



Atmos Energy is concerned about the effects of higher natural gas costs, and is doing our best to cushion the effects of high gas costs on customers. More than half our nation's homes are heated by natural gas because of its many advantages: it is our cleanest fossil fuel, so it is environmentally friendly, and it is three times more energy efficient than electricity, which helps save money. Despite rising costs, natural gas remains one of America's best energy values.

Customers Pay What We Pay

Atmos Energy purchases gas wholesale and passes on the cost to our customers with no markup. By law, customers pay only what we have paid for natural gas. We earn our income from the rates we charge for *delivering* natural gas at regulated rates set by state and local governments. Atmos Energy earns, after expenses and taxes, about 2.5¢ to 3.0¢ of each revenue dollar.

While our gas delivery rates are regulated, the *price* of natural gas is not regulated. Changing supply and demand impacts the price of natural gas. Increased demand due to weather or natural gas supplies can cause fluctuations or spikes in gas market prices, and these fluctuations affect monthly gas costs.

Energy Efficiency

Efficient energy use is critical to handling rising energy prices. Atmos Energy encourages our natural gas customers to do the following:

- Use the **Energy Profile** at ManageYourEnergyBills.com to create a personalized energy-use report and receive energy-saving advice for your home.
- Take charge of your energy consumption by lowering the thermostat settings on your furnace and water heater. Less consumption can mean lower natural gas bills.

Options for Controlling Costs

Atmos Energy wants what our customers want: affordable prices and reliable natural gas supplies. We encourage our natural gas customers to do the following:

- **Sign up** for our budget billing plan to smooth our winter price peaks.
- Have a qualified heating repair contractor **inspect** your home and gas appliances; operating your appliances efficiently and adding insulation can reduce your winter gas bills.
- **Be efficient** with your consumption of natural gas.
- **Urge** your member of Congress to support legislation which will increase natural gas exploration. Additional available natural gas will mean better prices for consumers.

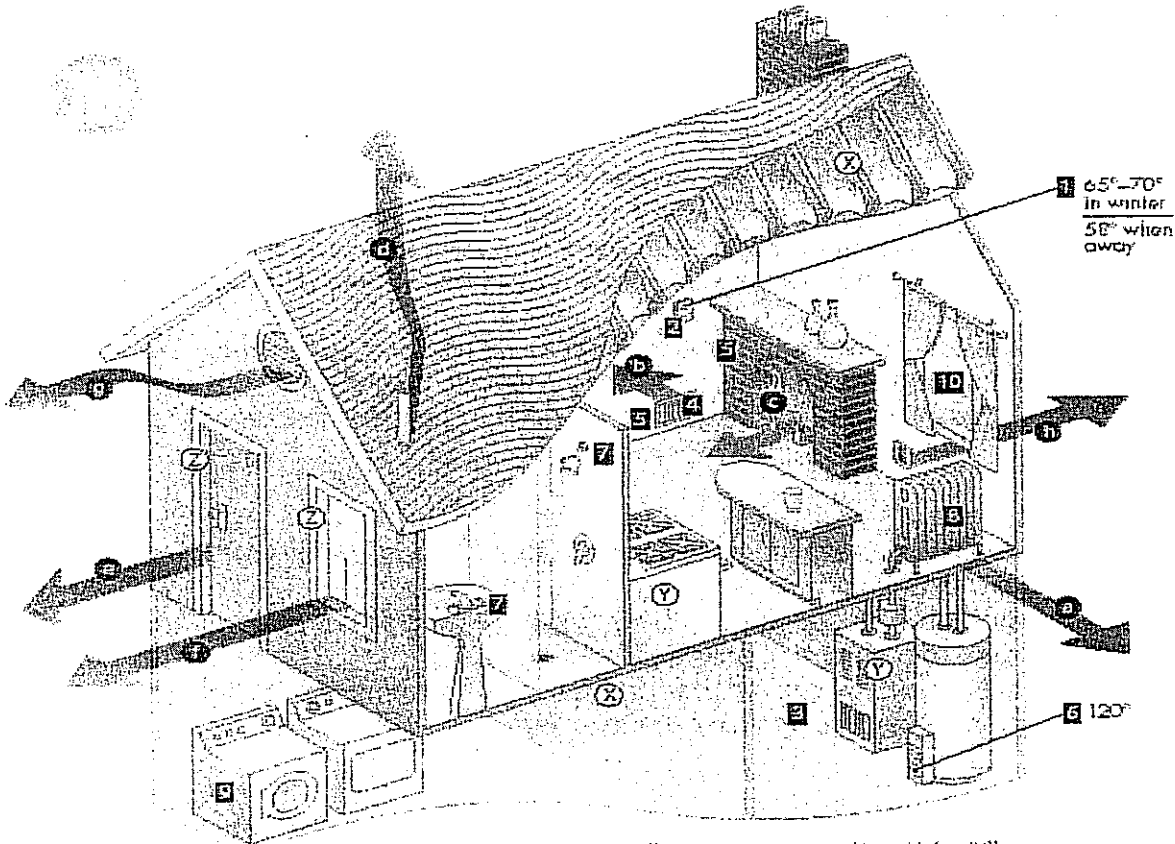
Additional information is available in our gas bills and on our website at atmosenergy.com. We will continue to solicit support for the more than 2,000 local energy-assistance agencies we work with to provide utility payment help for the elderly, disabled and low-income customers who have problems paying their gas bills.

