

# AGENDA



## Recommendation for Council Action

### AUSTIN CITY COUNCIL

Regular Meeting: December 14, 2017

Item Number: **052**

### Telecommunications and Regulatory Affairs

Approve the third 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>	This item has no fiscal impact.
<b>Prior Council Action</b>	Council approved the franchise on first reading November 9, 2017 and on second reading December 7, 2017.
<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 second reading of franchise was held December 7, 2017.