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(615) 742-6200

**Virginia M. Yetter**

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December 21, 2015

**Via Hand-Delivery**

The Honorable Earl Taylor  
Executive Director  
c/o Sharla Dillon  
Tennessee Regulatory Authority  
502 Deaderick Street, Fourth Floor  
Nashville, Tennessee 37243

**Re:     *Petition of Piedmont Natural Gas Company, Inc. for Approval of Franchise Agreement with the City of Ashland City, Tennessee Pursuant to Tennessee Code Annotated § 65-4-107***  
**Docket No. 15-00128**

Dear Mr. Taylor:

Attached you will find an original and five (5) copies of the above-described Petition of Piedmont Natural Gas Company, Inc., a copy of the Franchise Agreement with the City of Ashland City, Tennessee, and the testimony of Eddie Davidson. Also attached is a check for the filing fee in the amount of \$25.00.

This material is also being filed by way of email to the Tennessee Regulatory Authority Docket Manager, Sharla Dillon. Please file the original and four copies of this filing and stamp the additional copy as "filed". Then please return the stamped copies to me by way of our courier.

Thank you for your assistance with this matter. Should you have any questions concerning this matter, please do not hesitate to contact me at the email address or telephone number listed above.

Very truly yours,

  
Virginia M. Yetter

Enclosures

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

IN RE:	)	
	)	
PETITION OF PIEDMONT NATURAL GAS	)	
COMPANY, INC. FOR APPROVAL OF	)	
FRANCHISE WITH THE TOWN	)	Docket No. 15-
OF ASHLAND CITY, TENNESSEE	)	
PURSUANT TO TENNESSEE CODE	)	
ANNOTATED § 65-4-107	)	

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**PETITION OF PIEDMONT NATURAL GAS COMPANY, INC. FOR APPROVAL  
OF FRANCHISE WITH THE TOWN OF ASHLAND CITY, TENNESSEE  
PURSUANT TO TENNESSEE CODE ANNOTATED § 65-4-107**

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Piedmont Natural 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" or "TRA") of a negotiated franchise arrangement between Piedmont and the Town of Ashland City, Tennessee ("Ashland" or the "City"). In support of its Petition, Piedmont respectfully shows unto the Authority as follows:

1. 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.

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

3. 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 counties of Cheatham, Dickson, Robertson, Rutherford, Sumner, Trousdale, Williamson, and Wilson and in certain incorporated towns and cities located therein.

4. On December 9, 2015, the Mayor and City Counsel of Ashland, Tennessee enacted Ordinance #440, which renews a franchise authorizing the continued provision of

natural sales and distribution service within the City by Piedmont, A copy of Ordinance #440 is attached hereto as Exhibit 1.

5. On December 17, 2015, Piedmont accepted the franchise, which sets forth an effective date of January 23, 2016 subject to approval by the TRA.

6. The franchise grants the Company the right to construct, operate and maintain a gas utilities system within the City for the 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.

7. Piedmont submits that the franchise is necessary and proper for the public convenience and properly conserves the public interest on at least the following grounds:

a. The franchise establishes a twenty (20) year term arrangement which secures the provision of natural gas service to citizens, businesses and governmental institutions within the geographical limits of Ashland;

b. The franchise ensures the provision of high quality natural gas service by an established provider of such service;

c. The franchise 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 Ashland; and

d. Piedmont shall, at the election of the City, pay franchise fees to the City in an amount up to five percent (5%) of the annual gross revenues collected from all customers who are located and provided service by the Company within the geographical limits of Ashland.

The testimony of Eddie Davidson, in support of these factors and the franchise in general, is being filed concurrently with the filing of this petition.

8. Pursuant to Tennessee Code Annotated § 65-4-107, the franchise between Piedmont and Ashland 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.

9. Piedmont hereby advises the Authority that pursuant to Tennessee Code Annotated § 65-4-105(e), Piedmont intends, insofar as practicable, to bill its customers subject to the franchise 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."

