SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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ATMOS ENERGY CORP

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

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1995

OR

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

For the transition period from _______________ to _______________

Commission File Number 1-10042

ATMOS ENERGY CORPORATION
(Exact name of registrant as specified in its charter)

TEXAS	75-1743247
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

1800 Three Lincoln Centre 5430 LBJ Freeway, Dallas, Texas	75240
(Address of principal executive offices)	(Zip Code)

(214) 934-9227
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to

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file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X . No .

Number of shares outstanding of each of the issuer's classes of common stock, as of May 1, 1995.

Class	Shares Outstanding
No Par Value	15,413,011

PART 1. FINANCIAL INFORMATION

Item 1. Financial Statements

ATMOS ENERGY CORPORATION

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	March 31, 1995	September 30, 1994
ASSETS	(Unaudited)	
Property, plant and equipment	$570,056	$543,692
Less accum. depreciation and amort.	228,263	216,285
Net property, plant and equipment	341,793	327,407
Current assets		
Cash and cash equivalents	6,241	2,766
Accounts receivable, net	44,641	29,678
Inventories	6,268	5,888
Gas stored underground	3,251	12,657
Prepayments	1,916	2,309
Total current assets	62,317	53,298
Deferred charges and other assets	35,661	35,973
	$439,771	$416,678
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Common stock outstanding: 15,404,098 shares at 3/31/95 and 15,297,166 shares at 9/30/94	$ 77	$ 77
Additional paid-in capital	104,155	102,456
Retained earnings	60,377	47,023
Total shareholders' equity	164,609	149,556
Long-term debt	131,303	138,303

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Total capitalization	295,912	287,859
Current liabilities		
Current maturities of long-term debt	7,000	4,000
Notes payable to banks	-	18,100
Accounts payable	39,530	21,975
Taxes payable	12,070	4,864
Customers' deposits	9,237	8,257
Other current liabilities	12,915	7,038
Total current liabilities	80,752	64,234
Deferred income taxes	29,398	30,184
Deferred credits and other liabilities	33,709	34,401
	$439,771	$416,678

See accompanying notes to consolidated financial statements.

ATMOS ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(In thousands, except per share data)

	Three months ended March 31,	
	1995	1994
Operating revenues	$157,294	$186,944
Purchased gas cost	97,717	127,578
Gross profit	59,577	59,366
Operating expenses		
Operation	22,335	23,620
Maintenance	1,148	1,466
Depreciation and amortization	5,163	4,672
Taxes, other than income	5,387	5,810
Income taxes	7,855	7,453
Total operating expenses	41,888	43,021

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Operating income	17,689	16,345
Other expense	(225)	(3)
Interest charges, net	3,519	3,100
Net income	$ 13,945	$ 13,242
Net income per share	$ .91	$ .87
Atmos dividends declared per share (See Note 2)	$ .23	$ .22
Average shares outstanding	15,381	15,224

See accompanying notes to consolidated financial statements.

ATMOS ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(In thousands, except per share data)

	Six months ended March 31,	
	1995	1994
Operating revenues	$275,142	$332,445
Purchased gas cost	172,083	224,658

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Gross profit	103,059	107,787
Operating expenses		
Operation	42,143	47,019
Maintenance	2,152	2,996
Depreciation and amortization	10,323	9,339
Taxes, other than income	9,465	10,347
Income taxes	11,501	11,439
Total operating expenses	75,584	81,140
Operating income	27,475	26,647
Other income (expense)	(86)	85
Interest charges	6,968	6,402
Net income	$ 20,421	$ 20,330
Net income per share	$ 1.33	$ 1.34
Atmos dividends declared per share (See Note 2)	$ .46	$ .44
Average shares outstanding	15,355	15,135

See accompanying notes to consolidated financial statements.

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ATMOS ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(In thousands, except per share data)

	Twelve months ended March 31, 1995	1994
Operating revenues	$442,505	$495,148
Purchased gas cost	278,996	325,496
Gross profit	163,509	169,652
Operating expenses		
Operation	87,256	87,772
Maintenance	5,044	6,362
Depreciation and amortization	19,825	17,759
Taxes, other than income	15,926	17,161
Income taxes	8,164	10,761
Total operating expenses	136,215	139,815
Operating income	27,294	29,837
Other income	332	119
Interest charges	12,856	12,606
Net income	$ 14,770	$ 17,350
Net income per share	$ .97	$ 1.17
Atmos dividends declared per share (See Note 2)	$ .90	$ .87
Average shares outstanding	15,305	14,840

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See accompanying notes to consolidated financial statements.

ATMOS ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Six months ended March 31, 1995	Six months ended March 31, 1994
Cash Flows From Operating Activities		
Net income	$ 20,421	$ 20,330
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization		
Charged to depreciation and amortization	10,323	9,339
Charged to other accounts	1,847	1,768
Deferred income taxes (benefit)	(786)	(2,486)
Other	1,663	403
	33,468	29,354
Net change in operating assets and liabilities	24,031	10,704
Net cash provided by operating activities	57,499	40,058
Cash Flows From Investing Activities		
Retirements of property, plant and equipment	2,646	319
Capital expenditures	(29,202)	(22,976)
Net cash used in investing activities	(26,556)	(22,657)
Cash Flows From Financing Activities		
Net decrease in notes payable to banks	(58,100)	(7,900)
Cash dividends and distributions paid	(7,067)	(6,019)
Issuance of long-term debt	40,000	-

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Repayment of long-term debt	(4,000)	(9,850)
Issuance of common stock	1,699	6,749
Net cash used in financing activities	(27,468)	(17,020)
Net increase in cash and cash equivalents	3,475	381
Cash and cash equivalents at beginning of period	2,766	2,286
Cash and cash equivalents at end of period	$ 6,241	$ 2,667

See accompanying notes to consolidated financial statements.

ATMOS ENERGY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
March 31, 1995

1. Unaudited interim financial information
In the opinion of management, all material adjustments necessary for a fair presentation have been made to the unaudited interim period financial statements. Such adjustments consisted only of normal recurring accruals. Because of seasonal and other factors, the results of operations for the six month period ended March 31, 1995 are not indicative of expected results of operations for the year ending September 30, 1995. These interim financial statements and notes are condensed as permitted by the instructions to Form 10-Q, and should be read in conjunction with the audited consolidated financial statements in the 1994 annual report to shareholders of Atmos Energy Corporation ("Atmos" or the "Company"). The condensed consolidated balance sheet of Atmos Energy Corporation, as of March 31, 1995, and the related condensed consolidated statements of income for the three-month and six-month periods ended March 31, 1995, and statement of cash flows for the six-month period ended March 31, 1995, included herein have been subjected to a review by Ernst & Young LLP, the Company's independent accountants, whose report is included herein.

