



CITY COUNCIL COMMUNICATION

October 8, 2013

SUBJECT: Atmos Energy Franchise Renewal Agreement
SUBMITTED BY: Dale Harwell, Director of Administrative Services
REFERENCE NO: Ordinance No. 2005

ACTION REQUESTED:

Consider Second and Final Reading of Ordinance No. 2005, granting a franchise to Atmos Energy Corporation (Atmos) to construct, maintain, and operate pipelines and equipment for the transportation, delivery, sale, and distribution of natural gas in, out of, and through the City.

ALTERNATIVES:

- Table the request
- Deny the request

SUMMARY OF SUBJECT:

Atmos and its predecessors have provided gas utility service within the City of Euless since 1953 and have used the Public Rights-of-Way for that purpose. Their customers include residential, commercial, and industrial users that reside and operate within the City.

The City's current Franchise Agreement with Atmos, is scheduled to expire on November 7, 2013. The City has negotiated with Atmos for the renewal of the Franchise Agreement for an additional ten (10) year period, beginning November 8, 2013 and ending September 30, 2023. With the approval of both the City and Atmos, the franchise may be extended for two (2) additional terms of five (5) years that would extend the agreement until September 30, 2033.

Atmos will pay the City five percent (5%) of the gross revenues received by Atmos on a quarterly basis during the term of this franchise agreement.

Staff believes the Franchise Agreement with Atmos provides the citizens and businesses of Euless a reliable and efficient source of natural gas.

FINANCIAL CONSIDERATIONS:

Revenue Sources:

Expenditure Accounts:

Budgeted Fiscal Year(s):

Estimated Expenditure:

Over/Under Projection By:

Other Comments:

SUPPORTING DOCUMENTS:

- Ordinance No. 2005

APPROVED BY:

_____ **LG** _____

City Manager's Office

_____ **KS** _____

City Secretary's Office