WHEREFORE, Piedmont Natural Gas Company, Inc., respectfully requests that the Authority approve, to be effective in accordance with its terms, the negotiated franchise as set forth in the attached Ordinance #440.

Respectfully submitted this <sup>21<sup>st</sup></sup>~~18<sup>th</sup>~~ day of December, 2015.

**Piedmont Natural Gas Company, Inc.**

By: Dale Grimes w/permission  
R. Dale Grimes (#006223)  
Bass, Berry & Sims PLC  
150 Third Avenue South, Suite 2800  
Nashville, Tennessee 37201  
Telephone: 615-742-6244  
VH4

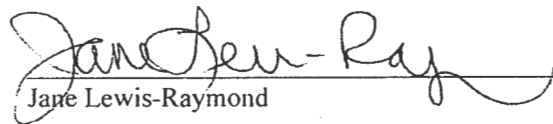
By: James Jeffries w/permission  
James H. Jeffries IV  
Melinda L. Vervais  
Moore & Van Allen PLLC  
100 N. Tryon Street, Suite 4700  
Charlotte, NC 28202-4003  
Telephone: 704-331-1079  
VH4

STATE OF NORTH CAROLINA

VERIFICATION

COUNTY OF MECKLENBURG

Jane Lewis-Raymond, being duly sworn, deposes and says that she is Senior Vice President and Chief Legal, Compliance and External Relations Officer of Piedmont Natural Gas Company, Inc., that as such, she has read the foregoing Petition and knows the contents thereof; that the same are true of her own knowledge except as to those matters stated on information and belief and as to those she believes them to be true.

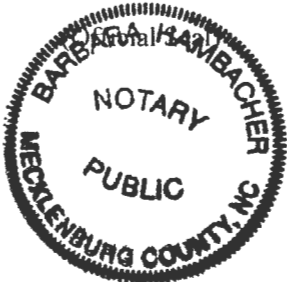
  
Jane Lewis-Raymond

Mecklenburg County, North Carolina

Signed and sworn to before me this day by Jane Lewis-Raymond

Date: 12/18/2015  
Barbara Hamblin Notary Public

My commission expires: 10-6-2018



# **EXHIBIT 1**

## **ORDINANCE #440**

### **AN ORDINANCE GRANTING FRANCHISE TO PIEDMONT NATURAL GAS COMPANY, INC.**

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ASHLAND CITY as follows:

#### **I. DEFINITIONS**

1.01 As used in this Ordinance, the following terms, words and phrases shall have the meanings respectively ascribed to them in this section:

"Company" shall mean Piedmont Natural Gas Company, Inc., a corporation organized under the laws of the State of North Carolina and authorized to do business in the State of Tennessee, and any successor in interest to Piedmont Natural Gas Company, Inc. under this franchise Ordinance.

"City" or "City of Ashland City" shall mean:

The Town of Ashland City, a municipal corporation located in Cheatham County, Tennessee,

The area within the territorial City limits of the Town of Ashland City and within the extraterritorial area surrounding the City to the extent it may be lawfully included as presently or hereafter fixed by law or ordinance, or

The Mayor and City Council of the Town of Ashland City or any officer or agent duly authorized in acting on behalf of the City as a municipal corporation, as indicated by the context by which the term is used;

"City Council" shall mean the governing body of the Town of Ashland City;

"Gas" when used as an unqualified term shall mean either natural or artificial gas, by whatever process or processes derived or manufactured, or both such gases either separately or a mixture of them.

#### **II. FRANCHISE GRANTED**

2.01 The Company is hereby granted 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.

2.02 The Company is hereby granted the exclusive right, authority and privilege to construct and install, operate, maintain, lay or relay, renew, replace and repair gas pipes, mains, pipelines, conduits, regulators, connections and services thereto, in, through, across, along and under streets, avenues, roads, public alleys, lanes, parks and squares, and other public places and ways in the City for the production, pumping, handling, transmission, distribution and sale of gas for any and all purposes, subject to the terms and conditions hereinafter set forth in this Ordinance.

