

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
ALCOA, TENNESSEE

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Docket No. 19- 00090

DIRECT TESTIMONY OF
TRAVIS GREENWOOD
ON BEHALF OF ATMOS ENERGY CORPORATION

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

2 A: My name is Travis Greenwood. My business address is 1639 Robert C. Jackson Drive,
3 Maryville, TN 37801.

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") as Operations Supervisor for the Maryville and Alcoa, Tennessee area of
7 operations which includes Atmos Energy's operations in the City of Alcoa, Tennessee.

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

9 A: I have been employed by Atmos Energy for 16 years. I was a Meter Reader, Service
10 Technician, Construction Operator, Town Operator and Operations Supervisor for Atmos
11 Energy's Mid-Tex Division from 2003 until assuming my current role as Operations
12 Supervisor. I have been in my current position for 2 years.

13 **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 City of Alcoa.

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

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

10 **Q: Please give the Tennessee Public Utility Commission ("TPUC" or "Commission") an**
11 **overall description of the Alcoa, Tennessee system and the customers served.**

12 A: There are approximately 3,100 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 78% are residential customers and 22% are in other customer
15 classes such as commercial and industrial.

16

17 The Atmos Energy system consists of approximately 139 miles of pipe within the Alcoa,
18 Tennessee city limits. This pipe is comprised of distribution mains, transmission mains,
19 and service lines. The majority of this pipe is located within the public rights-of-way of
20 Alcoa. Without access to these public rights-of-way, Atmos Energy could not adequately
21 maintain, replace and/or operate its distribution system.

22

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

3 A: Yes. Atmos Energy and its predecessor entity have operated for many years in Alcoa
4 under franchise agreements with the City. For the past fifteen years, the Company has
5 operated under the franchise agreement Ordinance No. 04-032.

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

8 A: Yes. Under § 65-26-101 of the Tennessee Code Annotated, Atmos Energy is required to
9 have the consent of the City of Alcoa, in the form of a municipal ordinance, in order to
10 enter onto the streets and alleys of Alcoa for the purpose of placing, maintaining, or
11 expanding its natural gas distribution facilities. Atmos Energy and its predecessor entity
12 have been providing natural gas service to the City of Alcoa for the last several years
13 pursuant to the ordinances I have previously mentioned. As the fifteen-year term of the
14 Ordinance 04-032 originally expires in August 2019, Atmos Energy and the City of
15 Alcoa have entered into a new franchise agreement to amend the term of Ordinance 04-
16 032 and to extend the term of the franchise for twenty years, allowing Atmos Energy to
17 continue to serve the City of Alcoa into the future.

18 **Q: When did Atmos Energy begin pursuing a new franchise arrangement with the City**
19 **of Alcoa?**

20 A: The Company and the City of Alcoa began discussions in summer 2018 and a proposed
21 ordinance to extend the term of the franchise approved in Ordinance 2004-34 followed
22 from those discussions.

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

1 A: The proposed franchise amends the current franchise and extends the term of the current
2 franchise for twenty years. The franchise fee will remain the same of five percent (5%)
3 of Atmos Energy's gross receipts derived from retail natural gas sales within the
4 corporate limits of the City of Alcoa, while transport volumes per CCF rate will be
5 \$0.005.

6 **Q: Is TPUC 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 Alcoa franchise agreement's terms necessary and proper**
15 **for the public convenience and in the public interest?**

16 A: Yes, on a number of grounds.

17
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 within the City of Alcoa will be able to receive, under the
21 supervisory jurisdiction of the Commission, the benefits of continuing natural gas service
22 provided by Atmos Energy for an extended period. This arrangement will help ensure

1 the continuing availability of high-quality natural gas service to the City of Alcoa for the
2 foreseeable future.

3
4 Second, the new franchise facilitates the provision of such natural gas service to the City
5 of Alcoa by an established and proven provider of that service well-known to both the
6 City of Alcoa and this Commission and possessing the requisite expertise, facilities,
7 systems and gas supply and transportation assets necessary to provide such service.

8
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 Commission to ensure the safety and protection of residents and property within the City
14 of Alcoa.

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

20
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 City of Alcoa
23 by ensuring that Atmos Energy will have the right to provide service within these areas

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

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

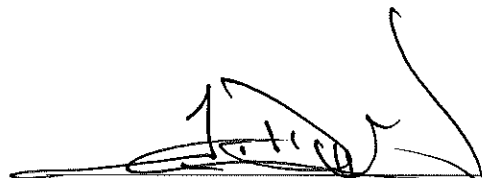
6 A: As required by the statute, Atmos Energy will bill and collect the Alcoa, Tennessee
7 franchise fees directly from customers located there. The franchise fee will be charged
8 directly to City of Alcoa customers and in turn passed along to the City. The franchise
9 fee will appear as a line item on each customer's bill.

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

11 A: Based on the facts discussed above, we are asking the Commission to approve the new
12 franchise agreement between Atmos Energy and the City of Alcoa as reflected in Exhibit
13 1 to the Petition in this matter.

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

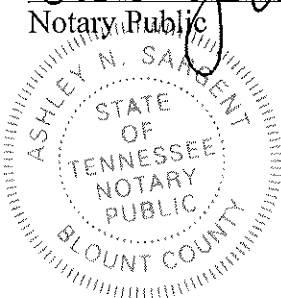
15 A: Not at this time.


Travis Greenwood, Operations Supervisor
for the Maryville and Alcoa, TN area of operations

Sworn to and subscribed before me
this 24 day of September, 2019


Notary Public

MY COMMISSION EXPIRES
FEBRUARY 27, 2021



MY COMMISSION EXPIRES
FEBRUARY 27, 2021

My Commission Expires: _____