Deferred charges and other assets - Deferred charges and other

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assets at March 31, 1995 and September 30, 1994 include assets of the Company's qualified defined benefit retirement plans in excess of the plans' recorded obligations in the amounts of $10,465,000 and $12,275,000, respectively, and Company assets related to the Company's nonqualified retirement plans at March 31, 1995 and September 30, 1994 of $16,796,000 and $15,735,000, respectively.

Common stock - At the annual meeting of shareholders on February 8, 1995, the shareholders approved an increase in the number of authorized shares of common stock from 50,000,000 to 75,000,000. For further information regarding results of shareholder votes, please see Part II, Item 5 herein. As of March 31, 1995, the Company had 75,000,000 shares of common stock, no par value (stated at $.005 per share), authorized and 15,404,098 shares outstanding. In May 1994, the Company implemented a three-for-two split of its common stock. All share information in this report is adjusted for the 3-for-2 stock split unless otherwise noted.

2. Business Combination

On December 22, 1993, Atmos acquired by means of a merger all of the assets and liabilities of Greeley Gas Company ("GGC") in accordance with the terms and provisions of an Agreement and Plan of Reorganization dated July 2, 1993. Subsequent to the merger,

the business of GGC has been operated through the Company's Greeley Gas Company division (the "Greeley Gas Division").

The Atmos dividends declared per share for the prior periods presented below and on the consolidated statements of income reflect Atmos' dividends declared per share as adjusted for the 3-for-2 stock split in May 1994. The restated cash dividends and distributions per share presented below reflect the total amounts paid by Atmos and GGC to their shareholders in each of those periods, divided by the total number of weighted average shares outstanding in those periods as restated for the shares issued to effect the merger between Atmos and GGC and the 3-for-2 stock split in May 1994.

For the periods ended March 31, 1994

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	Three months	Six months	Twelve months
Atmos dividends declared per share	$.22	$.44	$.87
Restated cash dividends and distributions per share, including GGC	$.22	$.40	$.76

3. Postemployment Benefits

Effective October 1, 1994, the Company adopted Statement of Financial Accounting Standards No. 112, "Employers Accounting for Postemployment Benefits" ("SFAS No. 112"). SFAS No. 112 requires that certain benefits provided to former or inactive employees, after employment but before retirement, such as workers' compensation, disability benefits and health care continuation coverage be accrued if attributable to the employees' prior service. Prior to October 1, 1994, postemployment benefit costs were recorded and recovered in rates on the pay-as-you-go basis. Both the cumulative effect of adopting SFAS No. 112, as well as the effect of the new standard upon the recurring expense being recognized for these benefits, were not material.

4. Contingencies

On March 15, 1991, suit was filed in the 15th Judicial District Court of Lafayette Parish, Louisiana, by the "Lafayette Daily Advertiser" and others against the Trans La Division, Trans Louisiana Industrial Gas Company, Inc. ("TLIG"), a wholly owned subsidiary of the Company, and Louisiana Intrastate Gas Corporation and certain of its affiliates ("LIG"). LIG is the Company's primary supplier of natural gas in Louisiana and is not otherwise affiliated with the Company.

The plaintiffs purported to represent a class consisting of all residential and commercial gas customers in the Trans La Division's service area. Among other things, the lawsuit alleged that the defendants violated antitrust laws of the state of

Louisiana by manipulating the cost-of-gas component of the Trans La Division's gas rate to the purported customer class, thereby causing such purported class members to pay a higher rate. The plaintiffs made no specific allegation of an amount of damages.

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The defendants brought an appeal to the Louisiana Supreme Court of rulings by the trial court and the Third Circuit Court of Appeal which denied defendants' exceptions to the jurisdiction of the trial court. It was the position of the defendants that the plaintiffs' claims amount to complaints about the level of gas rates and should be within the exclusive jurisdiction of the Louisiana Commission.

On January 19, 1993, the Louisiana Supreme Court issued a decision reversing in part the lower courts' rulings, dismissing all of plaintiffs' claims against the defendants which seek damages due to alleged overcharges and further ruling that all such claims are within the exclusive jurisdiction of the Louisiana Commission. Any claims which seek damages other than overcharges were remanded to the trial court but were stayed pending the completion of the Louisiana Commission proceeding referred to below.

The Louisiana Commission has instituted a docketed proceeding for the purpose of investigating the costs included in the Trans La Division's purchased gas adjustment component of its rates. Both the Trans La Division and LIG are parties to the proceeding. Much of the discovery in this proceeding has been conducted and a procedural schedule has been established. The Company believes the allegations as they relate to the Company, whether brought in court or at the Louisiana Commission, are without merit, and that the chances of a material adverse outcome are remote. The Company will continue to vigorously protect its interest in this matter.

From time to time, claims are made and lawsuits are filed against the Company arising out of the ordinary business of the Company. In the opinion of the Company's management, liabilities, if any, arising from these actions are either covered by insurance, adequately reserved for by the Company or would not have a material adverse effect on the financial condition of the Company.

5. Long-term and short-term debt

In November 1994, the Company entered into note purchase agreements with two insurance companies and issued at par $20,000,000 of unsecured Senior Notes at 8.07% payable in annual installments of $4,000,000 beginning October 31, 2002 through October 31, 2006 with semiannual interest payments and $20,000,000 of unsecured Senior Notes at 8.26% payable in annual installments of $1,818,182 beginning October 31, 2004 through October 31, 2014 with semiannual interest payments.

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During the quarter ended December 31, 1994, the Company paid installments due of $2,000,000 on its 9.75% Senior Notes and $2,000,000 on its 11.2% Senior Notes.

At March 31, 1995, the Company had committed, short-term, unsecured bank credit facilities totaling $72,000,000, all of which was unused. The Company also had aggregate uncommitted lines of $130,000,000, all of which was unused at March 31, 1995.

6. Statements of cash flows

Supplemental disclosures of cash flow information for the six month periods ended March 31, 1995 and 1994 are presented below.

