

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

October 21, 2020

IN RE:

**RULEMAKING TO PROMULGATE
RULES RELATED TO EXTENSION OF
SERVICE TO CONTIGUOUS TERRITORY**

**DOCKET NO.
19-00108**

**FINAL ORDER ADOPTING RULE TO ESTABLISH AN ORDERLY
PROCESS FOR EXTENSION OF SERVICE TO CONTIGUOUS TERRITORIES**

This matter came before Chairman Kenneth C. Hill, Vice Chairman Herbert H. Hilliard, Commissioner Robin L. Morrison, Commissioner John Hie, and Commissioner David F. Jones of the Tennessee Public Utility Commission (the “Commission”), during a regularly scheduled Commission Conference held on October 12, 2020. The Commission has recently noted an increase in utility filings that seek to invoke a provision of the Tennessee Code to expand service, without petitioning for a certificate of public convenience and necessity, to areas “contiguous” to a jurisdictional utility’s existing certificated service area.¹ As the Contiguous Territory Clause has not been interpreted by the courts, new rule 1220-01-01-.13 is needed to establish a procedure that will ensure that accurate records on service territories are provided to the Commission, compliance with regulatory requirements are maintained, and that service is adequate, reliable, and safe.

During the Commission Conference, the Chairman noted that a notice of rulemaking hearing on the rule was filed with the Department of State on May 28, 2020, and a hearing was held on July 22,

¹ See, Tenn. Code Ann. § 65-4-201(a), which mandates that before a public utility may commence construction or operate in a new service territory, it must obtain a certificate of public convenience and necessity (CCN) from the Commission. The statute, however, includes an exception to the CCN requirement when a public utility seeks to extend service into territory that is “contiguous to its route, plant, line, or system, and not theretofore receiving service of a like character from another public utility (the “Contiguous Territory Clause” or the “Clause”).

2020. All comments filed in the docket file and provided verbally during the hearing were considered and incorporated into the final proposed rule, as appropriate. The rule is consistent with the statutory scheme established by the General Assembly for utility regulation and the protects the health, safety, and welfare of the public. Upon consideration, the Commissioners voted unanimously to adopt Rule 1220-01-04-.13 and directed Commission staff to move forward in the rulemaking process to finalize and promulgate the rule.

FOR THE TENNESSEE PUBLIC UTILITY COMMISSION:

**Chairman Kenneth C. Hill,
Vice Chairman Herbert H. Hilliard,
Commissioner Robin L. Morrison,
Commissioner John Hie, and
Commissioner David F. Jones concurring.**

None dissenting.

ATTEST:



Earl R. Taylor, Executive Director