

BASS

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MEMPHIS

June 25, 2010

Via Hand Delivery

Chairman Sarah Kyle
c/o Sharla Dillon
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Filed electronically in the Docket Office 6/25/2010

Docket No. 10-00127

Re: *Petition of Piedmont Natural Gas Company, Inc. for Approval, Nunc Pro Tunc, of Negotiated Franchise Agreement with the City Of Mount Juliet, Tennessee, Pursuant to T.C.A. § 65-4-107*

Dear Chairman Kyle:

Attached you will find an original and five (5) copies of Piedmont Natural Gas Company, Inc.'s Petition for Approval, *Nunc Pro Tunc*, of Negotiated Franchise Agreement with the City of Mount Juliet, Tennessee, pursuant to T.C.A. § 65-4-107. This document also is being filed today by way of email to the Tennessee Regulatory Authority Docket Manager, Sharla Dillon.

Should you have any questions concerning the enclosed, please do not hesitate to contact me at the email address listed above.

With kindest regards, I remain

Very truly yours,



R. Dale Grimes

RDG/smb

Enclosures

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:)	
)	
PETITION OF PIEDMONT NATURAL GAS)	
COMPANY, INC. FOR APPROVAL, NUNC)	
PRO TUNC, OF NEGOTIATED FRANCHISE)	Docket No. 10-
AGREEMENT WITH MT. JULIET,)	
TENNESSEE PURSUANT TO TCA § 65-4-107)	

PETITION OF PIEDMONT NATURAL GAS COMPANY, INC. FOR APPROVAL, *NUNC PRO TUNC*, OF NEGOTIATED FRANCHISE AGREEMENT WITH THE CITY OF MT. JULIET, TENNESSEE PURSUANT TO TCA § 65-4-107

Piedmont Gas Company, Inc. ("Piedmont" or the "Company"), through counsel and pursuant to Tennessee Code Annotated § 65-4-107, hereby requests approval by the Tennessee Regulatory Authority ("Authority"), *nunc pro tunc*, of a negotiated franchise agreement between Piedmont and the City of Mt. Juliet, Tennessee ("Mt. Juliet" or the "City"). In support of its Petition, Piedmont respectfully shows unto the Authority as follows:

1. Piedmont Natural Gas Company, Inc. is incorporated under the laws of the State of North Carolina and is engaged in the business of transporting, distributing and selling natural gas in the States of Tennessee, North Carolina and South Carolina. Piedmont's principal office and place of business is located at 4720 Piedmont Row Drive, Charlotte, North Carolina.

2. Piedmont formerly conducted its natural gas distribution business in the State of Tennessee under its tradename, Nashville Gas Company but now does business in Tennessee under its proper corporate name.

3. Piedmont's natural gas distribution business is subject to regulation and supervision by the Authority pursuant to Chapter 4 of Title 65 of the Tennessee Code Annotated.

4. Piedmont has its principal offices in Tennessee at 83 Century Boulevard, Nashville Tennessee, and is engaged in the business of furnishing natural gas to customers located in

Nashville and the remainder of Davidson County as well as portions of the adjoining counties of Cheatham, Dickson, Robertson, Rutherford, Sumner, Trousdale, Williamson, and Wilson and in certain incorporated towns and cities located therein, including Mt. Juliet.

5. Piedmont is currently providing natural gas service within Mt. Juliet, Tennessee. That service was formerly provided pursuant to a ten (10) year franchise agreement between the Company and Mt. Juliet incorporated into City Ordinance 96-7 and approved by the City and accepted by Piedmont in 1996.

6. That franchise agreement and the authorizations contained therein expired in accordance with their terms in 2006.

7. Prior to the expiration of the pre-existing franchise agreement authorizing service within Mt. Juliet, and in the ordinary course of the Company's business, Piedmont began negotiations with the city of Mt. Juliet for renewal of its franchise authority.

8. Those negotiations were pursued by the Company through its Corporate Counsel located in Charlotte, North Carolina and local Company officials located in Nashville.

9. Mt. Juliet was assisted in these negotiations by its counsel.

10. These negotiations involved the identification and resolution of a number of issues between the Company and Mt. Juliet and were conducted in an arms-length manner. These issues included the term of the franchise, the amount, derivation and manner of franchise fee payments, and surety and indemnification requirements, among others. Each party to the negotiations was ultimately required to make concessions to the other in order to reach an agreement as to a new franchise arrangement.

11. These negotiations ultimately resulted in a franchise agreement acceptable to both the Company and the City. This franchise agreement was then incorporated into City Ordinance 2006-10 and presented to the City of Mt. Juliet's Council for approval. That Ordinance, a copy of which is attached hereto as Exhibit A and incorporated herein by

reference, was subsequently approved by the City's Council on its second reading on March 13, 2006 and signed by the Mayor of the City of Mt. Juliet.

