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June 2, 2020

**Via Email and U.S. Mail**

Executive Director Earl Taylor  
c/o Ectory Lawless  
Tennessee Public Utility Commission  
502 Deaderick Street, Fourth Floor  
Nashville, Tennessee 37243

**Re: Piedmont Natural Gas Company, Inc.  
Petition for Approval of Negotiated Franchise Agreement with Franklin, TN  
Docket No.: 20-00078**

Dear Mr. Taylor:

Enclosed please find an original and five (5) copies of Piedmont Natural Gas Company, Inc. ("Piedmont" or the "Company") for Approval of Negotiated Franchise Agreement with Franklin, Tennessee Pursuant to Tennessee Code Annotated § 65-4-107. Also enclosed is a check for the filing fee in the amount of \$25.00.

This material is also being filed today by way of email to the Tennessee Public Utility Commission docket manager, Ectory Lawless. Please file the original and provide us a "filed" stamped copy of each either by email, or return copy via U.S. Mail. I have enclosed a self-addressed, postage prepaid envelope should you choose the mail option.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Paul S. Davidson". The signature is fluid and cursive.

Paul S. Davidson

PSD:cdg

cc: David Foster  
Michelle Mairs  
Daniel Whitaker  
Bruce Barkley  
Pia Powers  
James Jeffries  
Melinda McGrath

**BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION  
NASHVILLE, TENNESSEE**

IN RE:	)	
	)	
PETITION OF PIEDMONT NATURAL	)	
GAS COMPANY, INC. FOR APPROVAL	)	
OF NEGOTIATED FRANCHISE	)	Docket No. 20- 00078
AGREEMENT WITH FRANKLIN,	)	
TENNESSEE PURSUANT TO TENNESSEE	)	
CODE ANNOTATED § 65-4-107	)	

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**PETITION OF PIEDMONT NATURAL GAS COMPANY, INC. FOR APPROVAL OF  
NEGOTIATED FRANCHISE AGREEMENT WITH FRANKLIN, TENNESSEE  
PURSUANT TO TENNESSEE CODE ANNOTATED § 65-4-107**

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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 Public Utility Commission (“Commission”) of a negotiated franchise agreement between Piedmont and the City of Franklin, Tennessee (“Franklin” or the “City”). In support of this Petition, Piedmont respectfully shows unto the Commission 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 Commission 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 Franklin, Tennessee. That service was formerly provided pursuant to a twenty-five (25) year franchise agreement between the Company and Franklin incorporated into City Ordinance 94-37 and approved by the City and accepted by Piedmont in 1994.

5. That franchise agreement and the authorizations contained therein expired in accordance with their terms on December 13, 2019.

6. Prior to the expiration of the pre-existing franchise agreement authorizing service within Franklin, and in the ordinary course of the Company's business, Piedmont began negotiations with the City 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 2019-54 and was addressed by the City's Board of Commissioners on May 12, 2020.

8. On May 12, 2020, City Ordinance 2019-54 was presented to the City of Franklin'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 Franklin.

9. Consistent with the procedures established by Franklin, the Company subsequently executed its written acceptance of Ordinance 2019-54 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 must be approved by the Commission 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 2019-54 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, beginning on April 1, 2020, which secures the provision of natural gas service to citizens, businesses and governmental institutions within Franklin.

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 Franklin.

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 Franklin.

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 Franklin; 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. Since the expiration of the pre-existing franchise agreement and pending approval of the new franchise agreement attached hereto, Piedmont has and will continue to provide natural gas service within Franklin, Tennessee, in accordance with Tennessee Code Ann. § 65-4-107 (b).

13. Piedmont hereby advises the Commission 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 Commission approve the negotiated franchise agreement incorporated into Ordinance 2019-54 attached hereto as Exhibit A.

Respectfully submitted this 2<sup>nd</sup> day of June, 2020.

**Piedmont Natural Gas Company, Inc.**

By: s/ Paul S. Davidson  
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# **EXHIBIT A**

**Ordinance 2019-54**

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

BE IT ORDAINED BY THE BOARD MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN as follows:

**SECTION 1.** This Ordinance shall be known and may be cited as the "Piedmont Natural Gas Company Franchise Ordinance."

**SECTION 2.** Definitions

For the purposes of this Ordinance, the following terms, words, and phrases shall have the meanings respectively ascribed to them in this section:

2.01 "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.