2.03 Whenever the Company wishes to enter upon any street, lane or public place for the purpose of constructing, replacing or repairing any gas mains, pipes, or other appliances, it shall notify the City by obtaining a permit, file a plan or map of the proposed work, post bond or letter of credit, and comply with all provisions of any ordinances related to excavations in City right-of-way before commencing same. Before commencing same, as part of the permit, the Company shall supply list and contact information for liaison superintendent for the proposed project from start to finish. The issuance of a permit by the City shall be a ministerial function, and the city may not deny a permit to the Company without good cause. In the event a permit is denied, the City shall provide an alternate route that is acceptable to both the Company and the City. The City may not charge a fee for the issuance of a permit to the Company. Whenever the Company causes any opening, excavation or alteration to be made in any street, lane or public place within the City in the construction, operation or maintenance of any of its pipelines or other appliances owned or used by it, the Company shall repair and restore such portions of such streets, lanes or public places to the same condition in which it found them as nearly as practicable and in accordance with public works standard specifications. The City shall not require the Company to restore any areas other than the area disturbed by the Company's excavation. Additionally, if the Company shall fail to restore the area to its approximate former condition within a reasonable period of time no less than thirty working days after notification by the City, the City shall proceed to restore such streets, lanes and public places as nearly as practicable to their original condition and the City shall submit a statement of the costs for this restoration to the Company. The Company agrees to pay the City for these costs within thirty days or the bond and or letter of credit may be called by the City.

2.03.1 Whenever the Company shall cause any opening, excavation or alteration to be made in any street, lane or public place within the City in the construction, operation or maintenance of any of its pipelines or other appliances owned or used by it, the Company shall comply with all safety regulations required by federal, state and local laws.

2.04 In the event it becomes necessary or expedient for the City to change the course or grade of any street, lane or public place in which the Company is maintaining gas mains, pipes or other appliances and fixtures, upon the written request of the City, the Company will remove or change the location or depth of such main, pipes or other appliances and fixtures, at its own expense, as necessary to conform to the proposed street alteration.



2.05 This franchise is granted for a term of twenty years beginning January 23, 2016 and ending at midnight January 23, 2036. This franchise supersedes any and all former rights or franchises of the Company to operate a gas utilities system in the City with respect to all acts and things done or admitted to be done, on or after January 23, 2016.

2.06 The Company hereby agrees to indemnify, defend, and hold harmless the City, its elected officials, officers, boards, commissions, and employees, against any and all claims and liabilities arising from the Company's, and its assignees or licensees, activities or Gas System, including reasonable attorneys fees and court costs.

2.07 The Company shall not be obligated to the City or any of its departments or agencies for any tax, license fee, other fee, or any other payment whatsoever, relating to the rights granted herein, other than that which is levied by state law.

2.08 The Company is hereby granted the right during the existence of this franchise to mortgage or hypothecate this franchise, together with all rights and privileges there under and any right or interest therein, as security for indebtedness, subject to acceptance by any legal successor in interest of the obligations, duties, liabilities, limitations and prohibitions set out herein and subject to the approval by the Tennessee Regulatory Authority or other governmental agency whose approval is required by law. The Company shall not assign or transfer its rights under this agreement, provided, however, that this provision shall not prohibit the Company from assigning its rights hereunder to the surviving corporation in any corporate reorganization in which the Company is a party.

2.09 The Company shall pay to the City an amount equal to five percent (5%) of the annual gross revenues collected from all customers who are located and provided service by the Company within the geographical areas identified on Exhibit A. The payment of the fee shall be on a quarterly basis, and the first payment shall be made by the Company within sixty (60) days after the approval by the TRA of the Ordinance. Thereafter, payment of such fee and the recovery thereof by the Company shall be pursuant to Tenn. Code Ann. Section 65-4-105(e).

