

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	40183	Agenda Number	37.
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Meeting Date:	2/12/2015	Department:	Telecommunications and Reg Affairs
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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:	
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Prior Council Action:	1st Reading passed on December 11, 2014. 2nd Reading passed on January 29, 2015
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For More Information:	Rondella M. Hawkins; TARA Officer, (512) 974-2422
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Boards and Commission Action:	
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MBE / WBE:	
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Related Items:	
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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:

- 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.