

**BASS BERRY + SIMS** PLC

**Nashville Office**  
150 Third Avenue South, Suite 2800  
Nashville, TN 37201  
(615) 742-6244

**R. Dale Grimes**  
dgrimes@bassberry.com

**Washington D.C. Office**  
1201 Pennsylvania Avenue NW, Suite 300  
Washington, DC 20004  
(202) 827-2961

March 22, 2016

**Via Hand-Delivery**  
**and Email**

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

Docket No. 16-00031

**Re: Petition of Piedmont Natural Gas Company, Inc. for Approval of Negotiated Franchise with Mount Juliet, Tennessee Pursuant to Tennessee Code Annotated § 65-4-107**

Dear Mr. Taylor:

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

This material also is 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 copy to me by way of our courier.

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

With kindest regards, I remain

Very truly yours,



R. Dale Grimes

Enclosures

cc: Bruce Barkley  
Pia Powers  
James H. Jeffries IV

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

IN RE:	)	
	)	
PETITION OF PIEDMONT NATURAL	)	
GAS COMPANY, INC. FOR APPROVAL OF	)	
OF NEGOTIATED FRANCHISE	)	Docket No. 16-
AGREEMENT WITH MOUNT JULIET,	)	
TENNESSEE PURSUANT TO TENNESSEE	)	
CODE ANNOTATED § 65-4-107	)	

---

**PETITION OF PIEDMONT NATURAL GAS COMPANY, INC. FOR APPROVAL OF  
NEGOTIATED FRANCHISE AGREEMENT WITH MOUNT JULIET, TENNESSEE PURSUANT  
TO TENNESSEE CODE ANNOTATED § 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") of a negotiated franchise agreement between Piedmont and the City of Mount Juliet, Tennessee ("Mount Juliet" 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. Piedmont is currently providing natural gas service within Mount Juliet, Tennessee. That service was formerly provided pursuant to a ten (10) year franchise agreement between the Company and Mount Juliet incorporated into City Ordinance 2006-10 and approved by the City and accepted by Piedmont in 2006. This franchise agreement was then approved, *nunc pro tunc*, by the Authority in 2010 in Docket No. 10-00127.

5. That franchise agreement and the authorizations contained therein expired in accordance with their terms on March 13, 2016.

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

7. Negotiations ultimately resulted in a franchise agreement acceptable to both the Company and the City. The franchise agreement was then incorporated into City Ordinance 2016-8 and was scheduled to be addressed by the City's Board of Commissioners in early March. Due to an illness of one of the City's Commissioners, however, consideration of the agreement was delayed. On March 3, 2016, Piedmont sent a letter to notify the Authority of the delay and to assure that Piedmont would continue all services to the City on an uninterrupted and interim basis pending approval of the new franchise by the City and then by the Authority.

8. On March 14, 2016, City Ordinance 2016-8 was presented to the City of Mount Juliet's Board of Commissioners 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 and signed by the Mayor of the City of Mount Juliet.

9. Consistent with the procedures established by Mount Juliet, the Company subsequently executed its written acceptance of Ordinance 2016-8 which is reflected on the last page of Exhibit A.

10. Pursuant to Tennessee Code Annotated § 65-4-107, the new franchise agreement between Piedmont and the City of Mount 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.

11. In this case, Piedmont submits that the new franchise agreement contained in Ordinance 2016-8 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 twenty (20) year arrangement, effective March 13, 2016, which secures the provision of natural gas service to citizens, businesses and governmental institutions within Mount 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 Mount 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 Mount 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 Mount Juliet; and

e. Piedmont shall pay franchise fees to the City in the amount of 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 of the city.

12. Piedmont hereby advises the Authority that pursuant to Tennessee Code Annotated § 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."

WHEREFORE, Piedmont Natural Gas Company, Inc., respectfully requests that the Authority approve the negotiated franchise agreement incorporated into Ordinance 2016-8 attached hereto as Exhibit A.

Respectfully submitted this 22nd day of March, 2016.

