

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

IN RE:)
)
PETITION OF ATMOS ENERGY)
CORPORATION FOR APPROVAL)
OF NEGOTIATED FRANCHISE) **Docket No. 26- 00044**
AGREEMENT WITH THE METRO)
LYNCHBURG MOORE COUNTY,)
TENNESSEE)

**PETITION FOR APPROVAL OF FRANCHISE
AGREEMENT WITH METRO LYNCHBURG MOORE COUNTY, TENNESSEE**

Pursuant to Tennessee Code Annotated § 65-4-107, Atmos Energy Corporation (“Atmos Energy” or “Company”) respectfully requests that the Tennessee Public Utility Commission (“Commission”) approve a negotiated franchise agreement between Atmos Energy and Metro Lynchburg Moore County, Tennessee.

In support of this Petition, Atmos Energy respectfully submits the following:

1. Full name and address of the principal place of business of the company are:

Atmos Energy Corporation
5430 LBJ Freeway S 1800
Dallas, TX 75240

2. All correspondence and communications with respect to this Petition should be sent to the following:

Mark A. Martin
Vice President, Rates & Regulatory Affairs
KY/Mid-States Division
Atmos Energy Corporation
3275 Highland Pointe Drive
Owensboro, KY 42303
(270) 685-8024 – Phone
(270) 685-8052 – Facsimile

mark.martin@atmosenergy.com

Erik C. Lybeck, Esq.
Sims|Funk, PLC
3102 West End Ave., Suite 1000
Nashville, TN 37203
(615) 292-9335 – Phone
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elybeck@simsfunk.com

Shelly M. Bass, Esq.
Associate General Counsel
Atmos Energy Corporation
5430 LBJ Freeway S 1800
Dallas, TX 75240
(972) 855-3756 – Phone
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Shelly.bass@atmosenergy.com

3. Atmos Energy serves approximately 161,000 residential, commercial, and industrial customers in Tennessee. Among the areas served is Metro Lynchburg, Moore County, Tennessee.

4. Atmos Energy currently provides natural gas service to Metro Lynchburg, Moore County, Tennessee pursuant to a franchise agreement incorporated into ordinance, dated May 15, 2006.

5. That franchise agreement expired by its terms on May 15, 2026.

6. In anticipation of the expiration of the existing franchise agreement, the Company began negotiations with Metro Lynchburg Moore County, Tennessee for renewal of the franchise authority in March 2026. These negotiations recently concluded, and a new franchise agreement passed on April 21, 2026 and incorporated as Ordinance No. 3/16. A true and correct copy of this franchise agreement incorporated as Ordinance 3/16 is attached hereto as Exhibit 1.

5. In accordance with Tennessee Code Annotated § 65-4-107 and the terms of the Ordinance, specifically Section 3(B), the new franchise agreement will become effective upon its

final passage and approval by Metro Lynchburg Moore County, Tennessee, acceptance by Atmos Energy, and final approval by the Commission.

6. The new franchise agreement with Metro Lynchburg Moore County, Tennessee is necessary and proper for the public convenience and properly conserves the public interest.

WHEREFORE, Atmos Energy respectfully requests that the Commission approve the new franchise agreement with the Metro Lynchburg Moore County, Tennessee attached hereto as Exhibit 1 pursuant to Tennessee Code Annotated § 65-4-107.

Respectfully submitted,

/s/ Erik C. Lybeck _____

Erik C. Lybeck, Esq.

SIMS|FUNK, PLC

3102 West End Ave., Suite 1000

Nashville, TN 37203

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Counsel for Atmos Energy Corporation

Exhibit 1

ORDINANCE NO. 3/16

AN ORDINANCE GRANTING A FRANCHISE TO ATMOS ENERGY CORPORATION, ITS SUCCESSORS AND ASSIGNS FOR PERIOD OF TEN YEARS TO ERECT, CONSTRUCT, RECONSTRUCT, MAINTAIN AND OPERATE A NATURAL GAS PLANT OR PLANTS FOR THE MANUFACTURING AND PROCESSING OF ANY AND ALL KINDS OF GAS AND FOR THE DISTRIBUTION OF NATURAL GAS AND FOR THE INSTALLATION AND MAINTENANCE OF MAINS, PIPES, PIPELINES, DISTRIBUTION LINES, AND OTHER EQUIPMENT NECESSARY OR INCIDENTAL TO DISTRIBUTION OF SAID GAS UPON, ACROSS, ALONG AND UNDER THE HIGHWAYS, STREETS, AVENUES, ROADS, ALLEYS, LANES AND OTHER PUBLIC GROUNDS OF METRO LYNCHBURG MOORE COUNTY, TENNESSEE.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNTY COMMISSION OF METRO LYNCHBURG MOORE COUNTY, TENNESSEE AS FOLLOWS:

SECTION 1.

