

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

March 27, 2023

IN RE:)	
)	
PETITION OF PIEDMONT NATURAL GAS)	
COMPANY, INC. FOR APPROVAL OF)	DOCKET NO.
NEGOTIATED FRANCHISE AGREEMENT WITH)	22-00136
HARTSVILLE/TROUSDALE COUNTY,)	
TENNESSEE PURSUANT TO TENNESSEE CODE)	
ANNOTATED § 65-4-107)	

ORDER APPROVING FRANCHISE AGREEMENT

This matter came before Vice Chairman David F. Jones, Commissioner Robin L. Morrison, Commissioner Kenneth C. Hill, Commissioner David Crowell, and Commissioner John Hie of the Tennessee Public Utility Commission (the “Commission” or “TPUC”), the voting panel assigned to this docket, during the regularly scheduled Commission Conference held on January 17, 2023, for hearing and consideration of the *Petition of Piedmont Natural Gas Company, Inc. for Approval of Negotiated Franchise Agreement with Hartsville/Trousdale County, Tennessee Pursuant to Tennessee Code Annotated § 65-4-107* (“*Petition*”) filed on December 14, 2022 by Piedmont Natural Gas Company, Inc. (“Piedmont” or “Company”).

THE *PETITION*

Piedmont is incorporated under the laws of the state of North Carolina with its principal place of business in 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 Cheatham, Dickson, Robertson, Rutherford, Sumner, Trousdale, Williamson, and Wilson Counties

and in certain incorporated towns and cities in those counties.¹ Among the areas served is the City Hartsville/County of Trousdale, Tennessee (“Hartsville” or “County”). Piedmont is currently providing natural gas service to Hartsville pursuant to a thirty (30) year franchise agreement between the Company and the City of Hartsville. Subsequent to the entry of the original franchise agreement, the City of Hartsville and Trousdale County elected to form a Metropolitan Government.² On December 14, 2022, Piedmont filed a *Petition* requesting approval of a negotiated franchise agreement between Piedmont and Hartsville.

Along with its *Petition*, Piedmont submitted a copy of Trousdale County Ordinance No. 251-2022-21, an Ordinance which provides Piedmont 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 ensure the protection of the property and citizens of the County.³ Piedmont also submitted the Pre-Filed Testimony of Eddie Davidson, Director of Government Affairs for the Tennessee Region. Mr. Davidson testifies that prior to the expiration of the pre-existing franchise agreement, Piedmont began negotiations with the County for renewal of its franchise authority in the fourth quarter of 2019, but those negotiations were slowed due to the COVID-19 pandemic.⁴ Finally, Piedmont submitted a copy of the notice published by Piedmont in the publication, *The Tennessean*, as required by TPUC rule, found at Tenn. Comp. R. & Regs. 1220-04-01-.05.⁵

The new franchise agreement resulting from negotiations was incorporated into Trousdale County Ordinance No. 251-2022-21, which passed first reading on July 25, 2022 and a second and

¹ *Petition*, p. 1 (December 14, 2022).

² *Id.* at 2.

³ *Petition*, Exh. A and Eddie Davidson, Pre-Filed Direct Testimony, pp. 5-6 (December 14, 2022).

⁴ Eddie Davidson, Pre-Filed Direct Testimony, pp. 3-4 (December 14, 2022).

⁵ *Affidavit of Publication* (February 7, 2023).

final reading and public hearing on August 29, 2022. The negotiated franchise agreement renews the term of the existing agreement for twenty-five (25) years.⁶

The Company in its *Petition* states that the franchise agreement is necessary and proper for the public convenience and properly conserves the public interest for the following reasons:

- a. The new franchise agreement establishes a twenty-five (25) year arrangement, effective March 5, 2020, which secures the provision of natural gas service to citizens, businesses, and governmental institutions within the County.
- 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 the County.
- 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 the County; and.
- d. Piedmont shall pay franchise fees to the County in the amount of up to, but not more than 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 County if, during the term of the franchise, the County passes a resolution that calls for the payment of such franchise fee.⁷

REQUIREMENT OF AND STANDARDS FOR COMMISSION APPROVAL

Tenn. Code Ann. § 65-4-107 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 Commission. Approval pursuant to Tenn. Code Ann. § 65-4-107 requires a determination by the Commission, after hearing, that “such privilege or franchise is necessary and proper for the public convenience and properly conserves the public interest.”⁸ In addition, the Commission, in considering such privilege or franchise, “shall have power, if it so approves, to impose such conditions as to construction, equipment, maintenance, service or operation as the public

⁶ *Petition*, p. 2 (December 14, 2022).

⁷ *Id.* at 3.

⁸ Tenn. Code Ann. § 65-4-107(a) (2022).

convenience and interest may reasonably require.”⁹

FINDINGS AND CONCLUSIONS

The Commission issued a *Notice of Hearing* on January 6, 2023. On January 17, 2023, the voting panel of the Commission convened a Hearing on this docket during a regularly scheduled Commission Conference. Participating in the Hearing were:

Piedmont Natural Gas Company, Inc. - Paul S. Davidson, Esq. Waller Lansden Dortch & Davis, 511 Union Street, Suite 2700, Nashville, Tennessee 37219 and Eddie Davidson, Director, Government Affairs for the Tennessee Region.

During the Hearing, Mr. Eddie Davidson ratified and summarized his Pre-Filed Testimony, answered questions concerning the franchise agreement, and was subject to questioning before the panel and Commission Staff. No person commented or sought intervention during the Hearing.

Thereafter, based upon the testimony and the administrative record as a whole, the panel found that Piedmont’s new franchise agreement with Hartsville was necessary and proper for the public convenience and properly conserves the public interest and that the terms of the franchise are fair and reasonable. Therefore, the panel voted unanimously to approve Piedmont’s *Petition* for approval of its franchise agreement with Hartsville/Trousdale County.

IT IS THEREFORE ORDERED THAT:

1. The *Petition of Piedmont Natural Gas Company, Inc. for Approval of Negotiated Franchise Agreement with Hartsville/Trousdale County, Tennessee Pursuant to Tennessee Code Annotated § 65-4-107* is approved.

2. Any person who is aggrieved by the Commission’s decision in this matter may file a Petition for Reconsideration with the Commission within fifteen (15) days from the date of this Order.

⁹ *Id.*

3. Any person who is aggrieved by the Commission's decision in this matter has the right to judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from the date of this Order.

FOR THE TENNESSEE PUBLIC UTILITY COMMISSION:

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

None dissenting

ATTEST:



Earl R. Taylor, Executive Director