



## MEMORANDUM

TO: Mayor and Council

CC: Spencer Cronk, City Manager  
Rodney Gonzales, Assistant City Manager

FROM: Rondella Hawkins, Telecommunications and Regulatory Affairs Officer

DATE: September 2, 2020

SUBJECT: Clarification memo for Pedernales Electric Franchise – Agenda Item #43 Council Agenda

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I'd like to provide some additional clarification to the RCA for the first reading of the Pedernales Electric Franchise agreement and the compensation term of agreement. The base percentage rate is 2% of gross revenues. Austin currently collects 4.5% of gross revenue for its franchise to PEC. The fee includes a base of 2% and includes a "most favored nations" clause giving Austin the benefit of any higher municipality's franchise fee charged to PEC. Currently, PEC collects 4.5% from Austin residents. PEC passes 100% of the franchise fees to their customers as they are allowed by state law.

Thank you and if you have any questions, please do not hesitate to contact me at [Rondella.Hawkins@austintexas.gov](mailto:Rondella.Hawkins@austintexas.gov) or 512-974-2422.