



AGENDA MEMO
6/20/2017 Agenda

TO: Honorable Mayor and City Council

FROM: Dale Harwell, Director of Information Services

SUBJECT: Consider Ordinance to Grant Oncor Electric Delivery Company an Electric Power Franchise

BACKGROUND:

The current electric power franchise agreement with Oncor Electric Delivery that was approved by the City Council in 2008 will expire on June 30, 2017. The proposed agreement that includes a term of twenty years has been reviewed and approved by the City Attorney and the Public Utility Advisory Committee.

Highlights of the new agreement include:

- Section 3 “Vegetation Management Program” – Oncor will conduct its tree trimming activities in accordance with the plan that was filed with the Texas Public Utility Commission and will address concerns or complaints with regard to its tree trimming activities upon request by the City.
- Section 4 “Use of the Public Rights-of-Way” – Oncor’s use of the public ROW will be governed by the Texas Constitution and subject to applicable controlling local, state, and federal laws, rules, and regulations as amended.
- Section 7 - Oncor will make the following payments to the City:
 - Quarterly Payments based on kilowatt hours of electricity delivered by Oncor to retail customers located within the City’s boundaries multiplied by a franchise fee factor of 0.002932.
 - 4% of gross revenues received by Oncor for “Discretionary Service Charges” that include charges for connects, disconnects, meter installations, services calls, etc... This amount is calculated and paid annually before April 30th each year based on the total Discretionary Service Charges received during the preceding calendar year.
- Section 8 – The term of the agreement will expire on June 30, 2037.

RECOMMENDATION:

Staff recommends approval of the ordinance to grant Oncor Electric Delivery Company an electric power franchise for a term of twenty years.