2.02 "City" or "City of Franklin" shall mean: the City of Franklin, a municipal corporation located in Williamson County, Tennessee.

2.03 "Board of Mayor and Aldermen" shall mean the governing body of the City of Franklin.

2.04 "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.

**SECTION 3. Franchise**

3.01 The Company is hereby granted the 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.

3.02 The Company is hereby granted the 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.

3.03 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.

3.03.1 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.

3.04 This franchise is granted for a term of twenty years, with an option for City to terminate, without cause, after ten years. The term begins April 1, 2020 and ends March 31, 2040. The City may exercise its option to terminate the franchise, by Board of Mayor and Aldermen resolution, on or after March 31, 2030. 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 April 1, 2020.

3.05 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 attorneys' fees and court costs.

3.06 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.

3.07 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.

3.08 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 an annual basis, and the first payment shall be made by the Company within sixty (60) days after the approval by the TPUC 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.

#### **SECTION 4. Effective Date**

This Ordinance shall take effect and be in force upon the Effective Date. The Effective Date shall occur upon satisfaction of all of the following conditions: passage on second and final reading of this new Ordinance by the board of Mayor and Aldermen of the City; acceptance by the Company; and final approval by the Tennessee Public Utility Commission.



PIEDMONT NATURAL GAS COMPANY, INC.

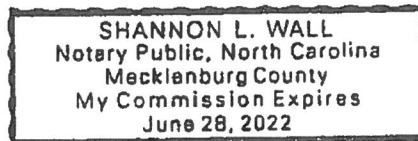
BY: Brian Weisker  
Brian Weisker, Senior Vice President –  
Chief Operations Officer, Natural Gas

ATTEST:

Jeffrey James  
Jeffrey James, Senior Counsel

This is to certify that on the 20 day of March, 2020, before me came Brian R. Weisker, with who I am personally acquainted, who, being by me duly sworn, says that he is the Senior Vice President - Chief Operations Officer, Natural Gas of Piedmont Natural Gas Company, Inc., and Jeffrey James, with who I am personally acquainted, who, being by me duly sworn, says that he is the Senior Counsel of Piedmont Natural Gas Company, Inc., that the Senior Vice President - Chief Operations Officer, Natural Gas and Senior Counsel subscribed their names thereto, all within the authority delegated by the Board of Directors of the Company.

Witness my hand and official seal, this the 20<sup>th</sup> day of March, 2020.



Shannon L. Wall  
Notary Public  
My Commission expires:  
6/28/2022

CITY OF FRANKLIN

BY: [Signature]

Dr. Ken Moore, Mayor

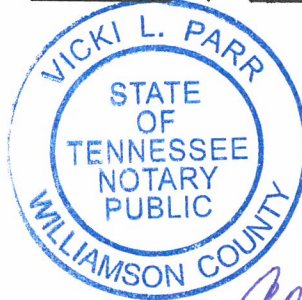
ATTEST:

[Signature]  
Eric S. Stuckey, City Administrator and City Recorder

TENNESSEE  
WILLIAMSON COUNTY

This 14 day of May, 2020, personally came before me, Eric S. Stuckey, City Administrator and City Recorder of the City of Franklin, who, being by me duly sworn, says that he knows the common seal of the City of Franklin and he is acquainted with Ken Moore, 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 his 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 14 day of May, 2020.



[Signature]  
Notary Public  
My Commission Expires: 1/16/24

Passed First Reading:

