

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

February 24, 2015

IN RE:

**PETITION OF ATMOS ENERGY
CORPORATION FOR APPROVAL OF
FRANCHISE AGREEMENT WITH THE
COUNTY OF OBION, TENNESSEE**

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**DOCKET NO.
14-00153**

ORDER APPROVING FRANCHISE AGREEMENT

This matter came before Chairman Herbert H. Hilliard, Director Robin Bennett and Director James M. Allison of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on February 9, 2015, to hear and consider the *Petition for Approval of Franchise Agreement with County of Obion, Tennessee* (the “*Petition*”) filed by Atmos Energy Corporation (“Atmos” or the “Company”) on December 10, 2014.

BACKGROUND

Atmos provides natural gas service to approximately 132,000 residential, commercial and industrial customers in Tennessee. Among the areas served is the County of Obion, State of Tennessee.¹ Approximately 460 customers are being served within the county limits of Obion, but outside the city limits of Union City, which is governed by a separate franchise agreement, by the natural gas distribution system owned and operated by Atmos.²

¹ *Petition*, p. 2 (December 10, 2014).

² Patrick Mattingly, Pre-filed Direct Testimony, p. 2 (December 10, 2014).

Atmos currently provides gas service to the County of Obion pursuant to a franchise agreement incorporated into the County Ordinance dated September 18, 2000 and approved by the Authority in Docket No. 01-00499.³ The Franchise Agreement under which the parties have been operating expires September 18, 2015.⁴ In anticipation of the expiration of the existing franchise agreement, the County and Atmos negotiated a renewal of the franchise authority in the summer of 2014.⁵

THE PETITION

On December 10, 2014, Atmos filed the *Petition* requesting approval of a new franchise agreement negotiated with Obion County. In its *Petition*, Atmos states that on October 20, 2014 the County Commission of Obion County approved the ordinance that incorporates the new franchise agreement, and Atmos provided the ordinance with its *Petition*.⁶ In support of its *Petition*, the Company also submitted the pre-filed direct testimony of Patrick Mattingly, Operations Supervisor.

In his testimony, Mr. Mattingly states that the proposed franchise agreement “in substance extends the term of the current franchise for twenty years ... and requires no franchise fee, similar to the current agreement.”⁷ In addition, the new franchise agreement is necessary and proper for the public convenience and properly serves the public interest.⁸ Mr. Mattingly lists the following five reasons that the new franchise agreement is in the public interest:

1. Maintains availability of high quality natural gas service for the County;

³ *Petition*, p. 2 (December 10, 2014).

⁴ *Id.*

⁵ *Id.*

⁶ *Id.* At the hearing, Benny McGuire, Mayor of Obion County, confirmed that the County Commission had adopted the ordinance unanimously. See Transcript of Authority Conference, p. 21 (February 9, 2015).

⁷ Patrick Mattingly, Pre-filed Direct Testimony, p. 4 (December 10, 2014).

⁸ *Id.*

2. Ensures natural gas service by an established and proven provider that possesses the requisite expertise, facilities, gas supply and transportation assets to provide such service;
3. Provides adequate and proper access to public rights-of-way in order to ensure Atmos is able to provide adequate, efficient and safe service;
4. Includes protective provisions to ensure the citizens of Obion County are benefited and not economically harmed by the activities of Atmos; and
5. Provides an incentive for Atmos to invest in infrastructure needed to improve and expand service within the County.⁹

REQUIREMENT OF AND STANDARDS FOR AUTHORITY APPROVAL

Tenn. Code Ann. § 65-4-107 (2004) provides that no grant of a privilege or franchise from the State or a political subdivision of the State to a public utility shall be valid until approved by the Authority. Approval pursuant to Tenn. Code Ann. § 65-4-107 (2004) requires a determination by the Authority, after hearing, that “such privilege or franchise is necessary and proper for the public convenience and properly conserves the public interest.” Tenn. Code Ann. § 65-4-107 (2004) further provides that in considering such privilege or franchise, the Authority “shall have the power, if it so approves, to impose conditions as to construction, equipment, maintenance, service or operation as the public convenience and interest may reasonably require.”

FINDINGS AND CONCLUSIONS

The Authority issued a *Notice of Hearing* on January 30, 2015. On February 9, 2015, a Hearing was held before the voting panel at a regularly scheduled Authority Conference. Appearing for the Company were Mr. A. Scott Ross, Esq., and Mr. Patrick Mattingly, Operations Supervisor. At the Hearing, Mr. Mattingly ratified and summarized his pre-filed testimony and

⁹*Id.* at 4-5.

was subject to questioning before the panel. Mr. Benny McQuire, Mayor of Obion County, was also available telephonically for questions. No person commented or sought intervention during the Hearing.


Thereafter, based upon the testimony and the administrative record as a whole, the panel found that Atmos' new franchise agreement with Obion County was necessary and proper for the public convenience and conserves the public interest. Therefore, the panel voted unanimously to approve Atmos' *Petition*.

IT IS THEREFORE ORDERED THAT:

The Petition for Approval of Franchise Agreement with County of Obion, Tennessee is approved.

Chairman Herbert H. Hilliard, Director Robin Bennett and Director James M. Allison concur.

ATTEST:



Earl R. Taylor, Executive Director