**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

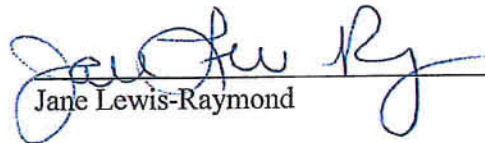
By:  *by R.D.G. w/ permission*

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

STATE OF NORTH CAROLINA  
COUNTY OF MECKLENBURG

VERIFICATION

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: 3/22/2016 Barbara Hambacher  
Mecklenburg Co, Notary Public



My commission expires: 10-6-2018

# **EXHIBIT A**

## **ORDINANCE 2016-08**

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

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY OF MOUNT JULIET approves the following as the franchise agreement with Piedmont Natural Gas Company, Inc.

#### **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 Mount Juliet" shall mean:

The City of Mount Juliet, a municipal corporation located in Wilson County, Tennessee,

The area within the territorial City limits of the City of Mount Juliet 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 Board of Commissioners of the City of Mount Juliet 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;

"Board of Commissioners" shall mean the governing body of the City of Mount Juliet;

"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 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.

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 This franchise is granted for a term of twenty years beginning March 13, 2016 and ending at midnight March 13, 2036. Notwithstanding the provisions of the twenty (20) year term of this franchise the City may exercise the option to terminate the franchise granted herein on March 13, 2026 by the passage of an Ordinance duly passed by the City's Board of Commissioners clearly stating the City Governing Body's desire to terminate the Franchise Agreement. Prior to implementing the option to terminate, the City must notify the Company in writing pursuant to section 1.01 of this agreement of the intent to terminate not less than 90 days prior to the consideration of an ordinance to terminate. If the option to terminate the Franchise Agreement is not exercised timely by the City, this Franchise Agreement shall continue unabated to the termination limit of the Franchise Agreement. 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 March 13, 2016.

2.05 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 attorney's fees and court costs.

2.06 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.


2.07 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.

2.08 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). Upon City request, the Company agrees to make the appropriate records available that will allow the City to determine that taxes collected in the City's name are being remitted to the City. The City shall limit such requests to not more than once every two years.

### 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, 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.

PIEDMONT NATURAL GAS COMPANY, INC.

BY:   
Senior Vice President - Utility Operations

ATTEST:

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

CITY OF MOUNT JULIET

BY:   
Ed Hagerty, Mayor


ATTEST:

  
Sheila S. Lockett, MMC  
City Recorder

TENNESSEE

WILSON COUNTY

APPROVED AS TO FORM:

  
L. Gino Marchetti, Jr.  
City Attorney

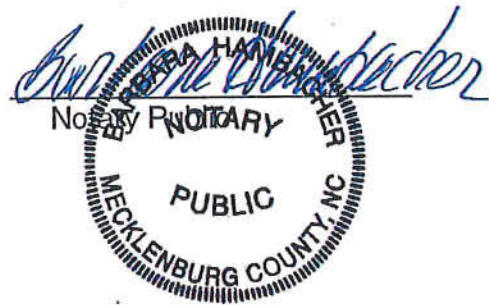
  
Kenneth D. Martin  
City Manager

This is to certify that on the 21<sup>st</sup> day of MARCH, 2016, 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 Vice President, General Counsel, Corporate Secretary and Chief Compliance Officer of Piedmont Natural Gas Company, Inc.; that the Senior Vice President - Utility Operations and Vice President, General Counsel, Corporate Secretary and Chief Compliance 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 21<sup>st</sup> day of MARCH, 2016.

My Commission expires:

10-6-18



TENNESSEE

WILSON COUNTY

This 17<sup>th</sup> day of March, 2016, personally came before me, L. G. BOUTHERSTINE  
City Attorney of the City of Mount Juliet who, being by me duly sworn, says that he knows  
the common seal of the City of Mount Juliet and he is acquainted with Ed Hagerty, Mayor  
of this City, and that he saw the Mayor sign the foregoing instrument, and that he affixed  
the City's seal to this instrument and he signed her name in attestation of the execution  
of this instrument in the presence of the Mayor of this City.