DEFINITIONS:

As used in this Agreement, the following words and phrases shall have the following meanings:

- (A) “Agency” refers to and is the Tennessee Public Utility Commission, the state utility regulatory agency, having jurisdiction over the rates, services and operations of Grantee within the State of Tennessee or other administrative or regulatory authority succeeding to the regulatory powers of the Agency.
- (B) “County” refers to and is Metro Lynchburg Moore County, Tennessee, and includes to territory as currently is or may in the future be included within the boundaries of Metro Moore County.
- (C) “County Commission” or “Commission” refers to and is the governing body of Metro Lynchburg Moore County, Tennessee.
- (D) “Force Majeure” shall mean any and all causes beyond the control and without the fault or negligence of Grantee. Such causes shall include but not be limited to acts of God, pandemics, endemics, acts of the public enemy, insurrections, terrorism, riots, labor disputes, boycotts, labor and material shortages, fires, explosions, flood, breakdowns of or damage to equipment of facilities, interruptions to transportation, embargoes, acts of military

authorities, or other causes of a similar nature whether or not foreseen or foreseeable which wholly or partly prevent Grantee from performing one or more of its obligations hereunder.

(E) “*Franchise*” shall mean the rights and privileges granted by the Grantor to Grantee under the terms and provisions of this franchise ordinance.

(F) “*Grantee*” shall mean Atmos Energy Corporation.

(G) “*Grantor*” shall mean Metro Lynchburg Moore County, Tennessee.

(H) “*Public Right-of-Way*” shall mean the surface, the airspace above the surface and area below the surface of any street, highway, alley, avenue, boulevard, sidewalk, pedestrian/bicycle lane or trail, driveway, bridge, utility easement or any other public ways owned, dedicated by plat, occupied or used by the public and within Grantor’s geographical limits or boundaries established by applicable law.

(I) “*System*” is the system of works, pipes, pipelines, facilities, fixtures, apparatus, lines, machinery, equipment, structures, appliances, appurtenances or other infrastructure reasonably necessary for the storage, transportation, distribution or sale of natural, artificial or mixed gas to residential and commercial customers and the public generally, within the geographical limits or boundaries of the Grantor.

SECTION 2.

GRANT OF FRANCHISE:

(A) There is hereby created and granted unto Grantee a non-exclusive franchise to enter upon, acquire, construct, operate, maintain and repair in the Public Right-of-Way the System, subject to the provisions of this Agreement. The franchise granted hereunder shall be extended to territories that are annexed by Grantor upon the same terms and conditions herein, subject to the approval of the Commission, if any such approval is required.

(B) The franchise granted to Grantee by the Grantor shall not be exclusive and the Grantor reserves the right to grant a similar franchise to any other person or entity at any time. In the event the Grantor shall grant to another person or entity during the term hereof a franchise for a gas distribution system within the geographical boundaries or limits of Grantor similar to the one herein granted to Grantee, it is agreed that the terms of any such franchise agreement shall be no more favorable to such new additional grantee than those terms contained herein. Additionally, it is agreed that any such new/additional grantee shall have no right to use any portion of the System without Grantee’s written consent.

SECTION 3.

TERM, EFFECTIVE DATE, AND ACCEPTANCE OF FRANCHISE:

(A) The term of this Franchise shall be for a term of ten (10) years. The franchise and all rights and privileges herein provided shall be extended for two (2) successive periods of five (5) years each unless the Grantor by notice given to the Grantee and by Ordinance duly enacted and approved at least six (6) months before the end of such term of ten (10) years, or before the end of the first extended term of five (5) years, as the case may be, shall declare such termination effective.

(B) The franchise created hereby shall become effective upon its final passage and approval by the County, in accordance with applicable laws and regulations, upon approval by the Agency, and upon acceptance by the Grantee by written instrument within sixty (60) days of passage by the governing body, and filed with the Clerk of the Grantor. If the Grantee does not, within sixty (60) days following passage of this Ordinance, express in writing its objections to any terms or provisions contained therein, or reject this Ordinance in its entirety, the Grantee shall be deemed to have accepted this Ordinance and all of its terms and conditions.

(C) The terms and conditions of Ordinance No. **3/16** are superseded by the terms and conditions hereof.