12. Consistent with the procedures established by Mt. Juliet, the Company subsequently executed its written acceptance of Ordinance 2006-10 which is reflected on the last page of Exhibit A.

13. Pursuant to TCA § 65-4-107, the new franchise agreement between Piedmont and the City of Mt. Juliet must be approved by the Authority in order to be valid. Such approval is proper where, as here, the franchise is necessary and proper for the public convenience and properly conserves the public interest.

14. In this case, Piedmont submits that the new franchise agreement contained in Ordinance 2006-10 is necessary and proper for the public convenience and properly conserves the public interest on at least the following grounds:

a. The new franchise agreement establishes a ten year arrangement which secures the provision of natural gas service to citizens, businesses and governmental institutions within Mt. Juliet.

b. The new franchise agreement ensures the continued and uninterrupted provision of high quality natural gas service by an established provider of such service to existing customers, as well as the availability of such service to new customers within Mt. Juliet.

c. The new franchise agreement establishes adequate and proper mechanisms for access to public rights-of-way, new and existing customers, and existing service lines, transmission and distribution facilities and thereby ensures the protection of the property and citizenry of Mt. Juliet.

d. The new franchise agreement provides an incentive to Piedmont to make appropriate investments in infrastructure to provide improved and expanded natural gas service within the limits of Mt. Juliet.

e. Payment of the franchise fees provided for in the new franchise agreement will offset additional expenses associated with the Company's activities that will be incurred by Mt. Juliet during the franchise period to repair and maintain roads and related facilities.

15. Piedmont hereby advises the Authority that pursuant to TCA § 65-4-105(e) Piedmont has in the past and intends in the future, insofar as practicable, to bill its customers subject to the franchise agreement on a pro rata basis for any "franchise payment or other payment for the use of public streets, alleys or other public places or any license, privilege, occupation or excise tax payment."

REQUEST FOR APPROVAL NUNC PRO TUNC

16. Due to an unintentional and inadvertent administrative oversight, Piedmont failed to submit the Mt. Juliet franchise to the Authority for approval at the time it was executed.

17. Notwithstanding this failure to file the franchise with the Authority when it was executed, Piedmont and Mt. Juliet have acted in full conformance with the provisions of the franchise since that time providing benefits to Mt. Juliet, to Piedmont's customers within Mt. Juliet and to Piedmont itself. All services provided by Piedmont to customers within the municipal limits of Mt. Juliet have been provided at the rates and on the terms and conditions on file with and approved by the Authority.

18. When the Company realized that Ordinance 2006-10 had not been submitted to the Authority for approval, it directed its regulatory counsel to prepare this filing in order to remedy its prior failure in this regard and to comply with the provisions of TCA § 65-4-107.

19. Piedmont regrets the error that led to the failure to file this Petition in a timely manner and submits that it was the result of an unintended administrative oversight. Piedmont respectfully submits that no customers or other parties have been harmed by the Company's oversight in this regard. Piedmont respectfully requests that the authorizations and approvals


sought herein with respect to Ordinance 2006-10 be granted *nunc pro tunc* to be effective March 13, 2006.

WHEREFORE, Piedmont Natural Gas Company, Inc., respectfully requests that the Authority approve the negotiated franchise agreement incorporated into Ordinance 2006-10, attached hereto as Exhibit A.

Respectfully submitted this 25 day of June, 2010.

Piedmont Natural Gas Company, Inc.

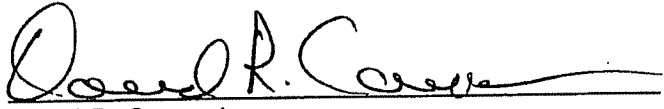
By: 
R. Dale Grimes
Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, Tennessee 37201
Telephone: 615-742-6244

By: 
James H. Jeffries IV
Moore & Van Allen *by PDS*
100 N. Tryon Street, Suite 4700 */permission*
Charlotte, NC 28202
Telephone: 704- 331-1079

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

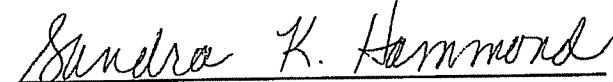
VERIFICATION

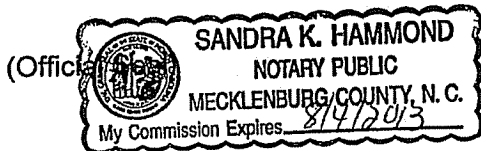
David R. Carpenter, being duly sworn, deposes and says that he is Managing Director, Regulatory Affairs of Piedmont Natural Gas Company, Inc., that as such, he has read the foregoing Petition and knows the contents thereof; that the same are true of his own knowledge except as to those matters stated on information and belief and as to those he believes them to be true.


