



City of Keller

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Legislation Text

File #: 20-294, **Version:** 1

To: Mark R. Hafner, City Manager

From: Sarah Hensley, Administrative Services Manager

Subject:

Consider an ordinance granting to Atmos Energy Corporation, a Texas and Virginia corporation, its successors and assigns, a franchise to furnish, transport and supply gas to the general public in the City of Keller, Tarrant County, Texas, for the transporting, delivery, sale, and distribution of gas in, out of, and through said municipality for all purposes; providing for the payment of a fee or charge for the use of the streets, alleys, and public ways; repealing all previous Atmos Energy gas franchise ordinances; providing that it shall be in lieu of other fees and charges, excepting ad valorem taxes; prescribing the terms, conditions, obligations and limitations under which such franchise shall be exercised; a most favored nations clause, and a severability clause; and providing an effective date.

Action Requested:

Consider an ordinance granting a new ten (10) year franchise agreement to Atmos Energy Corporation.

Background:

The City's current 10-year franchise agreement with Atmos has expired. No substantial changes are proposed in the new agreement, which will be for another 10-year term with the option for an additional 5-year extension. The agreement allows Atmos to utilize public right-of-way to deliver, transport and distribute gas to Keller customers.

Financial Impact:

The proposed agreement maintains the current franchise fee of 5% of all Gross Revenues from the sale of gas within the Keller city limits. The franchise payment received in March 2020, for gas receipts from calendar year 2019, was \$529,459. Revenue from utility franchise agreements goes to the city's General Fund.

Citizen Input/Board Review:

N/A

Legal Review:

The City Attorney has reviewed and approved the proposed ordinance.

Alternatives:

City Council has the following alternatives:

- Approve as submitted
- Approve with changes
- Denial

Council Action:

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