

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION
NASHVILLE, TENNESSEE

IN RE:

PETITION OF ATMOS ENERGY
CORPORATION FOR APPROVAL
OF NEGOTIATED FRANCHISE
AGREEMENT WITH THE CITY OF
WOODLAND MILLS, TENNESSEE

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Docket No. 19- 00004

DIRECT TESTIMONY OF
PATRICK MATTINGLY
ON BEHALF OF ATMOS ENERGY CORPORATION

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

2 A: My name is Patrick Mattingly. My business address is 3510 Coleman Road, Paducah,
3 Kentucky 42001.

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 “the Company”) as Operations Supervisor for the Paducah, Kentucky area of
7 operations which includes Atmos Energy’s operations in the City of Woodland Mills,
8 Tennessee.

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

10 A: I have been employed by Atmos Energy for 29 years. I began my career as a meter
11 reader and have held various positions in Atmos Energy with increasing responsibilities.
12 I have held my current position as Operations Supervisor since 2005.

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

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A: Yes. I was the witness for Atmos Energy before this Commission in Docket Nos. 14-0019 and 14-00153.

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 Woodland Mills.

Q: In your capacity as the Operations Supervisor for the Paducah, Kentucky region of Atmos Energy, are you familiar with the natural gas distribution system operated by Atmos Energy in Woodland Mills, Tennessee?

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

Q: Please give the Commission an overall description of the Woodland Mills, Tennessee system and the customers served.

A: There are approximately 133 customers located within the city limits being served by the natural gas distribution system owned and operated by Atmos Energy. Of that amount, approximately 93% are residential customers and 7% are in other customer classes such as commercial and industrial.

The Atmos Energy system consists of approximately seven miles of pipe within the Woodland Mills, Tennessee city 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 Woodland Mills. Without access to these public rights-of-way,

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

3 **Q: Has Atmos Energy operated a natural gas distribution system in Woodland Mills**
4 **for a number of years?**

5 A: Yes. Atmos Energy and its predecessor entity have operated for many years in
6 Woodland Mills under a franchise agreement with the City of Woodland Mills. The
7 franchise agreement City Ordinance No. 5 allowed Atmos Energy to operate a gas system
8 within Woodland Mills and to use the public rights of way of the City for its distribution
9 system and related plant and access thereto for a twenty year period.

10 **Q: Could you please explain the circumstances that caused a need for a new franchise**
11 **agreement between Atmos Energy and the City of Woodland Mills.**

12 A: Yes. Under § 65-26-101 of the Tennessee Code Annotated, Atmos Energy is required to
13 have the consent of the City of Woodland Mills, in the form of a municipal ordinance, in
14 order to enter onto the streets and alleys of Woodland Mills 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 the City of Woodland Mills
17 for the last twenty years pursuant to the ordinance I have previously mentioned. As the
18 twenty year term of Ordinance No. 5 will expire in June 2019, Atmos Energy and the
19 City have entered into a new franchise agreement, Ordinance No. 2018-3, allowing
20 Atmos Energy to continue to serve the City of Woodland Mills into the future.

21 **Q: When did Atmos Energy begin pursuing a new franchise arrangement with the City**
22 **of Woodland Mills?**

1 A: Atmos Energy and the City of Woodland Mills began discussions in fall 2018 and a
2 proposed new 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 twenty
5 years. There is no franchise fee in the agreement.

6 **Q: Is Commission approval required for this new franchise agreement?**

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

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

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

14 **Q: In your opinion, are the terms of the Woodland Mills franchise agreement necessary**
15 **and proper for the public convenience and in the public interest?**

16 A: Yes, on a number of grounds.

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18 First, the new franchise terms reflected in the new agreement will establish a long-term
19 arrangement through which the current and future residents, business enterprises and
20 governmental facilities located with the City of Woodland Mills will be able to receive,
21 under the supervisory jurisdiction of the Commission, the benefits of continuing natural
22 gas service provided by Atmos Energy for an extended period. This arrangement will

1 help ensure the continuing availability of high-quality natural gas service to the City of
2 Woodland Mills for the foreseeable future.

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4 Second, the new franchise facilitates the provision of such natural gas service to the City
5 of Woodland Mills by an established and proven provider of that service well-known to
6 both the City of Woodland Mills and this Commission and possessing the requisite
7 expertise, facilities, systems and gas supply and transportation assets necessary to provide
8 such service.

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

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17 Fourth, the various other protective provisions set forth in the new franchise arrangement
18 provide useful and important tools for the City of Woodland Mills to ensure that its
19 citizens are benefited and not economically harmed by the activities of Atmos Energy
20 within the City of Woodland Mills.

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22 Fifth, the new franchise arrangement provides an incentive for Atmos Energy to invest in
23 infrastructure needed to provide improved and expanded service within the City of


1 Woodland Mills by ensuring that Atmos Energy will have the right to provide service
2 within these areas for a sufficient period in order to permit Atmos Energy the opportunity
3 to recover the capital investment in such facilities under the rates approved by the
4 Commission.

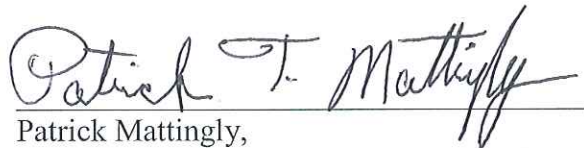
5 **Q: What are you asking the Commission to do in this proceeding?**

6 A: Based on the facts discussed above, we are asking the Commission to approve the new
7 franchise agreement between Atmos Energy and the City of Woodland Mills as reflected
8 in Exhibit 1 to the Petition in this matter.

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

10 A: Not at this time.





Patrick Mattingly,
Operations Supervisor for the Paducah, Kentucky
Area of Operations

Sworn to and subscribed before me
this 4th day of January, 2019



Notary Public

My Commission Expires: 2/28/2020