(D) On the expiration of this franchise, in the event the same is not renewed, or on the termination of any renewal of said franchise, or on termination of said franchise for any other reason, the plant and facilities of the Grantee installed, constructed and operated hereunder shall, at the option of the County become the property of the County, upon payment to the Grantee, its successors and/or assigns, of a fair valuation thereof, such fair valuation to be determined by agreement between the County and the Grantee, its successors and/or assigns. Grantor agrees that, at the time of such transfer of facilities, it shall assume Grantee's contractual and regulatory obligations maintained in connection with the system. If the County does not exercise the option hereunder, then Grantee may exercise its rights under Section 10(B).

SECTION 4.

GRANTEE'S RIGHTS IN AND TO PUBLIC RIGHT-OF-WAY:

The Grantee shall have the right and privilege of constructing, erecting, laying, operating, maintaining, replacing, removing and/or repairing a gas distribution system through, along, across and under the public right-of-way within the geographical boundaries or limits of the Grantor as it now exists or may hereafter be constructed or extended, subject to the inherent police powers conferred upon or reserved unto the Grantor and the provisions of this Agreement.

SECTION 5.

OPERATION OF SYSTEM; EXCAVATION OF PUBLIC RIGHT-OF-WAY:

(A) The System shall at all times be installed, operated and maintained in good working condition as will enable the Grantee to furnish adequate and continuous service to all of its residential, commercial and industrial customers. The System shall be designed, installed, constructed and replaced in locations and at depths which comply with all applicable federal and state laws and regulations regarding minimum safety standards for design, construction, maintenance and operation of gas distribution systems.

(B) Grantee shall have the right to disturb, break, and excavate in the Public Right-of-Way as may be reasonable and necessary to provide the service authorized hereby.

(C) Grantee will repair any damage caused solely by Grantee to any part of the Public Right-of-Way and will restore, as nearly as practicable, such property to substantially its condition immediately prior to such damage, and will endeavor to make such repairs as quickly as is practicable. In the event the Grantee shall fail to restore Public Right-of-Way to its former state as nearly as possible, the Grantor may itself, after giving the Company reasonable notice, make restoration and charge the costs thereof to the Grantee.

(D) Grantee shall use reasonable care in conducting its work and activities in order to prevent injury to any person and unnecessary damage to any real or personal property.

(E) Grantee shall, when reasonably practicable, install all pipelines underground at such depth and in such manner so as not to interfere with the existing pavement, curbs, gutters, underground wires or cables or water or sewer pipes owned or controlled by the Grantor.

SECTION 6.

DEGRADATION/RESTORATION OF PUBLIC RIGHT-OF-WAY:

(A) In the event that Grantor or any other entity acting on behalf of Grantor requests or demands that Grantee remove, move, modify, relocate, reconstruct or adjust any part of the system from their then-current locations within the streets, alleys, and public places of Grantor in connection with a public project or improvement, then Grantee shall relocate, at its expense, the system facilities affected by such project or improvement. Grantee's obligations under this paragraph shall apply without regard to whether Grantee has acquired, or claims to have acquired, an easement or other property right with respect to such system facilities. Notwithstanding the foregoing provisions of this paragraph, Grantee shall not be obligated to relocate, at its expense, any of the following (i) system facilities that are located on private property at the time relocation is requested or demanded; (ii) system facilities that are relocated in connection with sidewalk improvements when such sidewalk improvements are not adjacent to the Public Right-of-Way; or (iii) the work being done by the Grantor is for the primary purpose of beautification or to accommodate a private party.

(B) Grantor and Grantee recognize that both parties benefit from economic development within the boundaries of Grantor. Accordingly, when it is necessary to relocate any of Grantee's facilities within the boundaries of Grantor, Grantor and Grantee shall work cooperatively to minimize costs, delays, and inconvenience to both parties while ensuring compliance with applicable laws and regulations. In addition, Grantor and Grantee shall communicate in a timely fashion to coordinate projects included in Grantor's five-year capital improvement plan, Grantor's short-term work program, or Grantor's annual budget in an effort to minimize relocation of Grantee's facilities. Such communication may include, but is not limited to, (i) both parties' participation in a local utility's coordinating council (or any successor organization) and (ii) both parties' use of the National Joint Utility Notification System (or any alternative comparable systems or successor to such system mutually acceptable to both parties).

SECTION 7.

SERVICE TO NEW AREAS.

If during the term of this franchise the boundaries of the Grantor are expanded, the Grantor will promptly notify Grantee in writing of any geographic areas annexed by the Grantor during the term hereof ("Annexation Notice"). Any such Annexation Notice shall be sent to Grantee by certified mail, return receipt requested, and shall contain the effective date of the annexation, maps showing the annexed area and such other information as Grantee may reasonably require in ascertaining whether there exist any customers of Grantee receiving natural gas service in said annexed area.

