

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

IN RE:)	
)	
PETITION OF ATMOS ENERGY)	
CORPORATION FOR APPROVAL)	
OF NEGOTIATED FRANCHISE)	Docket No. 16- <u>00107</u>
AGREEMENT WITH THE TOWN OF)	
THOMPSON'S STATION, TENNESSEE)	

**DIRECT TESTIMONY OF
STEVEN STEIGER
ON BEHALF OF ATMOS ENERGY CORPORATION**

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

2 A: My name is Steven Steiger. My business address is 810 Nashville Highway, Columbia,
3 Tennessee 38401.

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 Energy" or "Company") as Operations Supervisor for the Columbia area of operations
7 which includes Atmos Energy's operations in the Town of Thompson's Station,
8 Tennessee ("Thompson's Station" or "Town").

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

10 A: I have been employed by Atmos Energy for 20 years. I began my career as a Marketing
11 Representative and have held various positions in Atmos Energy with increasing
12 responsibilities. I have been in my current position for 9 years.

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

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A: Yes.

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

A: I am testifying on behalf of Atmos Energy in support of the petition filed to approve the negotiated franchise agreement between Atmos Energy and Thompson’s Station.

Q: In your capacity as the Operations Supervisor for the Columbia region of Atmos Energy, are you familiar with the natural gas distribution system operated by Atmos Energy in Thompson’s Station, Tennessee?

A: Yes. I am familiar with the operation in Thompson’s Station, Tennessee, as well as the operations in the other surrounding communities that are served by the Atmos Energy system.

Q: Please give the Tennessee Regulatory Authority (the “Authority”) an overall description of the Thompson’s Station, Tennessee system and the customers served.

A: There are approximately 765 customers located within the town limits being served by the natural gas distribution system owned and operated by Atmos Energy. Of that amount, approximately 91% are residential customers and 9% are in other customer classes such as commercial and industrial.

The Atmos Energy system consists of approximately 29 miles of pipe within the Thompson’s Station, Tennessee town limits. This pipe is comprised of distribution mains, transmission mains, and service lines. The majority of this pipe is located within the public rights-of-way of Thompson’s Station. Without access to these public rights-

1 of-way, Atmos Energy could not adequately maintain, replace and/or operate its
2 distribution system.

3 **Q: Has Atmos Energy operated a natural gas distribution system in Thompson's**
4 **Station for a number of years?**

5 A: Yes. Atmos Energy and its predecessor entity have operated for many years in
6 Thompson's Station under a franchise agreements with the Town. The franchise
7 agreement Ordinance No. 91-004 allowed Atmos Energy's predecessor entity to operate a
8 gas system within Thompson's Station and to use the public rights of way of the town for
9 its distribution system and related plant and access thereto for a twenty-five year period.

10 **Q: Could you please explain the circumstances that caused a need for a new franchise**
11 **agreement between Atmos Energy and Thompson's Station.**

12 A: Yes. Under § 65-26-101 of the Tennessee Code Annotated, Atmos Energy is required to
13 have the consent of Thompson's Station, in the form of a municipal ordinance, in order to
14 enter onto the streets and alleys of Thompson's Station for the purpose of placing,
15 maintaining, or expanding its natural gas distribution facilities. Atmos Energy and its
16 predecessor entity have been providing natural gas service to Thompson's Station for the
17 last twenty-five years pursuant to the ordinance I have previously mentioned. As the
18 twenty-five year term of Ordinance No. 91-004 will expire in October 2016, Atmos
19 Energy and the Town have entered into a new franchise agreement, allowing Atmos
20 Energy to continue to serve Thompson's Station into the future.

21 **Q: When did Atmos Energy begin pursuing a new franchise arrangement with the**
22 **Town of Thompson's Station?**

1 A: The Company and the Town began discussions in early 2016 and a proposed new
2 franchise ordinance followed from those discussions.

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

4 A: The proposed franchise in substance extends the term of the current franchise for five
5 years with the possibility of one automatic five-year renewal following the initial five-
6 year period. There is no franchise fee associated with the franchise agreement.

7 **Q: Is Authority approval required for this new franchise agreement?**

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

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

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

15 **Q: In your opinion, are the terms of the Thompson’s Station franchise agreement terms**
16 **necessary and proper for the public convenience and in the public interest?**

17 A: Yes, on a number of grounds.

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19 First, the new franchise terms reflected in the new agreement will establish a long-term
20 arrangement through which the current and future residents, business enterprises and
21 governmental facilities located within Thompson’s Station will be able to receive, under
22 the supervisory jurisdiction of the Authority, the benefits of continuing natural gas
23 service provided by Atmos Energy for an extended period. This arrangement will help

1 ensure the continuing availability of high-quality natural gas service to Thompson's
2 Station for the foreseeable future.

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4 Second, the new franchise facilitates the provision of such natural gas service to
5 Thompson's Station by an established and proven provider of that service well-known to
6 both the Town and this Authority and possessing the requisite expertise, facilities,
7 systems and gas supply and transportation assets necessary to provide such service.

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9 Third, the new franchise arrangement establishes adequate and proper mechanisms for
10 access by the Company to public rights-of-way, new and existing customers, and its
11 distribution facilities. These mechanisms help to ensure that Atmos Energy is able to
12 provide both adequate and efficient service and to comply with the requirements of this
13 Authority to ensure the safety and protection of residents and property within
14 Thompson's Station.

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16 Fourth, the various other protective provisions set forth in the new franchise arrangement
17 provide useful and important tools for the Town to ensure that its citizens are benefited
18 and not economically harmed by the activities of Atmos Energy within Thompson's
19 Station.

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21 Fifth, the new franchise arrangement provides an incentive for Atmos Energy to invest in
22 infrastructure needed to provide improved and expanded service within the Thompson's
23 Station by ensuring that Atmos Energy will have the right to provide service within these

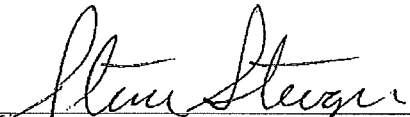
1 areas for a sufficient period in order to permit Atmos Energy the opportunity to recover
2 the capital investment in such facilities under the rates approved by the Authority.

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

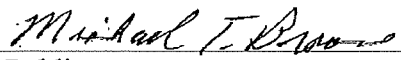
4 A: Based on the facts discussed above, I am asking the Authority to approve the new
5 franchise agreement between Atmos Energy and the Town of Thompson's Station as
6 reflected in Exhibit 1 to the Petition in this matter.

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

8 A: Not at this time.


Steven Steiger, Operations Supervisor
for the Columbia Area of Operations

Sworn to and subscribed before me
this 31st day of August, 2016


Notary Public

My Commission Expires: 9/18/2018