2.10 If any section or portion of this Ordinance shall hereafter be declared or determined by a court of competent jurisdiction to be unconstitutional or invalid or the applicability thereof to any persons or circumstances is held to be invalid, the remaining portions of this Ordinance and the applicability thereof to other persons and circumstances shall not be affected.

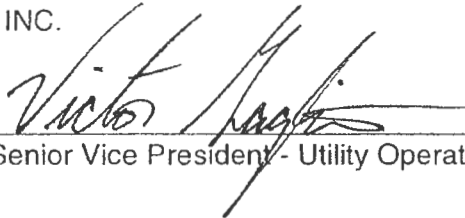
### III. ACCEPTANCE OF FRANCHISE

This Ordinance shall be submitted to the Tennessee Regulatory Authority pursuant to Tenn. Code Ann. Section 65-4-107 for approval and shall take effect from the day and date of its passage by the City. The ordinance is not considered passed until 20 days after

the second reading. However, the agreement will still need to be accepted by the Company in writing within 60 sixty days after its passage by the city; otherwise the same shall be null and void and of no effect.

PIEDMONT NATURAL GAS COMPANY, INC.

BY:

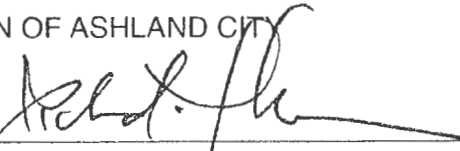
  
Senior Vice President - Utility Operations

ATTEST:

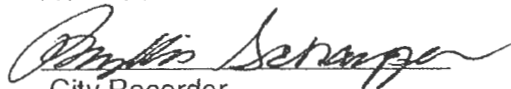
  
Sr. Vice President, and Chief Legal, Compliance, and  
External Relations Officer

TOWN OF ASHLAND CITY

BY:

  
Mayor

ATTEST:

  
City Recorder

TENNESSEE

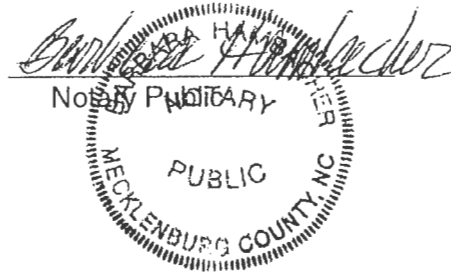
CHEATHAM COUNTY

This is to certify that on the 17<sup>th</sup> day of December, 2015, before me came Victor Gaglio, with whom I am personally acquainted, who, being by me duly sworn, says that he is the Senior Vice President - Utility Operations of Piedmont Natural Gas Company, Inc., and Jane R. Lewis-Raymond, with whom I am personally acquainted, who, being by me duly sworn, says that she is the Senior Vice President and Chief Legal, Compliance, and External Relations Officer of Piedmont Natural Gas Company, Inc.; that the Senior Vice President - Utility Operations and Senior Vice President and Chief Legal, Compliance, and External Relations Officer subscribed their names thereto, and the Company's corporate seal was affixed, all with the consent of the Board of Directors of the Company.

Witness my hand and official seal, this the 17<sup>th</sup> day of December, 2015.

My Commission expires:

10-6-2019



TENNESSEE

CHEATHAM COUNTY

This 9<sup>th</sup> day of December, 2015, personally came before me, Phyllis Schaeffer,  
City ~~Attorney~~ Recorder of the Town of Ashland City who, being by me duly sworn, says that he  
knows the common seal of the Town of Ashland City and he is acquainted with Rick  
Johnson, Mayor of this Town, and that he saw the Mayor sign the foregoing instrument,  
and that he affixed the Town's seal to this instrument and he signed his name in attestation  
of the execution of this instrument in the presence of the Mayor of this Town.

Witness my hand and official seal, this the 10<sup>th</sup> day of December, 2015.

Tracey D. Knack  
Notary Public

My Commission Expires:

1-8-18



# EXHIBIT A