SECTION 8.

BREACH OF FRANCHISE; REMEDIES:

In the event of a breach by Grantee of any material provision hereof, the Grantor may terminate the franchise and rights granted to Grantee hereunder, provided, however, that such termination shall not be effective unless and until the procedures described below have been followed:

(A) Grantor must deliver to Grantee, by certified or registered mail, a written notice signed by the mayor or other duly authorized member of Grantor's governing body, attested by the Grantor's secretary, and sealed with the official seal of the Grantor. Such notice must (i) fairly and fully set forth in detail each of the alleged acts or omissions of Grantee that the Grantor contends constitutes a substantial breach of any material provision hereof, (ii) designate which of the terms and conditions hereof the Grantor contends Grantee breached, and (iii) specify the date, time, and place at which a public hearing will be held by the governing body of the Grantor for the purpose of determining whether the allegations contained in the notice did in fact occur, provided, however, that the date of such hearing may not be less than thirty (30) days after the date of such notice.

(B) Within thirty (30) days following the adjournment of the public hearing described in Subsection (A) above, the Grantor must deliver to Grantee, by certified or registered

mail, a written notice signed by the mayor or other duly authorized member of Grantor's governing body, attested by the Grantor's secretary, and sealed with the official seal of the Grantor, setting forth (i) the acts and omissions of Grantee described in the first notice that the governing body of the Grantor determines to have in fact occurred and (ii) the specific terms and conditions hereof listed in the first notice that the governing body of the Grantor determines to have in fact been breached by such acts or omissions of Grantee.

(C) The Grantor must permit Grantee the opportunity to substantially correct all of the breaches hereof set forth in the written notice described in Subsection (B) above within sixty (60) days after Grantee's receipt of such notice.

SECTION 9.

ADDITIONAL REQUIREMENTS; MISCELLANEOUS PROVISIONS

(A) Grantee shall at all times indemnify and hold harmless the Grantor from and against any and all lawful claims for injury to any person or property by reason of Grantee's or its employees' failure to exercise reasonable care in installing, maintaining and operating the System. Provided, however, that none of the provisions of this paragraph shall be applicable to the extent the Grantor, its officials, officers, employees, contractors, or agents, were negligent and such negligence was the sole or contributing factor in bringing about injury to any person or property. In such event, any liability shall be apportioned between the Grantor and the Grantee based upon the percentage of fault assigned to each by a court of competent jurisdiction.

(B) Subject to the County's option under Section 3 (D), Grantee may remove all or any part of its System upon the expiration or termination of the franchise and rights granted hereby.

(C) Grantee may transfer or assign the franchise created by this agreement to any other person, proprietorship, partnership, firm or corporation with written notification to the Grantor.

(D) If any section, subsection or provision of this ordinance or any part thereof is for any reason found or held to be in conflict with any applicable statute or rule of law, or is otherwise held to be unenforceable, the invalidity of any such section, subsection or provision shall not affect any or all other remaining sections and provisions of this ordinance, which shall remain in full force and effect.

(E) This agreement shall extend to, be binding upon, and inure to the benefit of, the parties hereto, and their respective successors and assigns.

(F) To the extent that any other ordinances of the Grantor or portions thereof are in conflict or inconsistent with any of the terms or provisions hereof, then the terms of this Ordinance shall control.

SECTION 10. This Ordinance shall be submitted to the Tennessee Public Utility Commission pursuant to Tenn. Code Ann. Section 65-4-107 for approval and shall take effect from the day and date of its passage, but only after it has been accepted in all its terms and revisions by the Company, in writing, within sixty days after its passage; otherwise, the same shall be null and void and of no effect.

SECTION 11. That this ordinance shall take effect from and after its final passage, or fifteen days after its first passage, whichever occurs later, the general welfare of Metro Lynchburg Moore County, Tennessee, requiring it.

IN TESTIMONY WHEREOF, witness the signatures of the parties on this the 21st day of April, 2026.

TENNESSEE


METRO LYNCHBURG MOORE COUNTY,

By: Sloan Stewart
Sloan Stewart, Mayor

ATTEST:

Lacy Ivey
Lacy Ivey, Metro Lynchburg Moore County Clerk

ATMOS ENERGY CORPORATION

BY: 

J. Kevin Dobbs, President
Kentucky/Mid-States Division

County's Mailing Address and Phone Number:

196 Main Street
Lynchburg, TN 37352
931-759-7076