

BEFORE THE TENNESSEE PUBLIC SERVICE COMMISSION
AT NASHVILLE

IN RE: PETITION OF NASHVILLE GAS COMPANY, A)
DIVISION OF PIEDMONT NATURAL GAS)
COMPANY, INC., FOR REVIEW AND APPROVAL)
OF FRANCHISE ORDINANCE NO. 145 OF THE)
TOWN OF ASHLAND CITY, TENNESSEE,)
GRANTING TO NASHVILLE GAS COMPANY, ITS)
SUCCESSORS, AND ASSIGNS THE RIGHT,)
PRIVILEGE, AUTHORITY AND CONSENT TO)
PLACE, CONSTRUCT, ERECT, ACQUIRE,)
EXTEND, MAINTAIN, REPAIR AND RELOCATE)
GAS LINES, WORKS, MAINS, ETC. AND)
OPERATE AND MAINTAIN A SYSTEM OF GAS)
MAINS AND A DISTRIBUTION SYSTEM ON,)
UNDER AND ALONG THE STREETS, ALLEYS)
AND HIGHWAYS OF THE TOWN OF ASHLAND)
CITY FOR THE SALE AND DISTRIBUTION)
OF NATURAL GAS PURSUANT TO T.C.A.)
65-4-107

DOCKET NO. 96-00220

FEBRUARY 20, 1996

ORDER

This matter is before the Tennessee Public Service Commission (the "Commission") upon the petition of Nashville Gas Company, a Division of Piedmont Natural Gas Company. Inc. (the "Company") seeking the Commission's approval, pursuant to T.C.A. § 65-4-107, of Franchise Ordinance No. 145 (the "Ordinance") passed by the Town of Ashland City, Tennessee (the "Town"), granting to the Company, its successors and assigns, the exclusive right, authority, privilege and franchise, to erect, construct, operate and maintain a system of gas mains, service, pipes, etc. for the transmission and distribution of gas in, upon, across, along and under the highways, streets, access road, etc. of the City, as set out in the Petition and Exhibits

thereto. The Ordinance was passed on final reading on January 23, 1996 and is for a period of twenty (20) years and is attested by the Town Clerk.

The Commission considered this matter at its regularly scheduled Commission Conference on March 2, 1996. The Commission reviewed the petition, the exhibits thereto and the staff's recommendation and finds and concludes that the approval of the Ordinance granting to the Company the right to serve the Town of Ashland City and to use the public streets, alleys, etc. of the Town for a period of twenty (20) years is fair, necessary, proper and reasonable and will serve the public interest and therefore should be approved. The Commission further finds and concludes that the annual franchise payment to be made to the Town, based on annual gross revenues of industrial and commercial customers located within the Town of Ashland City as provided in the Ordinance, is fair and reasonable and the Company's plan of recovering same, as set out in the Petition, only from commercial and industrial customers located in the Town of Ashland City and not from Ashland City residential customers, pursuant to T.C.A. § 65-4-105(e), is fair and reasonable.

IT IS THEREFORE ORDERED:

1. That Franchise Ordinance No. 145 adopted by the Town of Ashland City, Tennessee granting to Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc., its successors and assigns certain rights as set out therein is approved pursuant to T.C.A. § 65-4-107, and the payment of the franchise

fees provided therein to the Town and the plan for the recovery thereof by the Company, from the industrial and commercial customers located within the town limits and not from the revenues of residential customers located in the Town of Ashland City, be and the same is hereby approved pursuant to T.C.A. § 65-4-105(e). The revenues that the Company shall derive from its customers from sales within the town limits of Ashland City shall not be included in computing franchise payments to any other city or town except the Town of Ashland City, Tennessee.

2. That any party aggrieved with the Commission's decision in this matter may file a Petition for Reconsideration within ten (10) days from the entry of this Order.

3. That any party aggrieved with the Commission's decision in this matter has the right of judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this Order.


CHAIRMAN


COMMISSIONER



COMMISSIONER

ATTEST:

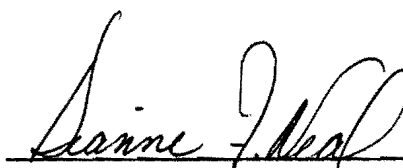

EXECUTIVE DIRECTOR

March 7, 1996

The preceding page, (Number 2), in Order dated February 20, 1996, Docket No. 96-00220, is being substituted as corrected agreement between the Commission and Counsel for Piedmont Natural Gas Company. It sets forth correctly the date of the regularly scheduled Commission Conference as February 20, 1996. The incorrect date of March 2, 1996 was not material to the Order which the Commissioners signed and is cured by this submission.


T. G. Pappas
Counsel for Petitioner

*by DFN
with permission*


Dianne F. Neal
General Counsel
Tennessee Public Service Commission

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