	Six months ended March 31, 1995	Six months ended March 31, 1994
	(In thousands)	
Cash paid for		
Interest	$6,000	$6,930
Income taxes	6,062	5,263

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors
Atmos Energy Corporation

We have reviewed the accompanying condensed consolidated balance sheet of Atmos Energy Corporation as of March 31, 1995, and the related condensed consolidated statements of income for the three-month and six-month periods ended March 31, 1995 and the statement of cash flows for the six month period ended March 31, 1995. These financial statements are the responsibility of the Company's management. We did not make a similar review of the condensed consolidated financial statements for the three-month and six-month periods ended March 31, 1994.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, which will be performed for the full year with the objective of expressing an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated financial statements at March 31, 1995, and for the

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three-month and six-month periods then ended for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Atmos Energy Corporation as of September 30, 1994, and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended (not presented herein) and in our report dated November 9, 1994, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of September 30, 1994, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

ERNST & YOUNG LLP

Dallas, Texas
May 3, 1995

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

The Company distributes and sells natural gas to residential, commercial, industrial and agricultural customers in six states. Such business is subject to regulation by state and/or local authorities in each of the states in which the Company operates. In addition, the Company's business is affected by seasonal weather patterns, competition within the energy industry, and economic conditions in the areas that the Company serves.

Revenues and sales volume statistics for the three-month, six-month, and twelve-month periods ended March 31, 1995 and 1994 appear on pages 19-21. Meters in service are as follows:

March 31,

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	1995	1994
Meters in Service		
Residential	573,214	562,246
Commercial	60,602	59,881
Industrial (including agricultural)	19,371	19,812
Public authority and other	4,971	4,935
Total	658,158	646,874

Rate Activity

In September 1994, the Company filed to increase revenues by approximately $2.6 million for a portion of its Energas Company service area ("Energas Division"), which affects approximately 217,000 customers and reflects recovery of accrual accounting of postretirement benefits in accordance with SFAS No. 106. In November 1994, the Company implemented an annual revenue increase of approximately $1.5 million affecting approximately 195,000 customers located inside the city limits of towns in this portion of its Energas Division. Upon approval of the Railroad Commission of Texas in January 1995, the Company implemented an annual increase of approximately $.2 million relating to the 22,000 remaining rural customers.

GGC filed a request for an increase in annual revenues of $4.5 million with the Colorado Public Utility Commission ("Colorado Commission") in September, 1993. On May 1, 1994, the Company implemented an annual increase of $3.2 million or 6.9% in Phase I of this proceeding. The Phase I rates reflect recovery of SFAS No. 106 expenses with external funding. In October 1994, the Colorado Commission issued its order affirming the increase as set forth in Phase I. In March 1995, the Greeley Gas Division filed Phase II in the rate proceeding, which will address rate structure.

Effective December 1, 1993, GGC received an annual rate increase of approximately $2.1 million or 10.6% in its Kansas service area. The increase reflects SFAS No. 106 expenses with external funding and a moratorium on rate requests in Kansas until December 1, 1996.

In September 1992, the Louisiana Public Service Commission

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("Louisiana Commission") issued a rate order to the Company's Trans La Division which included a rate stabilization clause ("RSC") for three years that provides for an annual adjustment to the Company's rates to reflect changes in expenses, revenues and invested capital following an annual review. The RSC provides an opportunity for a return on jurisdictional common equity of between 11.75% and 12.25%. As a result of the Company's filings under the RSC, an increase of $730,000 annually or 2% went into effect on March 1, 1993, an increase of $1.1 million annually or 2.7% went into effect on March 1, 1994 and the third increase of $1.0 million annually or 2.0% went into effect on March 6, 1995. The Company expects to have a hearing before the Louisiana Commission on extending the rate stabilization mechanism.

In September 1990, the Kentucky Public Service Commission (the "Kentucky Commission") issued an order that increased annual revenues approximately $1.0 million for the Company's Kentucky service area. In May 1991, the Kentucky Commission issued an Order on Rehearing increasing allowed revenues an additional $2.6 million. The Attorney General and the Company separately pursued unsuccessful appeals of the Rehearing Order.

On February 10, 1995, the Company filed with the Kentucky Commission for a rate increase for its Western Kentucky Gas Company Division. The filing requests an annual revenue increase of approximately $7.7 million, or 5.5 percent, to be effective March 12, 1995. The Kentucky Commission has suspended the increase until August 12, 1995, and statutes provide that they act on the filing within 10 months of the filing date. The Company provides natural gas service to approximately 165,000 customers in Kentucky.

On February 11, 1992, the Company filed a rate case with the city of Amarillo, Texas seeking to increase annual revenues by approximately $4.4 million, or 12%. In November 1992, the Railroad Commission issued its decision resulting in a total annual increase of $2.1 million. The Company and the city requested a rehearing of the Order. On January 11, 1993, the Railroad Commission denied rehearing to both parties. In February 1993, the city appealed the Railroad Commission's rate order to the District Court of Travis County, Texas. In January 1994, the District Court denied the city's appeal. The city appealed to the Court of Appeals. On March 1, 1995 the Austin Court of Appeals issued its decision affirming the Railroad Commission's 1993 Amarillo Rate Order in all respects.

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FINANCIAL CONDITION

For the six months ended March 31, 1995, net cash provided by operating activities totaled $57.5 million compared with $40.1 million for the six months ended March 31, 1994. The net change in operating assets and liabilities was $24.0 million for the six months ended March 31, 1995 compared with $10.7 million for the six months ended March 31, 1994. Due to the seasonal nature of the natural gas distribution business, large swings in accounts receivable, accounts payable and inventories of gas in underground storage will occur when entering and leaving the winter or heating season.

Major cash flows from investing activities for the six months ended March 31, 1995 included capital expenditures of $29.2 million compared with $23.0 million for the six months ended March 31, 1994. The capital expenditures budget for fiscal year 1995 is currently $56.1 million, as compared with actual capital expenditures of $50.4 million in fiscal 1994. Capital projects planned for 1995 include major expenditures for mains, services, meters, and vehicles. These expenditures will be financed from internally generated funds and financing activities.

For the six months ended March 31, 1995, cash used in financing activities amounted to $27.5 million compared with $17.0 million for the six months ended March 31, 1994. During November 1994 the Company issued $40 million unsecured Senior Notes. The proceeds were used to repay short-term borrowings. During the six months ended March 31, 1995, notes payable to banks was reduced $58.1 million, as compared with $7.9 million for the six months ended March 31, 1994. Payments of long-term debt decreased $5.9 million to $4.0 million for the six months ended March 31, 1995. Payments of long-term debt consisted of a $2.0 million installment on the Company's 9.75% Senior Notes due in 1996 and a $2.0 million installment on the 11.2% Senior Notes. The Company paid $7.1 million in cash dividends during the six months ended March 31, 1995, compared with $6.0 million in cash dividends and distributions paid during the six months ended March 31, 1994. This reflects a $.01 per share increase in the quarterly dividend rate and an increase in the number of shares outstanding. In the quarter ended December 31, 1993, the Company issued 3,849,294 shares of common stock as adjusted for the 3-for-2 stock split in May 1994 (2,566,196 shares on a pre-split basis). This included 3,493,995 shares (2,329,330 pre-split shares) issued in connection with the merger and 355,299 shares (236,866 pre-split shares) issued under its Employee Stock

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Ownership Plan ("ESOP"), its Restricted Stock Grant Plan and its Dividend Reinvestment and Stock Purchase Plan ("DRSPP") prior to the merger on December 22, 1993. In the six month period ended March 31, 1995, the Company issued 106,932 shares under its plans.

