282.16                | 565.83      | 0                   | 1,891.47              |
| 8                                       | 751 Production Maps & Records             | 0.00          | 0           | 0.00                  | 0.00        | 0                   | 0.00                  |
| 9                                       | 752 Gas Wells Expenses                    | 0.00          | 0           | 0.00                  | 0.00        | 0                   | 0.00                  |
| 10                                      | 753 Field Lines Expenses                  | 539.62        | 0           | 714.89                | 4,787.70    | 0                   | 11,266.76             |
| 11                                      | 754 Field Compressor Station Expenses     | 2,858.20      | 0           | 3,475.74              | 20,126.41   | 0                   | 56,795.21             |
| 12                                      | 755 Field Compressor Station Fuel Exp.    | 150.98        | 0           | 0.00                  | 28,476.75   | 0                   | 139,494.98            |
| 13                                      | 756 Field Mes. & Reg. Station Expenses    | 6,444.75      | 0           | 6,156.55              | 42,175.09   | 0                   | 79,952.33             |
| 14                                      | 757 Purification Expenses                 | 1,000.42      | 0           | 2,296.36              | 6,536.31    | 0                   | 17,619.32             |
| 15                                      | 758 Gas Well Royalties                    | 0.00          | 0           | 0.00                  | 0.00        | 0                   | 0.00                  |
| 16                                      | 759 Operating Expenses - Other            | 0.00          | 0           | 0.00                  | 0.00        | 0                   | 0.00                  |
| 17                                      | 760 Rents                                 | 0.00          | 0           | 0.00                  | 0.00        | 0                   | 0.00                  |
| 18                                      | 798 Other Exploration Exp.                | 100.70        | 0           | 94.34                 | 585.12      | 0                   | 1,151.16              |
| 19                                      | Total Natural Gas Prod. Expenses          | 11,117.45     | 0           | 13,000.04             | 103,253.21  | 0                   | 308,171.23            |
| <b>Production Extraction</b>            |   |               |             |                       |             |                     |                       |
| 20                                      | 770 Operation Supervision and Engineering | 0.00          | 0           | 0.00                  | 447.11      | 0                   | 839.27                |
| 21                                      | 771 Operation Labor                       | 1,544.31      | 0           | 1,241.26              | 8,887.69    | 0                   | 17,129.08             |
| 22                                      | 772 Gas Shrinkage                         | 13,296.39     | 0           | 5,071.07              | 58,790.31   | 0                   | 93,324.76             |
| 23                                      | 773 Fuel                                  | 916.03        | 0           | 1,011.66              | 5,194.00    | 0                   | 9,339.13              |
| 24                                      | 774 Power                                 | 433.06        | 0           | 1,520.69              | 7,794.54    | 0                   | 16,844.52             |
| 25                                      | 777 Gas Production By Others              | 0.00          | 0           | 98.97                 | 0.00        | 0                   | 99.45                 |
| 26                                      | 781 Variation in Product Inv.             | 0.00          | 0           | 0.00                  | 0.00        | 0                   | 0.00                  |
| 27                                      | Total Prod. Extraction Expenses           | \$16,189.79   | \$0         | \$8,963.65            | \$81,113.65 | \$0                 | \$137,576.21          |
| <b>Other Gas Supply Expenses</b>        |   |               |             |                       |             |                     |                       |
| 1                                       | 79901 Transf. to Purch. Gas Accts. - Cr.  | \$0.00        | \$0         | \$0.00                | \$0.00      | \$0                 | \$0.00                |
| 2                                       | 807 Purchased Gas Expenses                | 9,686.80      | 0           | 9,236.03              | 45,461.46   | 0                   | 99,363.78             |
| 3                                       | 808 Gas Withdrawn from Storage - Dr.      | 0.00          | 0           | 0.00                  | 0.00        | 0                   | 0.00                  |

\* Budget information not available by account and includes UCG.

ATMOS ENERGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED OPERATION EXPENSES  
 FOR THE MONTH, YEAR TO DATE, AND TWELVE MONTHS ENDED 03/31/98

