

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

September 21, 2026

IN RE:

**PETITION OF ATMOS ENERGY CORPORATION
FOR APPROVAL OF FRANCHISE AGREEMENT
WITH THE TOWN OF JONESBOROUGH,
WASHINGTON COUNTY, TENNESSEE**

**DOCKET NO.
26-00043**

ORDER APPROVING FRANCHISE AGREEMENT

This matter came before Chairman David F. Jones, Commissioner Herbert H. Hilliard, Commissioner Robin L. Morrison, Commissioner Kenneth C. Hill, and Commissioner John Hie, of the Tennessee Public Utility Commission (the “Commission” or “TPUC”), the voting panel assigned to this docket, during the regularly scheduled Commission Conference held on August 17, 2026. The panel convened to hear and consider the *Petition for Approval of Franchise Agreement With the Town of Jonesborough, Tennessee* (“*Petition*”) filed on May 21, 2026, by Atmos Energy Corporation (“Atmos” or “Company”).

I. THE PETITION

Atmos is incorporated under the laws of the state of Texas with its principal place of business in Dallas, Texas. The Company provides natural gas service to approximately 161,000 residential, commercial, and industrial customers in Tennessee.¹ This includes approximately 1,044 customers in the Town of Jonesborough, Tennessee (“Jonesborough”) served in accordance

¹ *Petition*, p. 2 (May 21, 2026).

with a franchise agreement incorporated into Ordinance 2006-02, dated April 10, 2006.² This franchise agreement expired on May 11, 2026.³

On May 21, 2026, Atmos filed a *Petition* requesting approval of a new franchise agreement (the “Franchise Agreement”) between Atmos and Jonesborough. Attached as an Exhibit to its *Petition*, Atmos provided a copy of Ordinance No. 2026-05, which extends the non-exclusive franchise agreement with Atmos for a one-year term, with two successive one-year extensions.⁴ Ordinance 2026-05 was enacted on April 13, 2026.⁵ Atmos also filed the Pre-Filed Testimony of Mark A. Martin, Vice President of Rates and Regulatory Affairs for the Kentucky/Mid-States Division.⁶

Mr. Martin testified that Atmos and Jonesborough commenced negotiations for renewal of the franchise authority in February 2026 and that the Franchise Agreement extension and related ordinance were products of those negotiations.⁷ Mr. Martin stated that the franchise agreement is necessary and proper for the public convenience and properly conserves the public interest for the following reasons:

First, the new franchise facilitates the provision of such natural gas service to the Town of Jonesborough by an established and proven provider of that service well known to both the Town of Jonesborough and this Commission and possessing the requisite expertise, facilities, systems, and gas supply and transportation assets necessary to provide such service.

Second, the new franchise arrangement establishes adequate and proper mechanisms for access by the Company to public rights-of-way, new and existing customers, and its distribution facilities. These mechanisms help to ensure that Atmos Energy is able to provide both adequate and efficient service and to comply with the requirements of this

² *Id.* at 2; Mark A. Martin, Pre-Filed Testimony, p. 3 (May 21, 2026).

³ *Id.*

⁴ *Id.* at Ex. 1.

⁵ *Id.* at 2, Ex. 1.

⁶ Mark A. Martin, Pre-Filed Direct Testimony (May 21, 2026).

⁷ *Id.* at 4.

Commission to ensure the safety and protection of residents and property within the Town of Jonesborough.

Third, the various other protective provisions set forth in the new franchise arrangement provide useful and important tools for the Town of Jonesborough to ensure that its citizens are benefited and not economically harmed by the activities of Atmos Energy within the Town of Jonesborough.

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

Mr. Martin also testified that the proposed Franchise Agreement “in substance extends the term of the current franchise for one (1) year, with extensions for two successive periods of one (1) year each.”⁹ The Franchise Agreement does not include a franchise fee.¹⁰

II. REQUIREMENT OF AND STANDARDS FOR COMMISSION APPROVAL

Tenn. Code Ann. § 65-4-107 establishes the requirements for Commission approval of a franchise. In relevant part, the statute states:

No privilege or franchise hereafter granted to any public utility by the state or by any political subdivision of the state shall be valid until approved by the commission, such approval to be given when, after hearing, the commission determines that such privilege or franchise is necessary and proper for the public convenience and properly conserves the public interest...¹¹

Further, when considering a privilege or franchise, the Commission is empowered to impose conditions concerning construction, equipment, maintenance, service, or operation, reasonably required for the public convenience and interest.¹²

⁸ *Id.* at 5.

⁹ *Id.* at 4.

¹⁰ *Id.*

¹¹ Tenn. Code Ann. § 65-4-107(a) (2022).

¹² Tenn. Code Ann. § 65-4-107(b) (2022).

III. THE HEARING

The Commission issued a *Notice of Hearing* on August 7, 2026. On August 17, 2026, the Hearing was held before the panel during a regularly scheduled Commission Conference.

Appearing for Atmos were:

SIMS|FUNK, PLC - Mr. Erik Lybeck, Esq., Cole W. Schott, Esq., 3102 West End Avenue, Suite 1000, Nashville, Tennessee 37203 and Mark A. Martin, Vice President of Rates and Regulatory Affairs for the Kentucky/Mid-States Division.

During the Hearing, Mr. Martin ratified and summarized his Pre-Filed Testimony and was subject to questioning before the panel. Mr. Glen Rosenoff, Town Manager for Jonesborough, attended the Commission Conference telephonically, having neither questions nor comments during the Hearing. No person commented nor sought intervention during the Hearing.

IV. FINDINGS AND CONCLUSIONS

The panel found that the Franchise Agreement between Atmos and Jonesborough differs from the prior agreement with respect to the length of the term of agreement. The previous agreement had a 20-year term, whereas the proposed Franchise Agreement includes an initial one-year term with two optional one-year extensions. The panel further found that this shorter term affords both Atmos and Jonesborough greater flexibility to review the arrangement more frequently and to reassess operational needs, regulatory requirements, and system conditions as they evolve.

The panel also found that Atmos's ability to continue providing safe and reliable natural gas service within the Town is not hindered or limited by the shorter term of the Franchise Agreement. The record demonstrates that Atmos will be able to continue serving its Jonesborough customers without interruption.

Therefore, based upon the testimony and the administrative record, the panel concluded that the terms of the Franchise Agreement between Atmos and Jonesborough are fair and

reasonable. Further, the panel concluded that the Franchise Agreement is necessary and proper for the public convenience and conserves the public interest. Accordingly, the panel voted unanimously to approve Atmos's *Petition*.

IT IS THEREFORE ORDERED THAT:

1. The *Petition for Approval of Franchise Agreement With the Town of Jonesborough, Tennessee*, filed by Atmos Energy Corporation, is approved.

2. Any person aggrieved by the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within 15 days from the date of this Order.

3. Any person aggrieved by the Commission's decision in this matter has the right to judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within 60 days from the date of this Order.

FOR THE TENNESSEE PUBLIC UTILITY COMMISSION:

COMMISSION PANEL VOTE

The Commission panel has adopted the foregoing Order.
All members present and voting concurred.

Chairman David F. Jones,
Commissioner Herbert H. Hilliard,
Commissioner Robin L. Morrison,
Commissioner Kenneth C. Hill,
Commissioner John Hie.

Order Issued and Attested By:

A handwritten signature in dark ink, appearing to read "Earl Taylor" followed by a stylized monogram or initials "abh".

Earl R. Taylor, Executive Director