In January 1995, the Company amended its DRSPP to a Direct Stock Purchase Plan ("DSPP") allowing customers and other investors to

purchase common stock directly from the Company with a $200 minimum initial investment.

In May 1994 the Company implemented a three-for-two split of its common stock in the form of a stock dividend, which resulted in shareholders receiving one new share for every two shares previously held. Fractional shares were paid in cash or credited to DRSPP or ESOP accounts.

The Company believes that internally generated funds, its short-term credit facilities and access to the debt and equity capital markets will provide necessary working capital and liquidity for capital expenditures and other cash needs for the remainder of fiscal 1995. At March 31, 1995 the Company had $72.0 million committed short-term credit facilities, all of which was available for additional borrowing. The committed lines are renewed or renegotiated at least annually. At March 31, 1995, the Company also had $130.0 million of uncommitted short-term lines, all of which was unused.

RESULTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 1995, COMPARED WITH THREE MONTHS ENDED MARCH 31, 1994

Operating revenues decreased by approximately 16% to $157.3 million for the three months ended March 31, 1995 from $186.9 million for the three months ended March 31, 1994. Factors contributing to the decrease in operating revenues were decreased sales to weather sensitive customers and decreased cost of gas. During the quarter ended March 31, 1995, temperatures averaged 9% warmer than in the corresponding quarter of the prior year, and approximately 13% warmer than normal. The total volume of gas

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sold and transported for the three months ended March 31, 1995 was 48.6 billion cubic feet ("Bcf") compared with 49.7 Bcf for the three months ended March 31, 1994. The primary reason for the decreased volumes was decreased weather sensitive sales due to warmer weather in all service areas. The average sales price per Mcf sold decreased $.55 to $3.74 primarily due to a decrease in the average cost of gas. Partially offsetting the cost of gas decreases were annual rate increases implemented in the Company's Texas, Colorado and Louisiana service areas since the beginning of the corresponding quarter of the prior year.

Gross profit (defined as operating revenues less purchased gas cost) increased slightly to $59.6 million for the three months ended March 31, 1995, from $59.4 million for the three months ended March 31, 1994. Operating expenses, excluding income taxes, decreased from $35.6 million for the three months ended March 31, 1994 to $34.0 million for the three months ended March 31, 1995. Factors contributing to the decrease in operating expenses in the 1995 quarter were lower operation expense, employee welfare expense, outside services, and taxes other than income taxes. Expenses for the quarter ended March 31, 1994 included assimilation expenses related to the pooling of

interests with GGC. Operating income increased for the three months ended March 31, 1995 to $17.7 million from $16.3 million for the three months ended March 31, 1994. The increase in operating income primarily resulted from decreased operating expenses.

Interest expense increased approximately $.4 million for the three months ended March 31, 1995 compared with the three months ended March 31, 1994, because of the $40 million of Senior Notes issued in November 1994 and higher short-term interest rates in the quarter ended March 31, 1995. Weighted average short-term borrowing rates increased from 3.8% for the quarter ended March 31, 1994 to 6.9% for the quarter ended March 31, 1995. Net income increased for the three months ended March 31, 1995 by approximately 5% to $13.9 million from $13.2 million for the three months ended March 31, 1994. This increase in net income primarily resulted from the increase in operating income.

The Company estimates that the impact of the weather being 13% warmer than normal for the three months ended March 31, 1995 caused net income to be approximately $2.9 million less than it

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would have been had the Company experienced "thirty year normal" temperatures in its respective service areas. Weather was approximately 5% warmer than normal for the three months ended March 31, 1994.

SIX MONTHS ENDED MARCH 31, 1995, COMPARED WITH SIX MONTHS ENDED MARCH 31, 1994

Operating revenues decreased by approximately 17% to $275.1 million for the six months ended March 31, 1995 from $332.4 million for the six months ended March 31, 1994. The primary factor contributing to the lower operating revenues was weather in the Company's service areas which was 13% warmer than normal and 13% warmer than weather in the corresponding quarter of the prior fiscal year. Volumes sold to irrigation customers increased from the corresponding period of the prior year. The average sales price per Mcf decreased from $4.28 for the six months ended March 31, 1994 to $3.86 for the six months ended March 31, 1995. The decrease in the average sales price reflects decreased cost of gas and rate increases in Texas, Louisiana, Colorado, and Kansas implemented since October 1, 1993. The average cost of gas per Mcf sold decreased from $2.99 for the six months ended March 31, 1994 to $2.50 for the six months ended March 31, 1995 because of generally lower gas supply costs.

Gross profit decreased to $103.1 million for the six months ended March 31, 1995, compared with $107.8 million for the six months ended March 31, 1994. The impact on gross profit for the six months ended March 31, 1995 of warmer weather, compared with the corresponding period of the prior year, was offset somewhat by increased irrigation sales volumes and rate increases implemented in the Company's Texas, Colorado, Kansas and Louisiana service areas since October 1, 1993. Operating expenses, excluding income taxes, decreased from $69.7 million in the six months

ended March 31, 1994, to $64.1 million in the six months ended March 31, 1995. The principal factors contributing to the decrease in operating expenses were decreases in operation expense, employee welfare expenses, GGC acquisition costs, and outside services. The provision for income taxes for the six months ended March 31, 1995 did not change significantly from the provision for the corresponding period of the prior year.

Net income increased slightly for the six months ended March 31,

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1995, to $20.4 million from $20.3 million for the six months ended March 31, 1994. Earnings per share decreased to $1.33 for the six months ended March 31, 1995 from $1.34 for the six months ended March 31, 1994. Dividends per share increased approximately 5% to $.46 for the six months ended March 31, 1995.

The Company estimates that the impact of the weather being 13% warmer than normal for the six months ended March 31, 1995 caused net income to be approximately $4.8 million less than it would have been had the Company experienced "thirty year normal" temperatures in its respective service areas. Weather was approximately normal for the six months ended March 31, 1994.