David R. Carpenter

Mecklenburg County, North Carolina
Signed and sworn to before me this day by David R. Carpenter

Date: June 25, 2010


Sandra K. Hammond, Notary Public



My commission expires: August 4, 2013

EXHIBIT A

I certify this to be a true and exact copy of the files and records of the City of Mt. Juliet.
Ordinance 2006-10 passed March 13, 2006.

Sheila S. Luckett 12/14/06
Sheila S. Luckett, CMC - City Recorder

ORDINANCE 2006-10

AN ORDINANCE GRANTING TO NASHVILLE GAS COMPANY, ITS SUCCESSORS AND ASSIGNS THE RIGHT, PRIVILEGE, AUTHORITY AND CONSENT TO PLACE, CONSTRUCT, ERECT, ACQUIRE, EXTEND, MAINTAIN, REPAIR, AND RELOCATE GAS LINES, WORKS, MAINS, APPARATUS AND ALL NECESSARY FIXTURES UNDER, THROUGH, ALONG AND ACROSS THE STREETS, ROADS, ALLEYS, BRIDGES AND VIADUCTS, WITHIN THAT PORTION OF THE LIMITS OF THE CITY OF MT. JULIET, TENNESSEE, IN WILSON COUNTY, AS HEREINAFTER DESCRIBED, FOR THE PURPOSE OF CONVEYING, TRANSPORTING, DISTRIBUTING, SELLING AND SUPPLYING FUEL GAS INCLUDING BUT NOT LIMITED TO NATURAL, MANUFACTURED AND MIXED GAS.

NOW THEREFORE, BE IT ORDAINED by the CITY OF MT. JULIET, TENNESSEE


Section 1. The Nashville Gas Company, a division of Piedmont Natural Gas Company, Inc. (the "Company"), be, and is hereby granted the right, privilege, authority and franchise to place, construct, erect, acquire, extend, maintain, repair, relocate and operate gas lines, works, mains, apparatus and all necessary fixtures, connections and appurtenances under, through, along and across any of the streets, roads, alleys, bridges and viaducts now or hereafter owned, dedicated or used within the city limits of the City of Mt. Juliet as they now or hereafter may exist and to sell and distribute natural gas, in the City of Mt. Juliet as the boundaries thereof are now established and may hereafter be extended in accordance with the Franchise Agreement (Exhibit A) attached hereto and incorporated herein. The rights and privileges herein granted shall inure to the Company, its successors and assigns. This Ordinance cancels and supersedes all prior Ordinances passed by the City of Mt. Juliet concerning Company and repeals Ordinance 98-7.

Section 2. Nothing in this Ordinance shall be construed as a surrender by the CITY of its right or power to pass ordinances regulating the use of its streets.

Section 3. In case of conflict between this Ordinance or any part hereof, and the whole or part of any existing Ordinance of the City, the conflicting Ordinance is repealed to the extent of the conflict but no further.

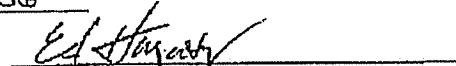
If any section, clause, provision or portion of this Ordinance is held to be invalid or unconstitutional by any court of competent jurisdiction, such holding shall not affect any other section, clause, provision or portion of this Ordinance. This ordinance shall take effect on the earliest date allowed by law.

PASSED:


Linda Elam, Mayor

FIRST READING
SECOND READING

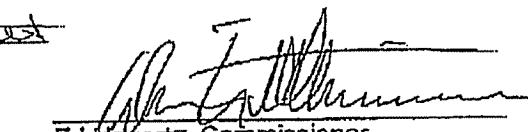
2/27/06
3/13/06


Ed Hagerty, Vice Mayor

ATTEST:

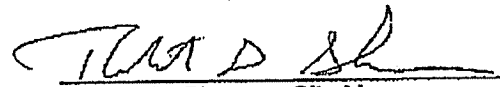

Ray Justice, Commissioner


Sheila Lockett, Recorder


Ed Hagerty, Commissioner
SL Glen Linthicum

Jim Bradshaw, Commissioner

APPROVED AS TO FORM:


Robert G. Shearer, City Manager

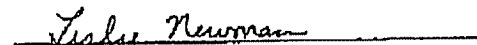

Leslie Newman
City Attorney

EXHIBIT A
GAS FRANCHISE AGREEMENT

A franchise agreement by and between the CITY OF MT. JULIET, TENNESSEE, ("CITY") a municipal corporation under the laws of Tennessee and the NASHVILLE GAS COMPANY, a division of PIEDMONT NATURAL GAS COMPANY, INC. (the "COMPANY"), granting Company the right to convey, transport, distribute, sell and supply fuel gas including but not limited to natural, manufactured and mixed gas within the corporate limits of the CITY.

