

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

**IN RE:**

**PETITION OF ATMOS ENERGY  
CORPORATION FOR APPROVAL  
OF NEGOTIATED FRANCHISE  
AGREEMENT WITH THE CITY OF  
MURFREESBORO, TENNESSEE**

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**Docket No. 17- 00016**

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**DIRECT TESTIMONY OF  
WAYNE TURNER  
ON BEHALF OF ATMOS ENERGY CORPORATION**

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

A: My name is Wayne Turner. My business address is 200 Noah Drive, Franklin,  
Tennessee 37604.

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

A: I am employed by Atmos Energy Corporation, Kentucky/Mid-States Division (“Atmos  
Energy” or “the Company”) as Operations Manager for the Middle Tennessee area of  
operations which includes Atmos Energy’s operations in the City of Murfreesboro,  
Tennessee.

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

A: I have been employed by Atmos Energy for 30 years. I began my career as an appliance  
installer and have held various positions in Atmos Energy with increasing  
responsibilities. I have held my current position as Operations Manager since 2007.

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

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A: Yes. I testified before the Tennessee Regulatory Authority (“TRA” or “Authority”) in various dockets seeking approval of franchise agreements, the most recent being Atmos Energy’s franchise agreement with the City of Columbia, Tennessee in Docket No. 14-00023.

**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 franchise between Atmos Energy and the City of Murfreesboro.

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

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

**Q: Please give the Authority an overall description of the Murfreesboro, Tennessee system and the customers served.**

A: There are approximately 18,993 customers located within the city limits being served by the natural gas distribution system owned and operated by Atmos Energy. Of that amount, approximately 85% are residential customers and 15% are in other customer classes such as commercial and industrial.

The Atmos Energy system consists of approximately 410 miles of pipe within the Murfreesboro, Tennessee city limits. This pipe is comprised of distribution mains,

1 transmission mains, and service lines. The majority of this pipe is located within the  
2 public rights-of-way of Murfreesboro. Without access to these public rights-of-way,  
3 Atmos Energy could not adequately maintain, replace and/or operate its distribution  
4 system.

5 **Q: Has Atmos Energy operated a natural gas distribution system in Murfreesboro for a**  
6 **number of years?**

7 A: Yes. Atmos Energy and its predecessor entity have operated for many years in  
8 Murfreesboro under a franchise agreement with the City of Murfreesboro. The franchise  
9 agreement Ordinance No. 00-O-05 allowed Atmos Energy to operate a gas system within  
10 Murfreesboro and to use the public rights of way of the City for its distribution system  
11 and related plant and access thereto for a fifteen-year period. Previous to that, the  
12 Company's predecessor entity operated under a franchise agreement with the City for a  
13 twenty-year period.

14 **Q: Could you please explain the circumstances that caused a need for a new franchise**  
15 **agreement between Atmos Energy and the City of Murfreesboro.**

16 A: Yes. Under § 65-26-101 of the Tennessee Code Annotated, Atmos Energy is required to  
17 have the consent of the City of Murfreesboro, in the form of a municipal ordinance, in  
18 order to enter onto the streets and alleys of Murfreesboro for the purpose of placing,  
19 maintaining, or expanding its natural gas distribution facilities. Atmos Energy and its  
20 predecessor entity have been providing natural gas service to the City of Murfreesboro  
21 for the last fifteen years pursuant to the ordinances I have previously mentioned. As the  
22 fifteen year term of Ordinance No. 00-O-05 will expire in June 2017, Atmos Energy and

1 the City have entered into a new franchise agreement, allowing Atmos Energy to  
2 continue to serve the City of Murfreesboro into the future.

3 **Q: When did Atmos Energy begin pursuing a new franchise arrangement with the City**  
4 **of Murfreesboro?**

5 A: Atmos Energy and the City of Murfreesboro began discussions in summer 2016 and a  
6 proposed new franchise ordinance followed from those discussions.

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

8 A: The proposed franchise in substance extends the term of the current franchise for ten  
9 years, with the possibility of two subsequent renewals of five years each. The new  
10 franchise agreement provides for the same fee as the old one, equal to 5% of Atmos  
11 Energy's gross receipts derived from the sale and distribution by Atmos Energy of  
12 natural gas within the City limits of Murfreesboro and \$0.017 per Ccf of natural gas  
13 transported by Atmos Energy within the City limits during the preceding calendar year.

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

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

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

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

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

4   A.   As required by the statute, Atmos Energy will bill and collect the Murfreesboro franchise  
5       fees directly from customers located in Murfreesboro, as it has done in the past. In this  
6       case, the franchise fee of 5% of Atmos Energy's gross receipts will be charged directly to  
7       Murfreesboro sales customers and \$0.017 per Ccf to Murfreesboro transportation  
8       customers and in turn passed along to the City of Murfreesboro. The franchise fee will  
9       appear as a line item on the customer's bill.

10   **Q:   In your opinion, are the terms of the Murfreesboro franchise agreement necessary**  
11       **and proper for the public convenience and in the public interest?**

12   A:   Yes, on a number of grounds.

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

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22       Second, the new franchise facilitates the provision of such natural gas service to the City  
23       of Murfreesboro by an established and proven provider of that service well-known to

1 both the City of Murfreesboro and this Authority and possessing the requisite expertise,  
2 facilities, systems and gas supply and transportation assets necessary to provide such  
3 service.

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

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

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17 Fifth, the new franchise arrangement provides an incentive for Atmos Energy to invest in  
18 infrastructure needed to provide improved and expanded service within the City of  
19 Murfreesboro by ensuring that Atmos Energy will have the right to provide service  
20 within these areas for a sufficient period in order to permit Atmos Energy the opportunity  
21 to recover the capital investment in such facilities under the rates approved by the  
22 Authority.

23 **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 Energy and the City of Murfreesboro as reflected in  
3 Exhibit 1 to the Petition in this matter.
- 4 Q: Do you have anything further to add to your testimony?
- 5 A: Not at this time.

Wayne Turner  
Wayne Turner, Operations Manager  
for the Middle Tennessee Area of Operations

Sworn to and subscribed before me  
this 8th day of February, 2017

Michael T. Brown  
Notary Public

My Commission Expires: 9/15/2018

