

AGENDA

**Recommendation for Council Action****AUSTIN CITY COUNCIL****Regular Meeting: November 9, 2017**Item Number: **043**

Telecommunications and Regulatory Affairs

Approve the first reading of an ordinance granting a franchise agreement to SiEnergy to provide natural gas distribution services.

Lead Department	Telecommunications and Regulatory Affairs.
Fiscal Note	There is no anticipated fiscal impact.
For More Information	Rondella M. Hawkins, TARA Officer, (512) 974-2422.

Additional Backup Information:

SiEnergy proposes to provide natural gas service to approximately 200 residential service connections in Heritage Point at Wildhorse Ranch, a new subdivision being constructed in District 1 in East Austin, bounded roughly by Farm Road 973 on the East, Bloor Road on the South, Blue Bluff Road on the West, and Highway 290 on the North.

Key terms of this non-exclusive franchise agreement include the following:

- 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.
- 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. The second reading of franchise is tentatively scheduled for November 9, 2017. The second reading of franchise is tentatively scheduled for December 7, 2017. Third reading is tentatively scheduled for December 14, 2017.