SECTION 1. NASHVILLE GAS COMPANY, a division of PIEDMONT NATURAL GAS COMPANY, INC. (the "COMPANY"), be, and is hereby granted the right, privilege, authority and franchise to place, construct, erect, acquire, extend, maintain, repair, relocate and operate gas lines, works, mains, apparatus and all necessary fixtures, connections and appurtenances under, through, along and across any of the streets, roads, alleys, bridges and viaducts now or hereafter owned, dedicated or used within the city limits of the CITY as they now or hereafter may exist and to sell and distribute natural gas, in the CITY as the boundaries thereof are now established and may hereafter be extended. The rights and privileges herein granted shall inure to the COMPANY, its successors and assigns. This Ordinance cancels and supersedes all prior Ordinances passed by the CITY concerning COMPANY and repeals Ordinance 96-7.

SECTION 2. No person, company or corporation shall be permitted to make any connections with any of the distribution pipes or service pipes of said company unless duly authorized by it. In making repairs or constructing new work, the said company shall have the right to shut off the gas and keep the same shut off for such time as may be necessary to accomplish this purpose.

SECTION 3. This franchise shall be for a term of TEN (10) YEARS from the date of acceptance.

SECTION 4. The COMPANY, in installing, maintaining and inspecting its pipes and other equipment for transmitting gas to the consumers of the CITY shall so install, repair, and maintain said system with as little interference as reasonably necessary. When said pipes and other equipment have been installed, repaired or inspected, said streets, alleys, sidewalks and other public places shall be restored to their original condition. All pavement and sidewalk replacement required to accomplish this end shall be accomplished by the COMPANY at its own expense, through its own forces or by the employment of competent contractors so as to restore or leave the streets or alleys in as nearly as possible the same condition as they were prior to the excavation.

SECTION 5. The Company's rates and prices for gas sold pursuant to this franchise and all services rendered and to be rendered and the conditions thereof for such service shall be in accordance with the requirements and subject to the approval of the Tennessee Regulatory Authority, and it is understood and agreed and made an express condition thereof that the COMPANY shall have the right to exercise the privileges herein granted without the payment of any special taxes, levies or assessments, other than general

property and ad valorem taxes equally applicable to the ownership of property within the CITY.

SECTION 6. In consideration of the right, privilege and franchise herein granted, the COMPANY shall pay to the CITY an amount equal to five percent (5%) of the annual gross revenues from all customers who are located within the limits of the CITY. The payment of the fee shall be due on a quarterly basis, and the first payment shall be made by the COMPANY on or before July 31, 2006. Thereafter, payment shall be due on the last day of the month following each calendar quarter. The payment of such fee and the recovery thereof by the COMPANY shall be pursuant to T.C.A. § 65-4-105(e).

SECTION 7. In the event of acceptance of this Ordinance by the Nashville Gas Company, as hereinbefore provided in Section 3 and the effectiveness of the Ordinance occurs as hereinbefore provided in Section 8, then this franchise shall be submitted to the Tennessee Regulatory Authority for approval pursuant to Tenn. Code Ann. Section 65-4-107.

SECTION 8. The COMPANY shall indemnify the CITY against, and assume all liability for, damages which may arise or accrue to the CITY for any injury to persons or property from the doing of any work herein and operating the system authorized or the neglect of the COMPANY or any of its employees to comply with any ordinance regulating the use of the streets of the CITY and the acceptance by the COMPANY of this Ordinance, shall be an agreement by it to pay to the CITY any sum of money which the CITY may become liable for by reason of such injury.

SECTION 9. The COMPANY will be furnished a certified copy of this Ordinance upon its adoption and the said COMPANY shall file with the City Recorder its acceptance of this Ordinance within thirty (30) days from the date when it shall take effect.

SECTION 10. Nothing in this Agreement shall be constructed as a surrender by the CITY of its right or power to pass ordinances regulating the use of its streets.

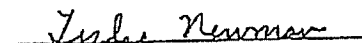
RECOMMENDED FOR APPROVAL:


Rob Shearer, City Manager

CITY OF MT. JULIET


Honorable Linda Elam, Mayor

APPROVED AS TO LEGALITY
OF FORM AND COMPOSITION

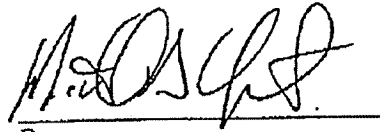

Leslie Newman, City Attorney

ATTEST:


Shiela Lockett, City Recorder

NASHVILLE GAS COMPANY

[Notarization provision]

A handwritten signature in black ink, appearing to read "M. H. Yount", written over a horizontal line.

By:

Michael H. Yount

Sr. VP Operations

Piedmont Nat. Gas

1-17-07