TWELVE MONTHS ENDED MARCH 31, 1995, COMPARED WITH TWELVE MONTHS ENDED MARCH 31, 1994

Operating revenues decreased by approximately 11% to $442.5 million for the 12 months ended March 31, 1995 from $495.1 million for the 12 months ended March 31, 1994. The decreased revenues for the 12 months ended March 31, 1995 were caused by decreased sales volumes and lower gas costs as a result of warmer winter weather and decreased demand. Sales and transportation volumes decreased to 145.5 Bcf for the 12 months ended March 31, 1995 compared with 152.3 Bcf for the corresponding prior period. The average sales price per Mcf decreased from $4.16 to $3.86. The average cost of gas per Mcf sold decreased from $2.85 to $2.54 for the 12 months ended March 31, 1995, reflecting a general decline in gas supply costs over the last two years. The average sales price reflects the decreased cost of gas and rate increases implemented in Texas, Louisiana, Colorado and Kansas since March 31, 1993.

Gross profit decreased by approximately 4% to $163.5 million from $169.7 million in the 12 months ended March 31, 1994. Operating expenses, excluding income taxes, decreased from $129.1 million in the 12 months ended March 31, 1994, to $128.1 million in the 12 months ended March 31, 1995. Factors contributing to the decrease in operating expenses were decreased distribution expense and outside services expense. Income taxes decreased $2.6 million for the 12 months ended March 31, 1995, compared with the 12 months ended March 31, 1994. The primary reason was decreased pre-tax income. Operating income decreased in the 12 months ended March 31, 1995 by approximately 9% to $27.3 million from $29.8 million for the 12 months ended March 31, 1994. The primary reason for the decrease in operating income was decreased

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operating revenues resulting from weather that was 14% warmer than in the prior year.

Interest charges increased $.3 million to $12.9 million, compared with $12.6 million for the prior year. This was caused by the issuance of $40 million of Senior Notes in November 1994 and higher short-term borrowing rates for the twelve months ended March 31, 1995. Net income for the 12 months ended March 31, 1995 was $14.8 million compared with $17.4 million for the 12 months ended March 31, 1994. The decrease in net income resulted from the decrease in operating income discussed above. Earnings per share decreased by 17% to $.97. Average shares outstanding increased approximately 3% as compared with the prior year. Dividends per share increased approximately 3% to $.90. All per share information is adjusted for the 3-for-2 stock split.

The Company estimates that the impact of the weather being 13% warmer than normal for the twelve months ended March 31, 1995 caused net income to be approximately $5.8 million less than it would have been had the Company experienced "thirty year normal" temperatures in its respective service areas. Weather was approximately 1% colder than normal for the twelve months ended March 31, 1994.

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ATMOS ENERGY CORPORATION
CONSOLIDATED OPERATING STATISTICS

	Quarter ended March 31, 1995	1994
Sales Volumes - MMcf (1)		
Residential	21,551	22,549
Commercial	8,410	8,647
Industrial (including agricultural)	8,642	9,009
Public authority and other	2,196	2,306
Total	40,799	42,511
Transportation Volumes - MMcf (1)	7,783	7,150
Total Volumes Handled - MMcf (1)	48,582	49,661
Operating Revenues (000's)		
Gas Sales Revenues		
Residential	$ 86,925	$104,481
Commercial	31,738	38,372
Industrial (including agricultural)	25,943	29,670
Public authority and other	7,908	9,837
Total Gas Revenues	152,514	182,360
Transportation Revenues	3,339	3,132
Other Revenues	1,441	1,452
Total Operating Revenues	$157,294	$186,944
Average Gas Sales Revenues per Mcf	$ 3.74	$ 4.29
Average Transportation Revenue per Mcf	$ .43	$ .44
Cost of Gas per Mcf Sold	$ 2.40	$ 3.00

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HEATING DEGREE DAYS

Service Area	Weather Sensitive Customers %	Quarter ended March 31, 1995	1994	Normal
Texas	47%	1,617	1,765	1,893
Kentucky	26%	2,121	2,359	2,416
Louisiana	11%	892	1,046	1,047
Colorado, Kansas and Missouri	16%	2,611	2,751	2,953
System Average	100%	1,827	1,997	2,104

See footnotes on page 21.

ATMOS ENERGY CORPORATION
CONSOLIDATED OPERATING STATISTICS (2)

	Six months ended March 31, 1995	1994
Sales Volumes - MMcf (1)		
Residential	35,756	40,894
Commercial	14,507	16,031
Industrial (including agricultural)	14,916	13,882
Public authority and other	3,761	4,331
Total	68,940	75,138
Transportation Volumes - MMcf (1)	17,423	17,113
Total Volumes Handled - MMcf (1)	86,363	92,251
Operating Revenues (000's)		
Gas Sales Revenues		
Residential	$149,809	$187,722
Commercial	56,412	69,603
Industrial (including agricultural)	45,883	46,270

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Public authority and other	13,920	18,344
Total Gas Revenues	266,024	321,939
Transportation Revenues	6,671	7,995
Other Revenues	2,447	2,511
Total Operating Revenues	$275,142	$332,445
Average Gas Sales Revenues per Mcf	$ 3.86	$ 4.28
Average Transportation Revenue per Mcf	$ .38	$ .47
Cost of Gas per Mcf Sold	$ 2.50	$ 2.99

HEATING DEGREE DAYS

Service Area	Weather Sensitive Customers %	Six months ended March 31, 1995	1994	Normal
Texas	47%	2,802	3,296	3,275
Kentucky	26%	3,472	4,003	3,992
Louisiana	11%	1,392	1,851	1,723
Colorado, Kansas and Missouri	16%	4,822	5,194	5,292
System Average	100%	3,142	3,622	3,611

See footnotes on page 21.

ATMOS ENERGY CORPORATION
CONSOLIDATED OPERATING STATISTICS (2)

	Twelve months ended March 31, 1995	1994
Sales Volumes - MMcf (1)		
Residential	46,071	52,634
Commercial	19,610	21,324
Industrial (including agricultural)	39,536	34,800

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Public authority and other	4,672	5,351
Total	109,889	114,109
Transportation Volumes - MMcf (1)	35,618	38,226
Total Volumes Handled - MMcf (1)	145,507	152,335
Operating Revenues (000's)		
Gas Sales Revenues		
Residential	$208,018	$252,239
Commercial	79,316	93,929
Industrial (including agricultural)	119,335	105,946
Public authority and other	18,039	22,978
Total Gas Sales Revenues	424,708	475,092
Transportation Revenues	12,794	15,226
Other Revenues	5,003	4,830
Total Operating Revenues	$442,505	$495,148
Average Gas Sales Revenues per Mcf	$ 3.86	$ 4.16
Average Transportation Revenue per Mcf	$ .36	$ .40
Cost of Gas per Mcf Sold	$ 2.54	$ 2.85

HEATING DEGREE DAYS

Service Area	Weather Sensitive Customers %	Twelve months ended March 31, 1995	1994	Normal
Texas	47%	3,067	3,577	3,528
Kentucky	26%	3,811	4,358	4,376
Louisiana	11%	1,463	1,975	1,760
Colorado, Kansas and Missouri	16%	5,511	6,185	6,234
System Average	100%	3,473	4,018	3,983

(1) Volumes are reported as metered in million cubic feet ("MMcf").
(2) Consolidated operating statistics have been restated to include Greeley Gas operations for all periods presented.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

See Note 4 of notes to consolidated financial statements on pages 8 and 9 herein for a description of legal proceedings.