Witness my hand and official seal, this the 17<sup>th</sup> day of March, 2016.

Sheila S. Lockett  
Notary Public



My Commission Expires:

10/16/17



# Mt. Juliet City Limits

and Adjacent Cities

Update Effective March 16, 2016

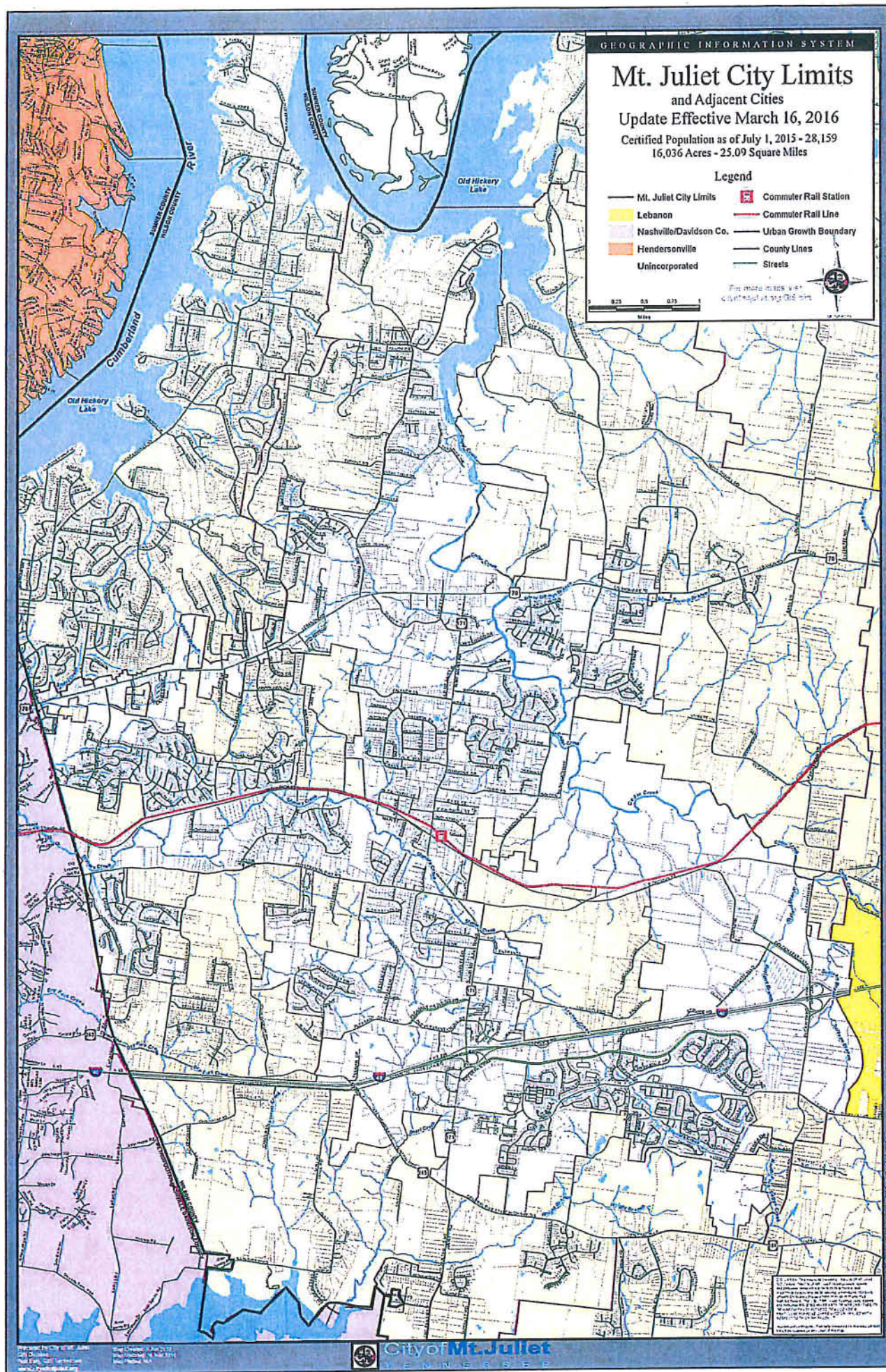
Certified Population as of July 1, 2015 - 28,159  
16,036 Acres - 25.09 Square Miles

