

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

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

**SUPPLEMENTAL 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. Why are you supplementing your direct testimony in this matter?**

10 A. I am submitting this additional testimony to address changes in the term and fee of the
11 franchise agreement from what was originally submitted to the Authority in this docket.
12 The original franchise agreement was submitted to the Town Council of Thompson's
13 Station and passed first reading on August 9th, 2016. On September 13, 2016 the Town

1 Council passed a motion to postpone the second reading subject to changes in the term
2 and fee of the franchise. The franchise agreement with the negotiated changes passed a
3 second and final reading before the Town Council on October 11, 2016. I will describe
4 the negotiated changes to the term and fee of the franchise below. The final, signed
5 franchise agreement with these negotiated changes has been filed in this Docket.

6 **Q: Please describe the new franchise agreement, including the recently-negotiated**
7 **changes?**

8 A: The proposed franchise in substance extends the term of the current franchise for five
9 years with no franchise fee with the possibility of three automatic five-year renewal
10 periods following the initial five-year period. In accordance with the changes recently
11 negotiated with the Town, the initial five year term has no franchise fee. Following that
12 initial five year term, each of the three successive renewal periods will carry a franchise
13 fee: 2% for the first renewal term; 3.5% for the second renewal term; and 5% for the
14 third renewal term.

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

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

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

20 A: Under the statute, the Authority is authorized to approve the ordinance if it finds that it
21 "is necessary and proper for the public convenience and properly conserves the public
22 interest."

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

3 A: Yes, on a number of grounds.

4
5 First, the new franchise terms reflected in the new agreement will establish a long-term
6 arrangement through which the current and future residents, business enterprises and
7 governmental facilities located within Thompson's Station will be able to receive, under
8 the supervisory jurisdiction of the Authority, the benefits of continuing natural gas
9 service provided by Atmos Energy for an extended period. This arrangement will help
10 ensure the continuing availability of high-quality natural gas service to Thompson's
11 Station for the foreseeable future.

12
13 Second, the new franchise facilitates the provision of such natural gas service to
14 Thompson's Station by an established and proven provider of that service well-known to
15 both the Town and this Authority and possessing the requisite expertise, facilities,
16 systems and gas supply and transportation assets necessary to provide such service.

17
18 Third, the new franchise arrangement establishes adequate and proper mechanisms for
19 access by the Company to public rights-of-way, new and existing customers, and its
20 distribution facilities. These mechanisms help to ensure that Atmos Energy is able to
21 provide both adequate and efficient service and to comply with the requirements of this
22 Authority to ensure the safety and protection of residents and property within
23 Thompson's Station.

1
2 Fourth, the various other protective provisions set forth in the new franchise arrangement
3 provide useful and important tools for the Town to ensure that its citizens are benefited
4 and not economically harmed by the activities of Atmos Energy within Thompson's
5 Station.

6
7 Fifth, the new franchise arrangement provides an incentive for Atmos Energy to invest in
8 infrastructure needed to provide improved and expanded service within the Thompson's
9 Station by ensuring that Atmos Energy will have the right to provide service within these
10 areas for a sufficient period in order to permit Atmos Energy the opportunity to recover
11 the capital investment in such facilities under the rates approved by the Authority.

12 **Q: How will Atmos Energy comply with Tennessee Code Annotated § 65-4-105(e),**
13 **which requires the franchise fee, insofar as practicable, to be billed pro rata to the**
14 **utility customers receiving serviced within the municipality?**


15 A: As required by the statute, Atmos Energy will bill and collect the Thompson's Station
16 franchise fees directly from customers located there. The franchise fee will be charged
17 directly to Thompson Station customers and in turn passed along to the Town. The
18 franchise fee will appear as a line item on each customer's bill.

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

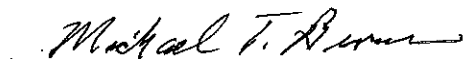
20 A: Based on the facts discussed above, I am asking the Authority to approve the new
21 franchise agreement between Atmos Energy and the Town of Thompson's Station.

22
23 **Q: Do you have anything further to add to your testimony?**

1 A: Not at this time.


Steven Steiger, Operations Supervisor
for the Columbia Area of Operations

Sworn to and subscribed before me
this 16th day of December, 2016


Notary Public

My Commission Expires: 9/15/2018