Item 4. Submission of Matters to a Vote of Security Holders

At the Annual Meeting of Shareholders of Atmos Energy Corporation on February 8, 1995, 13,985,141 votes were cast as follows:

	VOTES FOR	VOTES WITHHELD	BROKER NON-VOTE
Election of Directors:			
Class II:			
Ronald L. Fancher	13,610,328	374,813	-
Class III:			
Phillip E. Nichol	13,603,761	381,380	-
Lee E. Schlessman	13,607,286	377,855	-
Charles K. Vaughan	13,605,207	379,934	-

The other directors will continue to serve until the expiration of their terms. The term of the Class I directors, Travis W. Bain II, Dan Busbee and John W. Norris, Jr. will expire in 1996. The term of the Class II directors, Ronald L. Fancher, Carl S. Quinn, Richard Ware II, and Dewey G. Williams will expire in 1997. The term of the Class III directors, listed above, will expire in 1998.

The votes cast for other matters brought before the meeting are summarized as follows:

	VOTES FOR	VOTES WITHHELD	ABSTAIN	BROKER NON-VOTE
Amendment of the Restated Articles of Incorporation to increase the number of authorized shares of common stock from 50,000,000 to 75,000,000	12,894,385	935,221	155,534	1
Approval of Outside Directors Stock-for-Fee Plan	12,513,100	768,449	703,590	2

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Item 5. Other Information

Effective February 21, 1995, Ronald L. Fancher resigned as president and chief executive officer. He also resigned from the Company's Board of Directors. Mr. Fancher joined the Company as president in March 1993, and was named to the additional position of chief executive officer in June 1994 with the announcement of Charles Vaughan's retirement. Mr. Vaughan, Chairman of the Board of Directors, will continue to be involved as a consultant to senior management.

On February 24, 1995, the Company announced that Robert F. Stephens had been elected president and chief operating officer, replacing Mr. Fancher. Mr. Stephens, 46, joined the Company in 1983, and has served as executive vice president of corporate operations since 1989, overseeing the Company's four operating divisions, gas supply, marketing and technical services.

In addition, Mr. Stephens and James F. Purser, executive vice president and chief financial officer, were appointed as members of the Board of Directors.

J. Charles Goodman has been named executive vice president of corporate operations for Atmos Energy Corporation. He will be responsible for all four of the Company's operating divisions, as well as the technical services function. Mr. Goodman previously served as president of the Company's Trans Louisiana Gas Company division. He joined the Company in 1981, and served as chief engineer for Atmos from 1989 until being named to head the Company's Louisiana operations in 1993.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

A list of exhibits required by Item 601 of Regulation S-K and filed as part of this report is set forth in the Exhibits Index, which immediately precedes such exhibits.

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(b) Reports on Form 8-K

None

SIGNATURES

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

ATMOS ENERGY CORPORATION
(Registrant)

Date: May 10, 1995 By: /s/ JAMES F. PURSER

James F. Purser
Executive Vice President
and Chief Financial Officer

Date: May 10, 1995 By: /s/ DAVID L. BICKERSTAFF

David L. Bickerstaff
Vice President and Controller

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(Principal Accounting Officer)

EXHIBITS INDEX

Item 6(a)

Exhibit Number	Description	Page Number or Incorporation by Reference to
3.1	Restated Articles of Incorporation of Registrant	
3.2	Articles of Amendment to Restated Articles of Incorporation of Atmos	

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	Energy Corporation, dated February 8, 1995.	
10.1	The Atmos Energy Corporation Outside Directors Stock-for-Fee Plan	Exhibit 4.5 of Form S-8 for Atmos' Outside Directors Stock-for-Fee Plan filed February 14, 1995 (Registration No. 33-57695)
15	Letter regarding unaudited interim financial information	
27	Financial Data Schedule for Atmos Energy Corporation for the six months ended March 31, 1995	

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EXHIBIT 3.1

RESTATED ARTICLES OF INCORPORATION
OF
ATMOS ENERGY CORPORATION

ARTICLE ONE

Atmos Energy Corporation, pursuant to the provisions of Article 4.07 of the Texas Business Corporation Act, hereby adopts these Restated Articles of Incorporation, which accurately copy the Articles of Incorporation and all amendments thereto that are in effect to date and such Restated Articles of Incorporation contain no change in any provision thereof.

ARTICLE TWO

These Restated Articles of Incorporation were adopted by resolution of the board of directors of the corporation on the 8th day of November, 1989.

ARTICLE THREE

The Articles of Incorporation and all amendments and supplements thereto are hereby superseded by the following Restated Articles of Incorporation, which accurately copy the entire text thereof:

ARTICLE I.

The name of the corporation shall be Atmos Energy Corporation (the "Corporation").

ARTICLE II.

The purpose for which the Corporation is organized is the

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transaction of any or all lawful business for which corporations may be incorporated under the Texas Business Corporation Act, including, but not limited to, the following: the transportation and distribution of natural gas by pipeline as a public utility.

ARTICLE III.

The post office address of the registered office of this Corporation is Three Lincoln Centre, Suite 1800, 5430 LBJ Freeway, Dallas, Texas 75246, and the registered agent for service of this Corporation at the same address is Don E. James.

ARTICLE IV.

The period of the Corporation's duration shall be perpetual.

ARTICLE V.

The Corporation shall not commence business until it has received for the shares consideration of the value of One Thousand Dollars ($1,000) consisting of money, labor done or property actually received.

ARTICLE VI.

