

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	40183	Agenda Number	37.
Meeting Date:	2/12/2015		Department:	Telecommunications and Reg Affairs
Subject				
Approve the third reading of an ordinance granting a franchise agreement to CenterPoint Energy Resources Corporation to provide natural gas distribution services.				
Amount and Source of Funding				
Unanticipated franchise fee revenue of \$34,000 in FY15 General Fund Revenue.				
Fiscal Note				
No fiscal note is needed.				
Purchasing Language:				
Prior Council Action:	1st Reading passed on December 11, 2014. 2nd Reading passed on January 29, 2015			
For More Information:	Rondella M. Hawkins; TARA Officer, (512) 974-2422			
Boards and Commission Action:				
MBE / WBE:				
Related Items:				
Additional Backup Information				
CenterPoint Energy Resources Corporation provides natural gas service to approximately 454 customers (440 residential and 14 commercial) in an area that was full-purpose annexed by the City of Austin in 2008.				
Key terms of this non-exclusive franchise agreement include the following: <ul style="list-style-type: none"> • Term: 10-year initial term with a 10- year extension for total of 20 years • Compensation: Franchise fee of five (5) percent of gross revenues paid to City on quarterly basis. In addition, CenterPoint will remit a payment in the amount of \$ 30,000 for retroactive franchise fees due City for period of January 1, 2008 through December 31, 2014 • Reserves City's right to regulate rates and the charges for the services of the Company to its customers as provided by State law and the City Charter • Abide by City's current street-cut regulations and right-of-way management policies • City right to Audit • Indemnification of the City 				
City Charter requires three separate readings of this franchise agreement.				