

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

IN RE:)
)
PETITION OF PIEDMONT NATURAL GAS)
COMPANY, INC. FOR APPROVAL OF)
NEGOTIATED FRANCHISE AGREEMENT) Docket No. 25-00082
WITH CITY OF HENDERSONVILLE,)
TENNESSEE PURSUANT TO TENNESSEE)
CODE ANNOTATED § 65-4-107)
)

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

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 Public Utility Commission (“Commission”) of a negotiated franchise agreement between Piedmont and the City of Hendersonville, Tennessee (“Hendersonville” or the “City”). In support of its 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 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. Tennessee Code Annotated § 6-2-201(2) authorizes the City to grant “to any person, firm, association or municipality, franchises for public utilities and public services to be furnished the municipality and those in the municipality.”

5. Piedmont is currently providing natural gas service within Hendersonville and has been doing so for more than five decades. Neither Piedmont nor the City has record of an approved franchise agreement between the parties. As a result, the City and the Company negotiated a new franchise agreement related to Piedmont’s provision of natural gas service in the City, which will govern the relationship going forward (the “Franchise Agreement”).

6. As required by Tennessee Code Annotated § 6-2-101 *et seq.* and Title 1 of the City of Hendersonville Municipal Code, the Franchise Agreement was then incorporated into City Ordinance 2025-10, which was presented to the City’s Board of Mayor and Aldermen for approval. Ordinance 2025-10, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, was subsequently approved by vote of the City’s Board of Mayor and Aldermen on its second reading on June 16, 2025, and signed by the Mayor of the City.

7. Consistent with the procedures established by the City, the Company subsequently executed its written acceptance of Ordinance 2025-10, as reflected on page 3 of Exhibit A to this Petition.

8. Pursuant to Tennessee Code Annotated § 65-4-107, no franchise granted to any public utility by any political subdivision of the state shall be valid until approved by the Commission, such approval to be given when the Commission determines that such franchise is necessary and proper for the public convenience and properly conserves the public interest.

9. Accordingly, Piedmont and the City hereby respectfully request that the Commission determine that the franchise granted by the City to Piedmont to provide natural gas service within the City is necessary and proper for the public convenience and properly conserves the public interest and, in doing so, validate the Franchise Agreement.

10. In this case, Piedmont submits that the Franchise Agreement is necessary and proper for the public convenience and properly conserves the public interest for the following reasons:

a. The Franchise Agreement establishes a twenty-five (25) year arrangement, effective June 16, 2025, which secures the provision of natural gas service to citizens, businesses and governmental institutions within the City.

b. The 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 City.

c. The 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 City; and

d. Piedmont shall pay franchise fees to the City in the amount of up to, but not more than, two percent (2%) of the annual gross revenues collected from all customers who are located and provided service by the Company within the territorial limits of the City. The payment of the franchise fee shall be on a quarterly basis.

e. The City may change the amount of the franchise fee not more than once every year, subject to passing an ordinance and approval by the Commission.

11. Piedmont hereby advises the Commission that, pursuant to Tennessee Code Annotated § 65-4-105(e), Piedmont intends to bill, insofar as practicable, 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.” Piedmont intends to begin billing eligible customers pursuant to the Franchise Agreement at the earliest date upon which the Company’s billing system is ready and capable of doing so, which is currently expected to be on December 1, 2025.

WHEREFORE, Piedmont Natural Gas Company, Inc., respectfully requests that the Commission determine that the franchise granted by the City to Piedmont to provide natural gas service within the City is necessary and proper for the public convenience and properly conserves the public interest and, in doing so, validate the Franchise Agreement including the Company’s authority to assess eligible customers through their Piedmont natural gas bill the local franchise fee rate of 2%, beginning December 1, 2025.

Respectfully submitted this 29th day of September, 2025.

Piedmont Natural Gas Company, Inc.

By: /s/ Paul S. Davidson
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Paul.Davidson@wallerlaw.com

By: /s/ Charlotte A. Mitchell
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¹ A pro hac vice application will be filed on behalf of Ms. Mitchell upon docketing of this matter.

ORDINANCE 2025-10

Sponsors: Clary, Martin

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

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF HENDERSONVILLE, TENNESSEE, 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 Hendersonville” shall mean:

The City of Hendersonville, a municipal corporation located in Sumner County, Tennessee;

The area within the territorial limits of the City of Hendersonville 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 Mayor and Aldermen of the City of Hendersonville 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 Mayor and Aldermen” shall mean the governing body of the City of Hendersonville.

“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 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 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 pursuant to federal, state, and local law.

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 and City shall comply with all regulations required by federal, state and local laws.

