STATE OF TENNESSEE
OFFICE OF THE ATTORNEY GENERAL

December 30, 2021

Opinion No. 21-18

Territorial Limits on the Provision of Natural Gas and Propane by an Energy Authority

QUESTION

Is an energy authority allowed by state law to provide natural gas and propane distribution services outside its electric footprint?

OPINION

An energy authority created under the Municipal Energy Authority Act, Tenn. Code Ann. § 7-36-101 et seq., is not authorized by the Act to provide natural gas or propane distribution services outside its electric footprint.

ANALYSIS

The Municipal Energy Authority Act, Tenn. Code Ann. § 7-36-101 et seq., does not authorize an energy authority created under the Act to provide any utility service other than electric, water, wastewater, and telecommunications services as specified in Tenn. Code Ann. § 7-36-107(a)(3)–(6). And an energy authority created under the Act may provide those services only within certain geographical limits. See Tenn. Att'y Gen. Op. No. 21-06 (May 10, 2021).

Since neither natural gas service nor propane distribution service is among the utility services that an energy authority created under the Act is authorized to provide, an energy authority created under the Act is not authorized to provide any natural gas or propane distribution services either inside or outside its electric footprint. We note, however, that energy authorities created by a private act of the General Assembly—i.e., not created under the Municipal Energy Authority Act—may be authorized by that private act to provide natural gas or propane distribution services in geographic areas as specified in the private act.

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