For more information, customers may contact us at our website or at 888-286-6700.

Atmos Energy is the largest natural-gas-only distributor in the United States. Our regulated distribution operations deliver natural gas to 3.2 million residential, commercial, industrial, agricultural and public-authority customers. Our distribution services are provided to more than 1,600 communities in 12 states. In Texas we have two utility divisions: the West Texas division which serves 71 communities in the Panhandle and western parts of the state, and our Mid-Tex division which serves 550 communities in the north, central and eastern part of the state.

Using Energy Wisely

Natural gas prices are up. Here are some tips to keep your natural gas bills down.



Maximize Your Home's Energy Efficiency = Minimize Your Utility Bills

Natural gas is America's most popular heating fuel. Thanks to efficiency gains, the average American home uses 22% less natural gas than it did in 1980.

Keep the Cold Out

Reducing air leaks can cut \$1 of every \$10 in an average household's monthly energy bill. The steps are simple and relatively low cost.

First, seal all leaks around doors, windows and other openings, such as pipes or ducts, with caulk or weather-stripping. The most common places where warm air can escape from your home are:

- 1 floors, walls and ceilings
- 2 ducts
- 3 fireplace
- 4 plumbing penetrations
- 5 doors
- 6 windows
- 7 fans and vents
- 8 electrical outlets

Use Energy Wisely

- 1 Set thermostat between 65 and 70 degrees during the winter and at 58 degrees when away from your house for more than a few hours. Keep in mind that warmer temperatures are recommended for homes with ill or elderly persons or infants.
- 2 Turn down the thermostat automatically without sacrificing comfort by installing an automatic setback or programmable thermostat.

You can cut your annual heating bills by as much as 10 percent annually by setting your thermostat back 10 percent to 15 percent for eight hours a day:

- 3 Change or clean your furnace filters once a month during the heating season. Use the receipt of your natural gas bill as a reminder.
- 4 Because warm air rises, use registers to direct warm airflow across the floor.
- 5 Close vents and doors in unused rooms and close dampers on unused fireplaces.

- 6 Set water heater temperature at 120 degrees. This setting will allow a family to cut water heating bills without sacrificing comfort.
- 7 Install water-flow restrictors in all shower heads and faucets.
- 8 Place a sheet of aluminum foil between a heating radiator and the wall to reflect the heat back into the room.
- 9 Always run washing machines and clothes dryers with a full load.
- 10 On sunny days, open draperies and blinds to let the sun's warmth in. Close them at night to insulate against cold air outside.

Plan for Long-Term Energy-Efficiency Improvements

- 1 Check to be sure your attic and basement have the recommended levels of insulation.
- 2 Inspect your heating system and replace outdated appliances with high-efficiency natural gas models. When buying new appliances, compare energy-efficiency ratings and annual operating costs.
- 3 Install storm or thermal windows and doors or double-paned glass. A lower-cost alternative is to use plastic sheeting, which can be temporarily fastened over doors and windows. Caulk around the windows to prevent air leaks and drafts.

Find more tips for saving energy at home by visiting www.manageyourenergybills.com.

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