

# AGENDA



## Recommendation for Council Action

### AUSTIN CITY COUNCIL

Regular Meeting: December 7, 2017

Item Number: **049**

### Telecommunications and Regulatory Affairs

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

<b>Lead Department</b>	Telecommunications and Regulatory Affairs.
<b>Fiscal Note</b>	No Fiscal Note is needed.
<b>Prior Council Action</b>	Council approved the ordinance on first reading at the November 9, 2017 meeting.
<b>For More Information</b>	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 first reading of franchise ordinance was held November 9, 2017. Third reading is scheduled for December 14, 2017.