

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

IN RE:

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

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Docket No. 23-00068

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

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 and the Virginia State Corporation Commission.

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

11 A: I am testifying on behalf of Atmos Energy in support of the petition filed to approve the
12 franchise between Atmos Energy and the Town of Greeneville.

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

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

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

20 A: There are approximately 2,221 customers located within the Town of Greeneville being
21 served by the natural gas distribution system owned and operated by Atmos Energy. Of
22 that amount, approximately 67% are residential customers and 33% are in other customer
23 classes such as commercial and industrial.

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2 The Atmos Energy system consists of approximately 137 miles of pipe within the Town
3 of Greeneville. This pipe is comprised of distribution mains, transmission mains, and
4 service lines. The majority of this pipe is located within the public rights-of-way of the
5 Town of Greeneville. Without access to these public rights-of-way, Atmos Energy could
6 not adequately maintain, replace and/or operate its distribution system.

7 **Q: Has Atmos Energy operated a natural gas distribution system in the Town of**
8 **Greeneville for a number of years?**

9 A: Yes. Atmos Energy and its predecessor entity have operated for many years in
10 Greeneville under franchise agreements with the Town. For the past twenty years, the
11 Company has operated under the franchise agreement Ordinance No. 1532.

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

14 A: Yes. Under § 65-26-101 of the Tennessee Code Annotated, Atmos Energy is required to
15 have the consent of Town of Greeneville, in the form of a municipal ordinance, in order
16 to enter onto the streets and alleys of Town of Greeneville for the purpose of placing,
17 maintaining, or expanding its natural gas distribution facilities. Atmos Energy and its
18 predecessor entity have been providing natural gas service to Town of Greeneville for the
19 last several years pursuant to the ordinances I have previously mentioned. As the twenty
20 year term of Ordinance No. 1532 expires in November 2023, Atmos Energy and the
21 Town of Greeneville have entered into a new franchise agreement in Ordinance No. 1799
22 for a term of twenty years, allowing Atmos Energy to continue to serve Greeneville into
23 the future.

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

3 A: The Company and the Town of Greeneville began discussions in spring 2023 and a
4 proposed franchise agreement was approved in Ordinance No. 1799 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. The franchise fee is a uniform three percent for sales customers, compared to the
9 old agreement which had a fee of three percent for residential customers and two percent
10 for commercial and industrial sales customers.

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

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

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

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

19 **Q: In your opinion, are the Town of Greeneville franchise agreement’s terms necessary**
20 **and proper for the public convenience and in the public interest?**

21 A: Yes, on a number of grounds.
22

1 First, the new franchise terms reflected in the new agreement will establish a long-term
2 arrangement through which the current and future residents, business enterprises and
3 governmental facilities located in Town of Greeneville will be able to receive, under the
4 supervisory jurisdiction of the Commission, the benefits of continuing natural gas service
5 provided by Atmos Energy for an extended period. This arrangement will help ensure
6 the continuing availability of high-quality natural gas service to Town of Greeneville for
7 the foreseeable future.

8
9 Second, the new franchise facilitates the provision of such natural gas service to Town of
10 Greeneville by an established and proven provider of that service well-known to both
11 Town of Greeneville and this Commission and possessing the requisite expertise,
12 facilities, systems and gas supply and transportation assets necessary to provide such
13 service.

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

21
22 Fourth, the various other protective provisions set forth in the new franchise arrangement
23 provide useful and important tools for Town of Greeneville to ensure that its citizens are

1 benefited and not economically harmed by the activities of Atmos Energy within Town
2 of Greeneville.

3
4 Fifth, the new franchise arrangement provides an incentive for Atmos Energy to invest in
5 infrastructure needed to provide improved and expanded service within Town of
6 Greeneville by ensuring that Atmos Energy will have the right to provide service within
7 these areas for a sufficient period in order to permit Atmos Energy the opportunity to
8 recover the capital investment in such facilities under the rates approved by the
9 Commission.

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

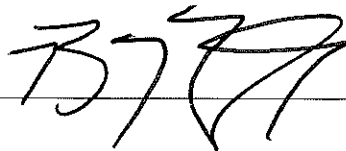
13 A: As required by the statute, Atmos Energy will bill and collect the Greeneville franchise
14 fees directly from customers located there. The franchise fee will be charged directly to
15 Greeneville customers and in turn passed along to the Town of Greeneville. The
16 franchise fee will appear as a line item on each customer's bill.

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

18 A: Based on the facts discussed above, we are asking the Commission to approve the new
19 franchise agreement between Atmos Energy and Greeneville as reflected in Exhibit 1 to
20 the Petition in this matter.

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

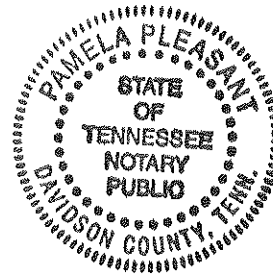
22 A: Not at this time.

A handwritten signature in black ink, appearing to be 'B. J. [unclear]', is written over a horizontal line.

Brannon Taylor
Vice President Rates & Regulatory Affairs

Sworn to and subscribed before me
this 7th day of September, 2023

Pamela Pleasant
Notary Public



My Commission Expires: MARCH 6, 2024