

October 25, 2007

To: Brett Shipp
From: Rand LaVonn
Re: News story

Brett,

Thank you for your request. Atmos Energy has been open and honest throughout your investigation and we have worked hard to be responsive to your many requests. Unfortunately, your series of reports has been biased and appears to reflect the positions taken by attorneys engaged in a lawsuit against the company. As a result of that apparent bias, we request that future requests and communications from you be in writing.

You stated this morning 1) that Atmos Energy is not repairing grade 3 and grade 4 leaks, and 2) that you were going to report on the evening news that the company is ignoring repairs on low-level leaks. Your statements are inaccurate and irresponsible, and further demonstrate the bias in your recent reports.

The truth is Atmos Energy Mid-Tex Division crews, in 2006, repaired more than 1,400 grade 3 leaks and repaired more than 1,600 grade 4 leaks.

Every day Atmos Energy crews are repairing emergency leaks by third-party contractors, surveying for leaks, responding to leak calls and repairing leaks. The natural gas system in every state is a constantly changing situation, which is why maintenance of the infrastructure is vital.

- Each day, on average, the Atmos Energy Mid-Tex Division has more than 700 people conducting leak surveys, investigating potential leaks and repairing confirmed damage.
- In 2006, more than 10,000 miles of underground pipe were surveyed for leaks.

While it was irresponsible to urge thousands of listeners to call Atmos Energy without giving us any advance notice, you should know that Atmos Energy crews are being responsive to those calls. Crews have gone to approximately 1,000 homes since the reports began. We have found very few of the homes even had the compression coupling in question. If the homeowner requested it, we removed the coupling and replaced it with a newer model. EVERY coupling that has been removed was working properly. No coupling leaks have been found.

As part of our safety commitment, Atmos Energy spent more than \$96 million in the Mid-Texas service area during fiscal 2006 on system integrity, repairing third-party damage, leak prevention, maintenance, and other system upgrades to maintain safe and reliable operations. We are committed to meeting or exceeding compliance with all safety regulations.

Atmos Energy welcomes any discussion on safety because safety is a partnership between the company and the public. Please remind your viewers that ANYTIME anyone smells natural gas, they should leave the area and then call 911 or 866-EC-ATMOS (866-32-28667), and we will send a professional to investigate.