The number of directors constituting the present board of directors is nine (9); however, thereafter the number of directors constituting the Board of Directors shall be fixed by the Bylaws of the Corporation. No director shall be removed during his term of office except for cause and by the affirmative vote of the holders of seventy-five percent (75%) of the shares then entitled to vote at an election of directors. The names and addresses of the persons who are to serve as directors until the next annual meeting of the shareholders or until their successors are duly elected and qualified are as follows:

Name	Address
Charles K. Vaughan	Three Lincoln Centre Suite 1800 5430 LBJ Freeway Dallas, TX 75246

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Travis W. Bain II	502 Genesco Park Nashville, TN 37202
Paul L. Bell	1401 Elm Street Suite 1818 Dallas, Texas 75202
Dan Busbee	2200 Ross Avenue Suite 2200 Dallas, TX 75201
Ronald L. Fancher	1409 French Odessa, TX 79761
Phillip E. Nichol	P.O. Box 32500 Amarillo, TX 79120
John W. Norris, Jr.	P.O. Box 809000 Dallas, TX 75380
William M. Quackenbush	2315 Harmony Amarillo, TX 79106

Dewey G. Williams	P.O. Box 2759 Dallas, TX 75221

ARTICLE VII.

1. Capitalization.

The aggregate number of shares which the Corporation shall have the authority to issue is Fifty Million (50,000,000) shares of Common Stock having no par value.

2. Designation and Statement of Preferences, Limitations and Relative Rights of Common Stock.

2.01 Subject to the provisions of the Texas Business Corporation Act and to the conditions set forth in any Resolution of the Board of Directors of the Corporation, such dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors may be declared and paid on the Common Stock

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from time to time out of any funds legally available therefor.

2.02 The holders of the Common Stock shall exclusively possess full voting power for the election of directors and for all other purposes. In the exercise of its voting power, the Common Stock shall be entitled to one vote for each share held.

3. Provisions Applicable to All Classes of Stock.

3.01 Subject to applicable law, the Board of Directors may in its discretion issue from time to time authorized but unissued shares for such consideration as it may determine. The shareholders shall have no pre-emptive rights, as such holders, to purchase any shares or securities of any class which may at any time be sold or offered for sale by the Corporation.

3.02 At each election for directors every shareholder entitled to vote at any meeting shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected. Cumulative voting of shares of stock in the election of directors or otherwise is hereby expressly prohibited.

3.03 The Corporation shall be entitled to treat the person in whose name any share or other security is registered as the owner thereof, for all purposes, and shall not be bound to recognize any equitable or other claim to or interest in such shares or other security on the part of any other person, whether or not the Corporation shall have notice thereof.

4. Provisions Applicable to Certain Business Combinations.

4.01 The affirmative vote of the holders of not less than seventy-five percent (75%) of the outstanding shares of "Voting

Stock" (as hereinafter defined) held by stockholders other than a "Substantial Shareholder" (as hereinafter defined) shall be required for the approval or authorization of any "Business Combination" (as hereinafter defined) of the Corporation with any Substantial Shareholder; provided, however, that the seventy-five percent (75%) voting requirement shall not be applicable if either:

(i) The "Continuing Directors" (as hereinafter

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defined) of the Corporation by the affirmative vote of at least a majority (a) have expressly approved in advance the acquisition of the outstanding shares of Voting Stock that caused such Substantial Shareholder to become a Substantial Shareholder, or (b) have expressly approved such Business Combination either in advance of or subsequent to such Substantial Shareholder's having become a Substantial Shareholder; or

(ii) The cash or fair market value (as determined by at least a majority of the Continuing Directors) of the property, securities or other consideration to be received per share by holders of Voting Stock of the Corporation in the Business Combination is not less than the "Highest Per Share Price" or the "Highest Equivalent Price" (as these terms are hereinafter defined) paid by the Substantial Shareholder in acquiring any of its holdings of the Corporation's Voting Stock.

4.02 For purposes of this paragraph 4 of Article VII:

(i) The term "Business Combination" shall include, without limitation, (a) any merger or consolidation of the Corporation, or any entity controlled by or under common control with the Corporation, with or into any Substantial Shareholder, or any entity controlled by or under common control with the Substantial Shareholder, (b) any merger or consolidation of a Substantial Shareholder, or any entity controlled by or under common control with the Corporation, (c) any sale, lease, exchange, transfer or other disposition of all or substantially all of the property and assets of the Corporation, or any entity controlled by or under common control with the Corporation, to a Substantial Shareholder, or any entity controlled by or under common control with the Substantial Shareholder, (d) any purchase, lease, exchange, transfer or other acquisition of all or substantially all of the property and assets of a Substantial Shareholder or any entity controlled by or under common control with the Corporation, (e) any recapitalization of the Corporation that would have the effect of increasing the voting power of a Substantial Shareholder, and (f) any agreement, contract or other arrangement providing for any of the transactions described in this definition of Business Combination.

(ii) The term "Substantial Shareholder" shall mean and include any individual, corporation, partnership or other

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person or entity which, together with its "Affiliates" and "Associates" (as those terms are defined in Rule 12b-2 of the General Rules and Regulations promulgated under the Securities Exchange Act of 1934 (the "Exchange Act") as in effect at the date of the adoption hereof), "Beneficially Owns" (as defined in Rule 13d-3 of the Exchange Act) an aggregate of 10 percent or more of the outstanding Voting Stock of the Corporation, and any Affiliate or Associate of any such individual, corporation, partnership or other person or entity.

(iii) Without limitation, any share of Voting Stock of the Corporation that any Substantial Shareholder has the right to acquire at any time (notwithstanding that Rule 13d-3 of the Exchange Act deems such shares to be beneficially owned only if such right may be exercised within 60 days) pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise, shall be deemed to be Beneficially Owned by the Substantial Shareholder and to be outstanding for purposes of clause (ii) above.

(iv) For the purposes of subparagraph 4.01(ii) of this paragraph 4 of Article VII, the term "other consideration to be received" shall include, without limitation, Common Stock or other capital stock of the Corporation retained by its existing stockholders other than Substantial Shareholders or other parties to such Business Combination in the event of a Business Combination in which the Corporation is the surviving corporation.

(v) The term "Voting Stock" shall mean all of the outstanding shares of Common Stock entitled to vote on each matter on which the holders of record of Common Stock shall be entitled to vote, and each reference to a proportion of shares of Voting Stock shall refer to such proposition of the votes entitled to be cast by such shares.

(vi) The term "Continuing Director" shall mean a Director who was a member of the Board of Directors of the Corporation immediately prior to the time that the Substantial Shareholder involved in a Business Combination became a Substantial Shareholder.

(vii) A Substantial Shareholder shall be deemed to have acquired a share of the Voting Stock of the Corporation at the time when such Substantial Shareholder became the Beneficial Owner thereof. With respect to the shares owned by Affiliates, Associates or other persons whose ownership

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is attributed to a Substantial Shareholder under the foregoing definition of Substantial Shareholder, if the price is paid by such Substantial Shareholder for such shares is not determinable by a majority of the Continuing Directors, the price so paid shall be deemed to be the higher of (a) the price paid upon the acquisition thereof by the Affiliate, Associate or other person or (b) the market

price of the shares in question at the time when the Substantial Shareholder became the Beneficial Owner thereof.

