

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**IN RE:** )  
 )  
**PETITION OF ATMOS ENERGY** )  
**CORPORATION FOR APPROVAL** )  
**OF NEGOTIATED FRANCHISE** ) **Docket No. 14- 00153**  
**AGREEMENT WITH THE COUNTY OF** )  
**OBION, TENNESSEE** )

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**DIRECT TESTIMONY OF  
PATRICK MATTINGLY  
ON BEHALF OF ATMOS ENERGY CORPORATION**

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1 **Q: Please state your name and business address.**

2 A: My name is Patrick Mattingly. My business address is 900 Commonwealth Drive,  
3 Mayfield, Kentucky 42066.

4 **Q: By whom and in what capacity are you employed?**

5 A: I am employed by Atmos Energy Corporation, Kentucky/Mid-States Division ("Atmos")  
6 as Operations Supervisor for the Mayfield area of operations which includes Atmos'  
7 operations in Obion County, Tennessee.

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8 **Q: Please describe your work history with Atmos.**

9 A: I have been employed by Atmos for 25 years. I began my career as a meter reader and  
10 have held various positions in Atmos with increasing responsibilities. I have been in my  
11 current position for 9 years.

12 **Q: Have you previously offered testimony in any regulatory proceedings?**

13

1 A: Yes. I testified before the Tennessee Regulatory Authority in Docket No. 14-00119.

2 **Q: What is the purpose of your testimony in this case?**

3 A: I am testifying on behalf of Atmos in support of the petition filed to approve the franchise  
4 between Atmos and Obion County, Tennessee.

5 **Q: In your capacity as the Operations Supervisor for the Mayfield region of Atmos, are**  
6 **you familiar with the natural gas distribution system operated by Atmos in Obion**  
7 **County, Tennessee?**

8 A: Yes. I am familiar with the operation in Obion County, Tennessee, as well as the  
9 operations in the other surrounding communities that are served by the Atmos system.

10 **Q: Please give the Authority an overall description of the Obion County, Tennessee**  
11 **system and the customers served.**

12 A: There are approximately 460 customers located within the County limits being served by  
13 the natural gas distribution system owned and operated by Atmos. Of that amount,  
14 approximately 87% are residential customers and 13% are in other customer classes such  
15 as commercial and industrial.

16  
17 The Atmos system consists of approximately 140 miles of pipe within Obion County that  
18 are outside the city limits of Union City, TN. This pipe is comprised of distribution

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19 mains, transmission mains, and service lines. The majority of this pipe is located within  
20 the public rights-of-way of Obion County. Without access to these public rights-of-way,  
21 Atmos could not adequately maintain, replace and/or operate its distribution system.

1 **Q: Has Atmos operated a natural gas distribution system in Obion County for a**  
2 **number of years?**

3 A: Yes. Atmos and its predecessor entity have operated for many years in Obion County  
4 under franchise agreements with the County. The franchise agreement Resolution No. 10  
5 allowed Atmos' predecessor entity to operate a gas system within Obion County and to  
6 use the public rights of way of the County for its distribution system and related plant and  
7 access thereto for a thirty year period. For the past fifteen years Atmos has operated a  
8 gas system within the County under the franchise agreement approved by the TRA in  
9 Docket No. 01-00499.

10 **Q: Could you please explain the circumstances that caused a need for a new franchise**  
11 **agreement between Atmos and Obion County.**

12 A: Yes. Under § 65-26-101 of the Tennessee Code Annotated, Atmos is required to have  
13 the consent of Obion County, in the form of a municipal ordinance, in order to enter onto  
14 the streets and alleys of Obion County for the purpose of placing, maintaining, or  
15 expanding its natural gas distribution facilities. Atmos and its predecessor entity have  
16 been providing natural gas service to Obion County for the last forty-five years pursuant  
17 to the ordinances I have previously mentioned. As the fifteen year term of the current  
18 Ordinance will expire in September 2015, Atmos and the County have entered into a new

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19 franchise agreement, allowing Atmos to continue to serve Obion County into the future.

20 **Q: When did Atmos begin pursuing a new franchise arrangement with Obion County?**

21 A: The Company and the County began discussions in summer 2014 and a proposed new  
22 franchise ordinance followed from those discussions.

23 **Q: How does the new franchise agreement compare with the old one?**

1 A: The proposed franchise in substance extends the term of the current franchise for twenty  
2 years. The new franchise agreement requires no franchise fee, similar to the current  
3 agreement.

4 **Q: Is TRA approval required for this new franchise agreement?**

5 A: Yes. Under § 65-4-107 of Tennessee Code Annotated, the new franchise agreement will  
6 not be valid unless and until approved by this Authority.

7 **Q: What is the standard to be utilized by the Authority in determining whether to**  
8 **approve the new franchise agreement?**

9 A: Under the statute, the Authority is authorized to approve the ordinance if it finds that it  
10 “is necessary and proper for the public convenience and properly conserves the public  
11 interest.”

12 **Q: In your opinion, are the Obion County franchise agreement’s terms necessary and**  
13 **proper for the public convenience and in the public interest?**

14 A: Yes, on a number of grounds.

15  
16 First, the new franchise terms reflected in the new agreement will establish a long-term  
17 arrangement through which the current and future residents, business enterprises and  
18 governmental facilities located within Obion County will be able to receive, under the  
19 supervisory jurisdiction of the Authority, the benefits of continuing natural gas service  
20 provided by Atmos for an extended period. This arrangement will help ensure the  
21 continuing availability of high-quality natural gas service to Obion County for the  
22 foreseeable future.  
23

1 Second, the new franchise facilitates the provision of such natural gas service to the City  
2 of Union City by an established and proven provider of that service well-known to both  
3 the City of Union City and this Authority and possessing the requisite expertise, facilities,  
4 systems and gas supply and transportation assets necessary to provide such service.

5  
6 Third, the new franchise arrangement establishes adequate and proper mechanisms for  
7 access by the Company to public rights-of-way, new and existing customers, and its  
8 distribution facilities. These mechanisms help to ensure that Atmos is able to provide  
9 both adequate and efficient service and to comply with the requirements of this Authority  
10 to ensure the safety and protection of residents and property within Obion County.

11  
12 Fourth, the various other protective provisions set forth in the new franchise arrangement  
13 provide useful and important tools for Obion County to ensure that its citizens are  
14 benefited and not economically harmed by the activities of Atmos within Obion County.

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16 Fifth, the new franchise arrangement provides an incentive for Atmos to invest in  
17 infrastructure needed to provide improved and expanded service within Obion County by  
18 ensuring that Atmos will have the right to provide service within these areas for a

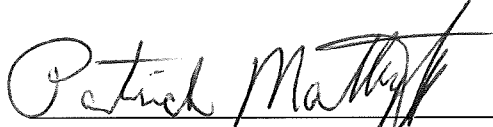
19 sufficient period in order to permit Atmos the opportunity to recover the capital  
20 investment in such facilities under the rates approved by the Authority.

21 **Q: What are you asking the Authority to do in this proceeding?**

1 A: Based on the facts discussed above, we are asking the Authority to approve the new  
2 franchise agreement between Atmos and Obion County as reflected in Exhibit 1 to the  
3 Petition in this matter.

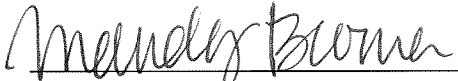
4 **Q: Do you have anything further to add to your testimony?**

5 A: Not at this time.



Patrick Mattingly, Operations Supervisor  
for the Mayfield Area of Operations

Sworn to and subscribed before me  
this 9 day of December, 2014



Notary Public

My Commission Expires: 5-31-16