| Line No.                                      | Description (a)                           | Current Month |             |                       | Year to Date |             |                       | Twelve Months Ended |    | Line No. |
|---|---|---------------|-------------|-----------------------|--------------|-------------|-----------------------|---------------------|----|----------|
|   |   | Actual (b)    | Budget* (c) | Prior Year Actual (d) | Actual (c)   | Hudget* (f) | Prior Year Actual (e) | Actual (h)          |    |          |
| 4   | 809 Gas Delivered to Storage - Cr.        | 0.00          | 0           | 0.00                  | 0.00         | 0           | 0.00                  | 0.00                | 4  |          |
| 5   | 812 Gas Used for Other Util. Oper. - Cr.  | 0.00          | 0           | 0.00                  | 0.00         | 0           | 0.00                  | 0.00                | 5  |          |
| 6   | Total Other Gas Supply Expenses           | 9,686.80      | 0           | 9,236.03              | 45,461.46    | 0           | 53,844.92             | 99,363.78           | 6  |          |
| <b>Underground Storage Operation Expenses</b> |   |               |             |                       |              |             |                       |                     |    |          |
| 7   | 814 Oper. Supervision-Engineering         | 67.26         | 0           | (622.21)              | (2,556.51)   | 0           | 6,182.65              | (6,353.45)          | 7  |          |
| 8   | 816 Wells Expense                         | 4,943.23      | 0           | 4,923.14              | 30,118.98    | 0           | 31,729.00             | 74,313.94           | 8  |          |
| 9   | 817 Lines Expense                         | 5,245.06      | 0           | 3,004.57              | 24,943.91    | 0           | 18,136.26             | 43,222.48           | 9  |          |
| 10  | 818 Comp. Station Expenses                | 5,421.62      | 0           | 7,348.88              | 29,246.89    | 0           | 51,978.79             | 66,898.22           | 10 |          |
| 11  | 819 Comp. Station Fuel & Power            | 710.81        | 0           | 422.09                | 3,020.68     | 0           | 12,145.00             | 15,523.10           | 11 |          |
| 12  | 820 Meas. Reg. Station Expenses           | 4,014.27      | 0           | 1,954.20              | 16,086.94    | 0           | 11,656.82             | 25,198.35           | 12 |          |
| 13  | 821 Purification Expenses                 | 4,327.15      | 0           | 2,673.84              | 21,473.86    | 0           | 17,740.16             | 28,805.83           | 13 |          |
| 14  | 824 Other Expenses                        | 883.18        | 0           | 549.47                | 3,025.08     | 0           | 3,174.66              | 5,303.54            | 14 |          |
| 15  | 825 Storage Well Royalties                | 3,774.11      | 0           | 2,349.63              | 19,527.88    | 0           | 19,923.96             | 37,081.11           | 15 |          |
| 16  | 826 Rents                                 | 0.00          | 0           | 1,296.67              | 0.00         | 0           | 7,780.02              | 7,780.02            | 16 |          |
| 17  | Total Underground Storage Operation Exp.  | 29,386.69     | 0           | 23,900.28             | 144,907.71   | 0           | 180,447.32            | 297,773.14          | 17 |          |
| <b>Transmission Operation Expenses</b>        |   |               |             |                       |              |             |                       |                     |    |          |
| 18  | 850 Oper. Supervision-Engineering         | 1,449.98      | 0           | 1,386.53              | 6,089.18     | 0           | 17,741.75             | 12,402.87           | 18 |          |
| 19  | 851 System Control-Load Dispatch          | 0.00          | 0           | 1,215.55              | 459.00       | 0           | 9,894.45              | 8,008.59            | 19 |          |
| 20  | 852 Communications System Expenses        | 0.00          | 0           | 0.00                  | 0.00         | 0           | 0.00                  | 0.00                | 20 |          |
| 21  | 853 Comp. Station Labor and Exp.          | 4,146.33      | 0           | 4,881.20              | 29,354.69    | 0           | 33,102.69             | 60,719.81           | 21 |          |
| 22  | 854 Gas for Comp. Station Fuel            | 11,636.11     | 0           | 10,531.55             | 106,950.90   | 0           | 80,759.36             | 183,170.69          | 22 |          |
| 23  | 855 Other Fuel and Pow. for Comp. Station | 0.00          | 0           | 0.00                  | 0.00         | 0           | 0.00                  | 0.00                | 23 |          |
| 24  | 856 Main Expense                          | 19,988.77     | 0           | 23,027.13             | 143,318.99   | 0           | 132,350.28            | 260,599.59          | 24 |          |
| 25  | 857 Measuring and Reg. Sin. Exp.          | 9,161.68      | 0           | 14,771.55             | 71,529.58    | 0           | 91,970.82             | 147,687.95          | 25 |          |
| 26  | 858 Trans. and Comp. of Gas by Oth.       | 0.00          | 0           | 0.00                  | 0.00         | 0           | 0.00                  | 0.00                | 26 |          |
| 27  | 859 Other Expenses                        | 0.00          | 0           | 313.75                | 29.76        | 0           | 2,603.63              | 2,072.01            | 27 |          |
| 28  | 8600 0 Rents                              | 0.00          | 0           | 0.00                  | 0.00         | 0           | 0.00                  | 0.00                | 28 |          |
| 29  | 8600 8 Building Service /                 | 0.00          | 0           | 0.00                  | 0.00         | 0           | 0.00                  | 0.00                | 29 |          |
| 30  | Total Transmission Operation Expenses     | \$46,382.87   | \$0         | \$56,127.26           | \$357,732.10 | \$0         | \$368,422.98          | \$674,661.51        | 30 |          |

\* Budget information not available by account and includes UCG.