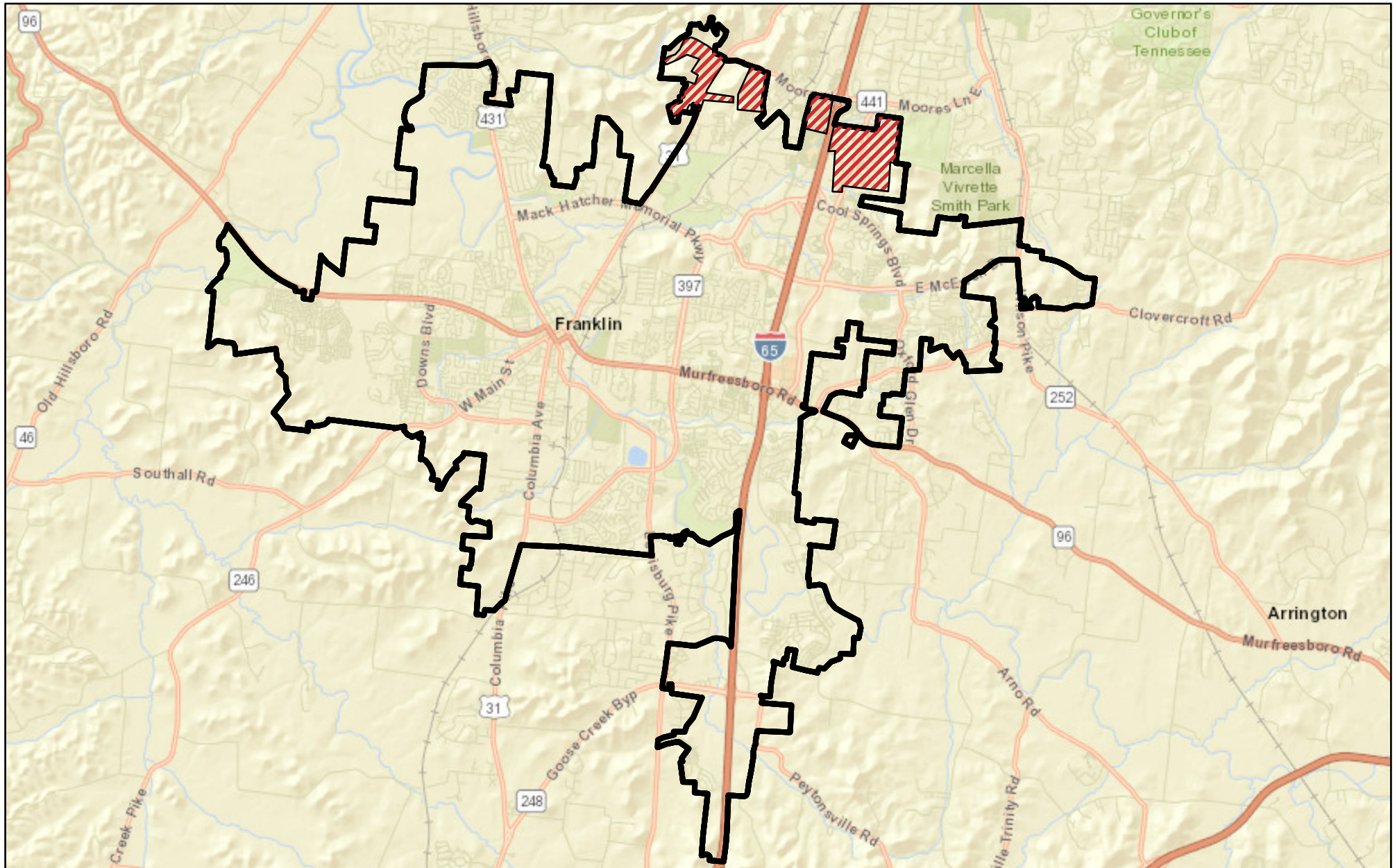
April 28, 2020

Passed Second and Final Reading:

May 12, 2020

# PNG Gas Asset Locations - Franklin, TN

Exhibit A to the City of Franklin, TN  
Ordinance No. 2019-54



0 0.5 1 2 3 4 Miles



- Areas With PNG Gas Assets
- City of Franklin



Piedmont Natural Gas and Duke Energy gas facility maps are at all times to be considered confidential and proprietary (OM-1095). This map is current only through the latest revised date stated thereon. This map should under no circumstances be used by anyone excavating, digging or drilling underground, and any such person should not undertake any excavation, digging or drilling until they have had all underground utility facilities in the immediate area located by calling 811. To ensure there is no inappropriate disclosure, this map cannot be shared with third parties absent Piedmont Natural Gas or Duke Energy's express written consent. All previously dated copies of this map must be destroyed in accordance with Records and Information Management (RIM) Policy 1001 or returned to Piedmont Natural Gas or Duke Energy.



Date Saved: 4/2/2020 2:52 PM