

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

IN RE:

**PETITION OF ATMOS ENERGY
CORPORATION FOR APPROVAL
OF NEGOTIATED FRANCHISE
AGREEMENT WITH THE TOWN OF
NOLENSVILLE, TENNESSEE**

Docket No. 16- 00108

**DIRECT TESTIMONY OF
JAMES ROBBINS
ON BEHALF OF ATMOS ENERGY CORPORATION**

Q: Please state your name and business address.

A: My name is James Robbins. My business address is 334 West Lokey Avenue,
Murfreesboro, Tennessee 37130.

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

A: I am employed by Atmos Energy Corporation, Kentucky/Mid-States Division ("Atmos
Energy") as Operations Supervisor for the Murfreesboro area of operations which
includes Atmos Energy's operations in the Town of Nolensville, Tennessee.

Q: Please describe your work history with Atmos Energy.

A: I have been employed by Atmos Energy for 29 years. I began my career as a
construction crew foreman and have held various positions in Atmos Energy with
increasing responsibilities. I have been in my current position for 10 years.

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

1 A: No.

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

3 A: I am testifying on behalf of Atmos Energy in support of the petition filed to approve the
4 franchise between Atmos Energy and the Town of Nolensville.

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

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

10 **Q: Please give the Tennessee Regulatory Authority ("TRA" or "Authority") an overall**
11 **description of the Nolensville, Tennessee system and the customers served.**

12 A: There are approximately 2,480 customers located within the city limits being served by
13 the natural gas distribution system owned and operated by Atmos Energy. Of that
14 amount, approximately 96% are residential customers and 4% are in other customer
15 classes such as commercial and industrial.

16
17 The Atmos Energy system consists of approximately 43 miles of pipe within the
18 Nolensville, Tennessee city limits. This pipe is comprised of distribution mains,
19 transmission mains, and service lines. The majority of this pipe is located within the
20 public rights-of-way of Nolensville. Without access to these public rights-of-way, Atmos
21 Energy could not adequately maintain, replace and/or operate its distribution system.

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

3 A: Yes. Atmos Energy and its predecessor entity have operated for many years in
4 Nolensville under a franchise agreement with the Town of Nolensville. The franchise
5 agreement Ordinance No. 97-05 allowed Atmos Energy's predecessor entity to operate a
6 gas system within Nolensville and to use the public rights of way of the Town for its
7 distribution system and related plant and access thereto for a twenty-year period.

8 **Q: Could you please explain the circumstances that caused a need for a new franchise**
9 **agreement between Atmos Energy and the Town of Nolensville.**

10 A: Yes. Under § 65-26-101 of the Tennessee Code Annotated, Atmos Energy is required to
11 have the consent of the Town of Nolensville, in the form of a municipal ordinance, in
12 order to enter onto the streets and alleys of Nolensville for the purpose of placing,
13 maintaining, or expanding its natural gas distribution facilities. Atmos Energy and its
14 predecessor entity have been providing natural gas service to the Town of Nolensville for
15 the last twenty years pursuant to the ordinances I have previously mentioned. As the
16 twenty year term of Ordinance No. 97-05 will expire in May 2017, Atmos Energy and the
17 Town have entered into a new franchise agreement, allowing Atmos Energy to continue
18 to serve the Town of Nolensville into the future.

19 **Q: When did Atmos Energy begin pursuing a new franchise arrangement with the**
20 **Town of Nolensville?**

21 A: The Company and the Town of Nolensville began discussions in spring 2016 and a
22 proposed new franchise ordinance followed from those discussions.

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

2 A: The proposed franchise in substance extends the term of the current franchise for twenty
3 years. The new franchise agreement provides for the same fee as the old one, equal to
4 3% of Atmos Energy's gross receipts derived from the sale and distribution by Atmos
5 Energy of natural gas within the town limits of Nolensville during the preceding calendar
6 year.

7 **Q: Is TRA 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: How will Atmos Energy comply with Tennessee Code Annotated § 65-4-105(e),**
16 **which requires that the franchise fee, insofar as practicable, be billed pro rata to the**
17 **utility customers receiving service within the municipality.**

18 A: As required by the statute, Atmos Energy will bill and collect the Nolensville franchise
19 fees directly from customers located in Nolensville, as it has done in the past. In this case,
20 the franchise fee of 3% of Atmos Energy's gross receipts will be charged directly to
21 Nolensville customers and in turn passed along to the Town of Nolensville. The franchise
22 fee will appear as a line item on the customer's bill.

1 **Q: In your opinion, are the Nolensville franchise agreement's terms necessary and**
2 **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 with the Town of Nolensville will be able to receive,
8 under 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 the Town of
11 Nolensville for the foreseeable future.

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

18
19 Third, the new franchise arrangement establishes adequate and proper mechanisms for
20 access by the Company to public rights-of-way, new and existing customers, and its
21 distribution facilities. These mechanisms help to ensure that Atmos Energy is able to
22 provide both adequate and efficient service and to comply with the requirements of this
 |

1 Authority to ensure the safety and protection of residents and property within the Town
2 of Nolensville.

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

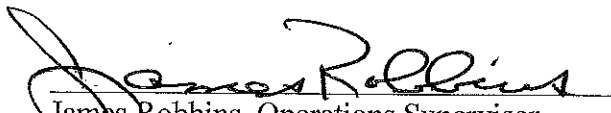
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9 Fifth, the new franchise arrangement provides an incentive for Atmos Energy to invest in
10 infrastructure needed to provide improved and expanded service within the Town of
11 Nolensville by ensuring that Atmos Energy will have the right to provide service within
12 these areas for a sufficient period in order to permit Atmos Energy the opportunity to
13 recover the capital investment in such facilities under the rates approved by the
14 Authority.

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


16 A: Based on the facts discussed above, we are asking the Authority to approve the new
17 franchise agreement between Atmos Energy and the Town of Nolensville as reflected in
18 Exhibit 1 to the Petition in this matter.

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

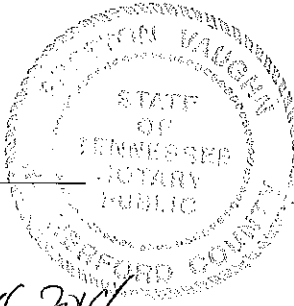
20 A: Not at this time.


James Robbins, Operations Supervisor
for the Murfreesboro Area of Operations

Sworn to and subscribed before me
this 7 day of September, 2016



Notary Public



My Commission Expires: August 18, 2018