

## ORDINANCE #440

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

BE IT ORDAINED BY THE CITY COUNCIL OF THE TOWN OF ASHLAND CITY as follows:

#### 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 Ashland City" shall mean:

The Town of Ashland City, a municipal corporation located in Cheatham County, Tennessee,

The area within the territorial City limits of the Town of Ashland City 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 Mayor and City Council of the Town of Ashland City 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;

"City Council" shall mean the governing body of the Town of Ashland City;

"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 exclusive 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 exclusive 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 wishes to enter upon any street, lane or public place for the purpose of constructing, replacing or repairing any gas mains, pipes, or other appliances, it shall notify the City by obtaining a permit, file a plan or map of the proposed work, post bond or letter of credit, and comply with all provisions of any ordinances related to excavations in City right-of-way before commencing same. Before commencing same, as part of the permit, the Company shall supply list and contact information for liaison superintendent for the proposed project from start to finish. The issuance of a permit by the City shall be a ministerial function, and the city may not deny a permit to the Company without good cause. In the event a permit is denied, the City shall provide an alternate route that is acceptable to both the Company and the City. The City may not charge a fee for the issuance of a permit to the Company. 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 and in accordance with public works standard specifications. The City shall not require the Company to restore any areas other than the area disturbed by the Company's excavation. Additionally, if the Company shall fail to restore the area to its approximate former condition within a reasonable period of time no less than thirty working days after notification by the City, the City shall proceed to restore such streets, lanes and public places as nearly as practicable to their original condition and the City shall submit a statement of the costs for this restoration to the Company. The Company agrees to pay the City for these costs within thirty days or the bond and or letter of credit may be called by the City.

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

2.04 In the event it becomes necessary or expedient for the City to change the course or grade of any street, lane or public place in which the Company is maintaining gas mains, pipes or other appliances and fixtures, upon the written request of the City, the Company will remove or change the location or depth of such main, pipes or other appliances and fixtures, at its own expense, as necessary to conform to the proposed street alteration.

2.05 This franchise is granted for a term of twenty years beginning January 23, 2016 and ending at midnight January 23, 2036. 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 January 23, 2016.

2.06 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.

2.07 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.

2.08 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.

2.09 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 a quarterly basis, and the first payment shall be made by the Company within sixty (60) days after the approval by the TRA 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).

2.10 If any section or portion of this Ordinance shall hereafter be declared or determined by a court of competent jurisdiction to be unconstitutional or invalid or the applicability thereof to any persons or circumstances is held to be invalid, the remaining portions of this Ordinance and the applicability thereof to other persons and circumstances shall not be affected.

### III. ACCEPTANCE OF FRANCHISE

This Ordinance shall be submitted to the Tennessee Regulatory Authority pursuant to Tenn. Code Ann. Section 65-4-107 for approval and shall take effect from the day and date of its passage by the City. The ordinance is not considered passed until 20 days after

the second reading. However, the agreement will still need to be accepted by the Company in writing within 60 sixty days after its passage by the city; otherwise the same shall be null and void and of no effect.

PIEDMONT NATURAL GAS COMPANY, INC.

BY: \_\_\_\_\_  
Senior Vice President - Utility Operations

ATTEST:

\_\_\_\_\_  
Sr. Vice President, and Chief Legal, Compliance, and  
External Relations Officer

TOWN OF ASHLAND CITY

BY: *[Signature]*  
Mayor

ATTEST:

*[Signature]*  
City Recorder

TENNESSEE

CHEATHAM COUNTY

*Approved  
12/2015  
12/8/15*

This is to certify that on the \_\_\_\_\_ day of \_\_\_\_\_, 2015, before me came Victor Gaglio, with whom I am personally acquainted, who, being by me duly sworn, says that he is the Senior Vice President - Utility Operations of Piedmont Natural Gas Company, Inc., and Jane R. Lewis-Raymond, with whom I am personally acquainted, who, being by me duly sworn, says that she is the Senior Vice President and Chief Legal, Compliance, and External Relations Officer of Piedmont Natural Gas Company, Inc.; that the Senior Vice President - Utility Operations and Senior Vice President and Chief Legal, Compliance, and External Relations Officer 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 \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Notary Public

My Commission expires:  
\_\_\_\_\_

TENNESSEE

CHEATHAM COUNTY

This 9<sup>th</sup> day of December 2015, personally came before me, Phyllis Scheffer,  
City ~~Attorney~~ of the Town of Ashland City who, being by me duly sworn, says that he  
knows the common seal of the Town of Ashland City and he is acquainted with Rick  
Johnson, Mayor of this Town, and that he saw the Mayor sign the foregoing instrument,  
and that he affixed the Town'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 Town.

Witness my hand and official seal, this the 10<sup>th</sup> day of December, 2015.

Tracey D Knack  
Notary Public

My Commission Expires:

1-8-18