2.04 This franchise is granted for a term of twenty-five (25) years beginning June 16, 2025 and ending at midnight June 16, 2050. Notwithstanding the provisions of the twenty-five (25) year term of this franchise, the City may exercise the option to terminate the franchise granted herein by the passage of an Ordinance duly passed by two-thirds (2/3) of the City's Board of Mayor and Aldermen 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 June 16, 2025. The City may not exercise the option to consider termination pursuant to this section more than once every 5 years from the beginning of the term of the franchise.

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 attorneys fees and court costs.

2.06 Except where the Company performs work for a private residence or commercial customer requiring local permits, 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 Public Utility Commission 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 any affiliate or to an entity acquiring all or a portion of Company's assets or 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 two percent (2%) of the annual gross revenues collected from all customers who are located and provided service by the Company within the territorial limits of Hendersonville. 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 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. The City

may change the amount of the franchise fee not more than once every year by the passage of an ordinance and subject to the approval by the TPUC

III. ACCEPTANCE OF FRANCHISE

This Ordinance shall be submitted to the Tennessee Public Utility Commission 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.

First Reading: May 27, 2025 *Passed.*

Second Reading: June 16, 2025 *Passed.*

PIEDMONT NATURAL GAS COMPANY, INC.

BY: *Adam Long*
Adam Long, ~~VP~~ Vice President
Chief Operations Officer, Natural Gas

ATTEST:
Amanda Demopoulos
~~Amanda Demopoulos, Senior Counsel~~

Amanda Demopoulos, Assistant Corporate Secretary

CITY OF HENDERSONVILLE

Jamie Clary
JAMIE CLARY, Mayor

ATTEST:
Tamara Ingersoll
TAMARA INGERSOLL, City Recorder

APPROVED AS TO FORM AND LEGALITY:

Lance A. Wray
LANCE A. WRAY, City Attorney

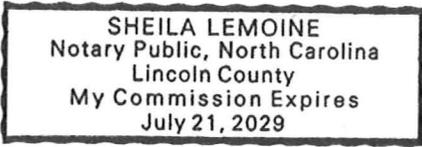
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STATE OF ~~TENNESSEE~~ North Carolina
COUNTY OF Mecklenburg

This is to certify that on the 18 day of July, 2025, before me came Adam Long, with whom I am personally acquainted, who, being by me duly sworn, says that he is the ~~_____~~ Vice President, Chief Operations Officer, Natural Gas - of Piedmont Natural Gas Company, Inc., and Amanda ~~_____~~ Demopoulos with whom I am personally acquainted, who, being by me duly sworn, says that she is the ~~_____~~ Assistant ~~_____~~ Corporate Secretary ~~_____~~ Assistant ~~_____~~ of Piedmont Natural Gas Company, Inc.; that the ~~_____~~ Vice President - ~~_____~~ and Vice President, General Counsel, Corporate Secretary and ~~_____~~ 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 18 day of July, 2025.

Sheila Lemoine
Notary Public

My Commission expires:
July 21, 2029



STATE OF TENNESSEE
COUNTY OF SUMNER

This 30th day of June, 2025, personally came before me, Lance A. Wray, City Attorney for the City of Hendersonville who, being by me duly sworn, says that he knows the common seal of the City of Hendersonville and he is acquainted with Jamie Clary, Mayor of this City, and that he saw the Mayor sign the foregoing instrument, and that he affixed the Government'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 30th day of June, 2025.

Annette Brown Hunter
Notary Public

My Commission Expires:
November 26, 2028



LEGISLATIVE HISTORY
Ordinance 2025-10

Sponsors: Clary, Martin

Committee: General

Date of Committee Meeting: May 13, 2025

Committee Recommendation: Neutral recommendation with an agreement on what the fee should look like.

First BOMA Reading: May 27, 2025

Without objection, Martin was added as a sponsor.

Vote: Aye: Burgdorf, Collins, Dixon, Evans, Garton, Garza, Goodwin, Martin, Roberson, Sasse, Skidmore, Ward, and Clary. Nay: None. Absent: None. *Motion carried.*

Second BOMA Reading: June 16, 2025

Amendment: There was an amendment to change the franchise fee from 5% to 0%.

Amendment to the Amendment: There was an amendment to the amendment to change the franchise fee from 0% to 2% and add the following language at the end of Section 2.08: "The City may change the amount of the franchise fee not more than once every year by the passage of an ordinance and subject to the approval by the TPUC."

Vote on Amendment to the Amendment: Aye: Burgdorf, Evans, Garza, Martin, Roberson, Sasse, Skidmore, Ward, and Clary. Nay: Collins, Dixon, Garton, and Goodwin. Absent: None. *Motion carried.*

Vote on Original Motion as Amended: Aye: Burgdorf, Evans, Garza, Martin, Roberson, Sasse, Skidmore, Ward, and Clary. Nay: Collins, Dixon, Garton, and Goodwin. Absent: None. *Motion carried.*