

BEFORE THE TENNESSEE PUBLIC UTILITY COMMISSION

NASHVILLE, TENNESSEE

January 13, 2026

IN RE:

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

**DOCKET NO.
25-00082**

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

This matter came before Chairman David F. Jones, Vice Chairman John Hie, Commissioner Robin L. Morrison, Commissioner Clay R. Good, and Commissioner David Crowell of the Tennessee Public Utility Commission (the “Commission” or “TPUC”), the voting panel assigned to this docket, during a regularly scheduled Commission Conference held on December 8, 2025. The panel convened to consider the *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* (“*Petition*”) filed on September 29, 2025, by Piedmont Natural Gas Company (“Piedmont” or the “Company”).

I. BACKGROUND AND 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 as well as portions of Cheatham, Dickson, Robertson,

Rutherford, Sumner, Trousdale, Williamson, and Wilson Counties.¹ Piedmont is currently providing natural gas service to customers within the City of Hendersonville, Tennessee (“City” or “Hendersonville”) and has been doing so for over five decades. Neither Piedmont nor the City has a record of an approved franchise agreement between the parties. As such, the City and the Company negotiated a new franchise agreement (“Franchise Agreement”).² The Franchise Agreement was incorporated into Ordinance 2025-10 and approved by a vote of the City’s Board of Mayor and Aldermen on its second reading on June 16, 2025.³ Subsequent to its approval, the Franchise Agreement was executed by Piedmont and the City.⁴

In its *Petition*, Piedmont asserts 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.

¹ *Petition*, pp. 1-2 (September 29, 2025).

² *Id.* at 2.

³ *Id.* at 2; *Id.* at Ex. A, Ordinance 2025-10 (“Ex. A”).

⁴ *Id.* at Ex. A, pp. 3-4 (unnumbered).

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.⁵

With its *Petition*, Piedmont filed the Pre-Filed Direct Testimony of Eddie Davidson, Vice President, Government Affairs and Community Relations.⁶ Mr. Davidson stated that the Franchise Agreement enables efficient and cost-effective access to City property for the purpose of constructing, operating, and maintaining Piedmont assets and will allow Piedmont to provide quality service to customers within the City. He further stated that the Franchise Agreement requires Piedmont to restore City property to the extent that the property is disturbed by Piedmont when exercising its rights under the agreement, and that customers will be billed a 2% local franchise fee.⁷

II. STANDARDS FOR COMMISSION APPROVAL

Commission approval is required for these franchise agreements pursuant to Tenn. Code Ann. § 65-4-107(a), which provides:

No privilege or franchise hereafter granted to any public utility by the state or by any political subdivision of the state shall be valid until approved by the commission, such approval to be given when, after hearing, the commission determines that such privilege or franchise is necessary and proper for the public convenience and properly conserves the public interest, and the commission shall have power, if it so approves, to impose such conditions as to construction, equipment, maintenance, service or operation as the public convenience and interest may reasonably require; provided, however, that nothing contained in this chapter shall be construed as applying to the laying of sidings, sidetracks, or switchouts, by any public utility, and it shall not be necessary for any such public utility to obtain a certificate of convenience from the commission for such purpose.⁸

⁵ *Id.* at 3-4.

⁶ Eddie Davidson, Pre-Filed Direct Testimony, p. 1 (September 29, 2025).

⁷ *Id.* at 4-6.

⁸ Tenn. Code Ann. § 65-4-107(a) (2025).

III. THE HEARING

The hearing in this matter was held before the panel during the regularly scheduled Commission Conference on December 8, 2025, as noticed by the Commission on November 25, 2025. Participating in the hearing were:

Piedmont Natural Gas Company, Inc. – Paul S. Davidson, Esq., Holland & Knight LLP, 511 Union Street, Suite 2700, Nashville, Tennessee 37219; Charlotte A. Mitchell, Esq., McGuireWoods LLP, 501 Fayetteville St., Suite 500, Raleigh, North Carolina 27601; and Eddie Davidson, Vice President, Government Affairs and Community Relations, 83 Century Boulevard, Nashville, Tennessee 37214.

During the hearing, Mr. Davidson ratified and summarized his Pre-Filed Testimony and was subject to questioning by the panel. Members of the public were given an opportunity to offer comments, but no one sought recognition to do so. Lance Wray, City Attorney for the City of Hendersonville, attended the Commission Conference electronically and had no questions or comments during the hearing.

IV. FINDINGS AND CONCLUSIONS

During the Commission Conference held on December 8, 2025, the panel voted unanimously to approve the *Petition* and found that the terms of the Franchise Agreement are fair and reasonable, necessary and proper for the public convenience, and properly conserves the public interest.

IT IS THEREFORE ORDERED THAT:

1. The *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* is approved.

2. Any person aggrieved by the Commission's decision in this matter may file a Petition for Reconsideration with the Commission within 15 days from the date of this Order.

3. Any person 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 60 days from the date of this Order.

FOR THE TENNESSEE PUBLIC UTILITY COMMISSION:

**Chairman David F. Jones,
Vice Chairman John Hie,
Commissioner Robin L. Morrison,
Commissioner Clay R. Good, and
Commissioner David Crowell concurred.**

None dissented.

ATTEST:



Earl R. Taylor, Executive Director