

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION  
NASHVILLE, TENNESSEE**

**IN RE:**

**PETITION OF ATMOS ENERGY  
CORPORATION FOR APPROVAL  
OF NEGOTIATED FRANCHISE  
AGREEMENT WITH  
BRENTWOOD, TENNESSEE**

**Docket No. 21- 00103**

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**DIRECT TESTIMONY OF  
BRANNON C. TAYLOR  
ON BEHALF OF ATMOS ENERGY CORPORATION**

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

A: My name is Brannon C. Taylor. I am Vice President - Rates and Regulatory Affairs for the Kentucky/Mid-States Division of Atmos Energy Corporation ("Atmos Energy" or the "Company"). My business address is 810 Crescent Centre Dr. Ste 600, Franklin, Tennessee 37067.

**Q: Please briefly describe your current responsibilities, and professional and educational background.**

A: I am responsible for all rate and regulatory matters in Kentucky, Tennessee, and Virginia. I graduated from Vanderbilt University in 2009 with a degree in Political Science. I also graduated from Emory University in 2012 with a law degree and am a licensed attorney. I have been with Atmos Energy Corporation since September 2012. I

1 have served in a variety of positions of increasing responsibility in both Rates and the  
2 Kentucky/Mid-States Division prior to assuming my current responsibilities in 2020.

3 **Q. Have you submitted testimony before the Tennessee Public Utility Commission**  
4 **("Commission")**

5 A. Yes. I have filed testimony in several dockets before this Commission

6 **Q. Have you previously submitted testimony on matters before other state regulatory**  
7 **commissions?**

8 A. Yes, I have also submitted testimony before the Kentucky Public Service Commission.

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

10 A: I am testifying on behalf of Atmos Energy in support of the petition filed to approve the  
11 franchise between Atmos Energy and the City of Brentwood.

12 **Q: In your capacity as Vice President – Rates and Regulatory Affairs of Atmos Energy,**  
13 **are you familiar with the natural gas distribution system operated by Atmos Energy**  
14 **in Brentwood, Tennessee?**

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

17 **Q: Please give the Commission an overall description of the Brentwood, Tennessee**  
18 **system and the customers served.**

19 A: There are approximately 2,388 customers located within the City of Brentwood being  
20 served by the natural gas distribution system owned and operated by Atmos Energy. Of  
21 that amount, approximately 96% are residential customers and 4% are in other customer  
22 classes such as commercial and industrial.

1 The Atmos Energy system consists of approximately 43 miles of pipe within the City of  
2 Brentwood. This pipe is comprised of distribution mains, transmission mains, and  
3 service lines. The majority of this pipe is located within the public rights-of-way of the  
4 City of Brentwood. Without access to these public rights-of-way, Atmos Energy could  
5 not adequately maintain, replace and/or operate its distribution system.

6 **Q: Has Atmos Energy operated a natural gas distribution system in the City of**  
7 **Brentwood for a number of years?**

8 A: Yes. Atmos Energy and its predecessor entity have operated for many years in  
9 Brentwood under franchise agreements with the City. For the past twenty-five years, the  
10 Company has operated under the franchise agreement Ordinance No. 96-21.

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

13 A: Yes. Under § 65-26-101 of the Tennessee Code Annotated, Atmos Energy is required to  
14 have the consent of Brentwood, in the form of a municipal ordinance, in order to enter  
15 onto the streets and alleys of Brentwood for the purpose of placing, maintaining, or  
16 expanding its natural gas distribution facilities. Atmos Energy and its predecessor entity  
17 have been providing natural gas service to Brentwood for the last several years pursuant  
18 to the ordinances I have previously mentioned. As the twenty-five-year term of  
19 Ordinance No. 96-21 originally expired in July, 2021, Atmos Energy and the City of  
20 Brentwood have entered into a new franchise agreement in Ordinance No. 2021-18 for a  
21 term of twenty years, allowing Atmos Energy to continue to serve Brentwood into the  
22 future.

1   **Q:    When did Atmos Energy begin pursuing a new franchise arrangement with**  
2       **Brentwood?**

3   A:    The Company and the City of Brentwood began discussions in fall 2020 and a proposed  
4       franchise agreement was approved in Ordinance No. 2021-18 followed from those  
5       discussions.

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

7   A:    The proposed franchise in substance extends the term of the current franchise for twenty  
8       years. There is no franchise fee associated with the franchise.

9   **Q:    Is TPUC approval required for this new franchise agreement?**

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

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

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

17  **Q:    In your opinion, are the City of Brentwood franchise agreement’s terms necessary**  
18       **and proper for the public convenience and in the public interest?**

19  A:    Yes, on a number of grounds.

20  
21       First, the new franchise terms reflected in the new agreement will establish a long-term  
22       arrangement through which the current and future residents, business enterprises and  
23       governmental facilities located in Brentwood will be able to receive, under the

1 supervisory jurisdiction of the Commission, the benefits of continuing natural gas service  
2 provided by Atmos Energy for an extended period. This arrangement will help ensure  
3 the continuing availability of high-quality natural gas service to Brentwood for the  
4 foreseeable future.

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

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

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

21  
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 Brentwood by

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

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

7 A: There are currently no associated franchise fees for the City of Brentwood. Should a  
8 franchise fee arise, then Atmos Energy, as required by the statute, will bill and collect the  
9 Brentwood franchise fees directly from customers located there. The franchise fee will  
10 be charged directly to Brentwood customers and in turn passed along to Brentwood. The  
11 franchise fee will appear as a line item on each customer's bill.

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

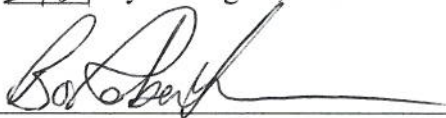
13 A: Based on the facts discussed above, we are asking the Commission to approve the new  
14 franchise agreement between Atmos Energy and Brentwood as reflected in Exhibit 1 to  
15 the Petition in this matter.

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

17 A: Not at this time.

  
Brannon Taylor  
Vice President Rates & Regulatory Affairs

Sworn to and subscribed before me  
this 27th day of August, 2021

  
\_\_\_\_\_  
Notary Public



My Commission Expires  
November 17, 2024

My Commission Expires: 11/17/24