(viii) The terms "Highest Per Share Price" and "Highest Equivalent Price" as used in this paragraph 4 of Article VII shall mean the highest price that can be determined to have been paid at any time by the Substantial Shareholder for any share or shares of that class of capital stock. If there is more than one class of capital stock of the Corporation issued and outstanding, the Highest Equivalent Price shall mean with respect to each class and series of capital stock of the Corporation the amount determined by a majority of the Continuing Directors, on whatever basis they believe is appropriate, to be the highest per share price equivalent to the highest price that can be determined to have been paid at any time by the Substantial Shareholder for any share or shares of any class or series of capital stock of the Corporation. In determining the Highest Per Share Price and Highest Equivalent Price, all purchases by the Substantial Shareholder shall be taken into account regardless of whether the shares were purchased before or after the Substantial Shareholder became a Substantial Shareholder. The Highest Per Share Price and the Highest Equivalent Price shall include any brokerage commissions, transfer taxes and soliciting dealers' fees paid by the Substantial Shareholder with respect to the shares of capital stock of the Corporation acquired by the Substantial Shareholder. In the case of any Business Combination with a Substantial Shareholder, the Continuing Directors shall determine the Highest Per Share Price or the Highest Equivalent Price for each class and series of the capital stock of the Corporation.

4.03 The provisions set forth in this paragraph 4 of Article VII may not be amended, altered, changed or repealed in any respect unless such action is approved by the affirmative vote of

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the holders of not less than seventy-five percent (75%) of the outstanding shares of Voting Stock (as defined in this Article VII) of the Corporation at a meeting of the shareholders duly called for the consideration of such amendment, alteration, change or repeal; provided, however, that if there is a Substantial Shareholder (as defined in this Article VII), such action must also be approved by the affirmative vote of the holders of not less than seventy-five percent (75%) of the outstanding shares of Voting Stock held by the shareholders other than the Substantial Shareholder.

ARTICLE VIII.

The power to alter, amend or repeal the Corporation's bylaws, and to adopt new bylaws, is hereby vested in the Board of Directors, subject, however, to repeal or change by the affirmative vote of the holders of seventy-five percent (75%) of the outstanding shares entitled to vote thereon.

ARTICLE IX.

The Corporation shall indemnify, to the fullest extent permitted by law, any person who was, is, or is threatened to be made a named defendant or respondent in any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, any appeal in such action, suit, or proceeding, and any inquiry or investigation that could lead to such an action, suit, or proceeding, by reason of the fact that such person is or was a director or officer of the Corporation, or, while such person was a director of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent, or similar functionary of another corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise, against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses (including attorney's fees) actually incurred by such person in connection with such action, suit, or proceeding. In addition to the foregoing, the Corporation shall, upon request of any such person described above and to the fullest extent permitted by law, pay or reimburse the reasonable expenses incurred by such person in any action, suit, or proceeding described above in

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advance of the final disposition of such action, suit, or proceeding.

ARTICLE X.

No director of the Corporation shall be personally liable to the Corporation or its shareholders for monetary damages for an act or omission in such director's capacity as a director, except for liability for (i) a breach of the director's duty of loyalty to the Corporation or its shareholders; (ii) an act or omission not in good faith or that involves intentional misconduct or a knowing violation of the law; (iii) a transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; (iv) an act or omission for which the liability of a director is expressly provided by statute; or (v) an act related to an unlawful stock repurchase or payment of a dividend. If the laws of the State of Texas are hereafter amended to authorize corporate action further eliminating or limiting the personal liability of a director of the Corporation, then the liability of a director of the Corporation shall thereupon automatically be eliminated or limited to the fullest extent permitted by such laws. Any repeal or modification of this Article X by the shareholders of the Corporation shall not adversely affect any

right or protection of a director existing at the time of such repeal or modification with respect to such events or circumstances occurring or existing prior to such time.

DATED: November 8, 1989.

ATMOS ENERGY CORPORATION

By: /s/ Charles K. Vaughan

Charles K. Vaughan

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President

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Exhibit 3.2

ARTICLES OF AMENDMENT
TO THE
RESTATED ARTICLES OF INCORPORATION
OF
ATMOS ENERGY CORPORATION

Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act, the undersigned corporation (hereinafter referred to as the "Corporation") adopts the following Articles of Amendment to its Restated Articles of Incorporation, which increase the number of authorized shares of the common stock of the Corporation.

ARTICLE ONE

The name of the Corporation is Atmos Energy Corporation.

ARTICLE TWO

The following amendment to the Restated Articles of Incorporation was adopted by the shareholders of the Corporation on February 8, 1995:

Section 1 of Article VII of the Restated Articles of Incorporation be amended to read as follows:

"The aggregate number of shares which the Corporation shall have the authority to issue is Seventy-Five Million (75,000,000) shares of Common Stock having no par value."

ARTICLE THREE

The number of shares of the Corporation outstanding as of the record date was 15,347,247.011 and the number of shares entitled to vote on the amendment was 15,347,247.011.

ARTICLE FOUR

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The number of shares voting for the amendment to increase the number of authorized shares of common stock of the Corporation was 12,894,385, the number of shares voting against such amendment was 935,221, and the number of shares abstaining was 115,534.

DATED: February 8, 1995.

ATMOS ENERGY CORPORATION

By: /s/ Ronald L. Fancher

Ronald L. Fancher
President and Chief Executive Officer

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EXHIBIT 15

May 10, 1995

Board of Directors
Atmos Energy Corporation

We are aware of the incorporation by reference in the Registration Statements (Form S-8 No. 33-57687, Form S-8 No. 33-68852, Form S-8 No. 33-57695, Form S-3 No. 33-58220, and Form S-3 No. 33-56915) of Atmos Energy Corporation of our report dated May 3, 1995, relating to the unaudited condensed consolidated interim financial statements of Atmos Energy Corporation which are included in its Form 10-Q for the quarter ended March 31, 1995.

Pursuant to Rule 436(c) of the Securities Act of 1933 our report is not a part of the registration statement prepared or certified by accountants within the meaning of Section 7 or 11 of the Securities Act of 1933.

ERNST & YOUNG LLP

Dallas, Texas

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF ATMOS ENERGY CORPORATION FOR THE SIX MONTHS ENDED MARCH 31, 1995 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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