## Legend

- Mt. Juliet City Limits
- Lebanon
- Nashville/Davidson Co.
- Hendersonville
- Unincorporated
- Commuter Rail Station
- Commuter Rail Line
- Urban Growth Boundary
- County Lines
- Streets



For more maps visit  
cityofmtjuliet.org



This map is a representation of the City of Mt. Juliet's jurisdiction. It is not intended to be used for legal purposes. The City of Mt. Juliet is not responsible for any errors or omissions on this map. The City of Mt. Juliet is not responsible for any damages or losses resulting from the use of this map.



**Before the  
Tennessee Regulatory Authority**

**Docket No. 16-**

**Petition of Piedmont Natural Gas Company, Inc.  
for Approval of Negotiated Franchise Agreement with  
Mount Juliet, Tennessee Pursuant to Tennessee Code  
Annotated § 65-4-107**

**Testimony  
of  
Eddie Davidson**

**On Behalf of  
Piedmont Natural Gas Company, Inc.**



**March 22, 2016**

1 **Q. Please state your name and business address.**

2 A. My name is Eddie Davidson. My business address is 83 Century  
3 Boulevard, Nashville, Tennessee.

4 **Q. By whom and in what capacity are you employed?**

5 A. I am employed by Piedmont Natural Gas Company, Inc. ("Piedmont" or  
6 the "Company") as Senior Manager, Government Relations for the  
7 Tennessee Region.

8 **Q. Please describe your educational and professional background.**

9 A. I have a B.S. in Political Science from Middle Tennessee State  
10 University. I have worked in various capacities for the Tennessee House  
11 of Representatives, and served six years as the Assistant Chief Clerk of  
12 the House from 1996 until 2002. In 2002, I joined the administration of  
13 Nashville Mayor Bill Purcell as an Associate Director of the Metro  
14 Nashville Public Works Department. I then served as a legislative  
15 liaison to the Tennessee General Assembly on behalf of Metro  
16 Nashville, eventually becoming the Director of Legislative Affairs for  
17 the City, managing all government affairs at the local, state, and federal  
18 level. I stayed on with Metro Nashville in the administration of Mayor  
19 Karl Dean as a Senior Advisor for Infrastructure and Intergovernmental  
20 Affairs prior to joining Piedmont.

21 **Q. Have you previously testified before this Authority or any other**  
22 **regulatory authority?**

23 A. I previously testified before the Tennessee Regulatory Authority



1 (“TRA” or “Authority”) regarding Piedmont’s flood recovery efforts and  
2 also regarding Piedmont’s franchise agreements with the Town of  
3 Nolensville, the City of LaVergne, the City of Fairview, the Town of  
4 White House, the City of Ashland City and the City of Greenbrier. In  
5 addition, I have testified before numerous legislative committees at the  
6 state and local level.

7 **Q. Do you hold any positions in any professional or trade associations?**

8 A. I am a member of the Tennessee Gas Association and previously served as  
9 chair of the 2010-2011 and 2012-2013 Legislative Committee. I am a past  
10 board member of the Tennessee Lobbyists Association, and serve on the  
11 board of the Tennessee Chamber of Commerce and Industry.

12 **Q. What is the purpose of your testimony in this proceeding?**

13 A. The purpose of my testimony is to present information to the Authority  
14 relating to the franchise agreement entered into between Piedmont  
15 Natural Gas Company and the City of Mount Juliet, Tennessee, as  
16 authorized by Ordinance 2016-8.

17 **Q. Could you please explain the circumstances that caused a need for a  
18 franchise agreement between Piedmont and Mount Juliet?**

19 A. Yes. Under Section 65-26-101 of the Tennessee Code Annotated,  
20 Piedmont is required to have the consent of the City of Mount Juliet, in  
21 the form of a municipal ordinance, in order to enter onto the streets and  
22 alleys of Mount Juliet for the purpose of placing, maintaining, or  
23 expanding its natural gas distribution and transmission facilities.

