

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

May 5, 2015

IN RE:)	
)	
PETITION OF PIEDMONT NATURAL GAS)	DOCKET NO.
COMPANY, INC. FOR APPROVAL OF)	15-00034
FRANCHISE AGREEMENT WITH THE)	
CITY OF GREENBRIER, TENNESSEE)	

ORDER APPROVING FRANCHISE AGREEMENT

This matter came before Chairman Herbert H. Hilliard, Vice Chairman David F. Jones and Director James M. Allison of the Tennessee Regulatory Authority (the “Authority” or “TRA”), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on April 20, 2015, to hear and consider the *Petition of Piedmont Natural Gas Company, Inc. for Approval of Franchise Agreement with the City of Greenbrier, Tennessee Pursuant to Tennessee Code Annotated § 65-4-107* (the “*Petition*”) filed by Piedmont Natural Gas Company, Inc. (“Piedmont” or the “Company”) on March 11, 2015.

THE PETITION

Piedmont 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. In Tennessee, Piedmont furnishes natural gas to customers located in Nashville and the remainder of Davidson County, as well as portions of the counties of Cheatham, Dickson, Robertson, Rutherford, Sumner, Trousdale, Williamson and Wilson and in certain incorporated towns and cities in those counties.¹

¹ *Petition*, p. 1 (March 11, 2015).

On March 11, 2015, Piedmont filed the *Petition* requesting approval of a new franchise agreement negotiated with the City of Greenbrier, Tennessee (“City” or “Greenbrier”). With its *Petition*, Piedmont submitted a copy of City Ordinance #15-01, granting renewal of the Company’s franchise agreement with Greenbrier, and the pre-filed testimony of Mr. Eddie Davidson, Senior Manager, Government Relations for Piedmont’s Tennessee region.

The franchise agreement grants Piedmont “the exclusive right to construct, operate and maintain a gas utilities system within the City for production, transmission, distribution, and sale of gas to consumers and users within the City and to the City and any and all agencies and departments thereof.”² The new franchise agreement also has a twenty-five (25) year term beginning April 1, 2015 and ending April 1, 2040.³ The franchise agreement provides for a franchise fee of five percent (5%) of the annual gross revenues collected from all customers located within the geographic limits of the City.⁴

In the *Petition*, Piedmont states that it intends, insofar as practicable, to bill its customers 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.”⁵

According to Piedmont, the franchise agreement is necessary and proper for the public convenience and properly conserves the public interest for the following reasons:

1. The franchise agreement establishes a twenty-five (25) year term arrangement, which secures the provision of natural gas service to citizens, businesses and governmental institutions within the geographical limits of Greenbrier;
2. The franchise agreement ensures the availability of high quality natural gas service by an established provider of such service; and

² City Ordinance #15-01, Exhibit 1 to *Petition*, p. 1 (March 11, 2015).

³ *Id.* at 2.

⁴ *Id.* at 3.

⁵ *Petition*, p. 3 (March 11, 2015). See also Tenn. Code Ann. § 65-4-105(e).

3. The franchise agreement establishes adequate and proper mechanisms for access by Piedmont 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 Greenbrier.⁶

REQUIREMENT OF AND STANDARDS FOR AUTHORITY APPROVAL

Tenn. Code Ann. § 65-4-107 (2004) provides that no grant of a privilege or franchise from the State or a political subdivision of the State to a public utility shall be valid until approved by the Authority. Approval pursuant to Tenn. Code Ann. § 65-4-107 (2004) requires a determination by the Authority, after hearing, that “such privilege or franchise is necessary and proper for the public convenience and properly conserves the public interest.” Tenn. Code Ann. § 65-4-107 (2004) further provides that in considering such privilege or franchise, the Authority “shall have the power, if it so approves, to impose conditions as to construction, equipment, maintenance, service or operation as the public convenience and interest may reasonably require.”

FINDINGS AND CONCLUSIONS

The Authority issued a *Notice of Hearing* on April 10, 2015. On April 20, 2015, a Hearing was held before the voting panel at a regularly scheduled Authority Conference. Appearing for the Company were Mr. James H. Jeffries IV, Esq., Mr. R. Dale Grimes, Esq., and Mr. Eddie Davidson, Senior Manager, Government Relations for Piedmont’s Tennessee region. At the Hearing, Mr. Davidson ratified, then summarized, his pre-filed testimony and was subject to questioning before the panel. Ms. Rachel Slusser, City Recorder for Greenbrier, appeared telephonically. No person commented or sought intervention during the Hearing.

⁶ *Petition*, p. 2 (March 11, 2015).

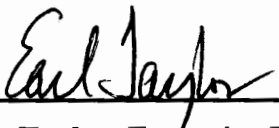
Thereafter, based upon the testimony and the administrative record as a whole, the panel found that Piedmont's new franchise agreement with Greenbrier was necessary and proper for the public convenience and conserves the public interest. Therefore, the panel voted unanimously to approve Piedmont's *Petition* for approval of its new franchise agreement with Greenbrier.

IT IS THEREFORE ORDERED THAT:

The Petition of Piedmont Natural Gas Company, Inc. for Approval of Franchise Agreement with the City of Greenbrier, Tennessee Pursuant to Tennessee Code Annotated § 65-4-107 is approved.

Chairman Herbert H. Hilliard, Vice Chairman David F. Jones and Director James M. Allison concur.

ATTEST:



Earl R. Taylor, Executive Director