1 Piedmont has been providing natural gas service to the City of Mount  
2 Juliet for the previous ten years pursuant to such a consent incorporated  
3 into City Ordinance 2006-10. Pursuant to the terms of that Ordinance,  
4 the existing authorization to enter onto the property of the City of Mount  
5 Juliet and to provide natural gas service expires March, 2016. As such,  
6 under Tennessee law, a new franchise agreement was necessary in order  
7 for Piedmont to continue its provision of service to the City of Mount  
8 Juliet after that date.

9 **Q. When and how did Piedmont begin pursuing a new franchise**  
10 **arrangement with Mount Juliet?**

11 A. Prior to the expiration of the pre-existing franchise agreement  
12 authorizing service within Mount Juliet, and in the ordinary course of  
13 the company's business, Piedmont started discussions with Mount Juliet  
14 in early 2016 for the purpose of initiating negotiations for a new  
15 franchise arrangement.

16 **Q. What was the result of those negotiations?**

17 A. The negotiations were successful and ultimately resulted in a franchise  
18 agreement acceptable to both the Company and the City. The franchise  
19 agreement was incorporated into City Ordinance No. 2016-8. The  
20 ordinance was scheduled to be addressed by the City's Board of  
21 Commissioners in early March. Due to an illness of one of the City's  
22 Commissioners, however, consideration of the agreement was delayed.

23 **Q. Did Piedmont inform the Authority of the delay?**

1 A. Yes. On March 3, 2016, Piedmont sent a letter to notify the Authority of  
2 the delay and to assure that the Company would continue all services to  
3 the City on an uninterrupted basis pending approval of the new franchise  
4 by the City and then by the Authority.

5 **Q. Was the ordinance approved by the City?**

6 A. Yes. On March 14, 2016, City Ordinance 2016-8 was presented to the  
7 City of Mount Juliet's Board of Commissioners for approval. That  
8 Ordinance, a copy of which is attached hereto as Exhibit A and  
9 incorporated herein by reference, was subsequently approved by the  
10 City's Council and signed by the Mayor of the City of Mount Juliet.  
11 This ordinance renews Piedmont's franchise arrangement with the City  
12 of Mount Juliet for a period of twenty (20) years.

13 **Q. What are the primary provisions of the new franchise ordinance?**

14 A. The new franchise ordinance grants Piedmont the right to provide  
15 service to customers within the municipal limits of Mount Juliet and  
16 access to the streets and public rights-of-way within the City. In  
17 exchange for these rights and accesses, Piedmont pays an annual  
18 franchise fee equivalent to five percent (5%) of the annual gross  
19 revenues it collects from customers who are located and provided  
20 service within the Mount Juliet city limits during the twenty year term of  
21 the agreement. In addition, Piedmont must comply with certain  
22 procedures with respect to the conduct of its business within the City's  
23 corporate limits.

1 **Q. Is Piedmont satisfied with the negotiated resolution of these issues?**

2 A. Yes. Both parties were ultimately able to agree with the negotiated  
3 result and that result is reflected in Ordinance No. 2016-8 which was  
4 approved by the Board of Commissioners of Mount Juliet on March 14,  
5 2016 and subsequently accepted by Piedmont.

6 **Q. In your opinion, are the franchise terms set forth in Ordinance**  
7 **2016-8 necessary and proper for the public convenience and in the**  
8 **public interest?**

9 A. Yes.

10 **Q. Do you know of any facts that would indicate that the new franchise**  
11 **arrangement reflected in Ordinance No. 2016-8 is not in the public**  
12 **interest?**

13 A. No.

14 **Q. What are you asking the Authority to do in this proceeding?**

15 A. Based on the facts discussed above, we are asking the Authority to  
16 approve the new franchise agreement between Piedmont and the City of  
17 Mount Juliet as reflected in Ordinance No. 2016-8 to be effective March  
18 13, 2016.

19 **Q. Does this conclude your testimony?**

20 A. Yes it does.