



Legislation Text

File #: 18-0558, **Version:** 1

DATE: May 23, 2018

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Kristine Tallent, Assistant City Administrator/CFO

SUBJECT:

PUBLIC HEARING: Consideration of Ordinance 2018-08, An Ordinance to Amend Ordinance 2013-50, Atmos Energy Corporation Franchise Agreement to Extend the Term for an Additional Ten (10) Years. (6/12/18 WS, 06/26/18 1ST BOMA Reading 6-0) SECOND AND FINAL READING

Purpose

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the extension of a natural gas franchise agreement with Atmos Energy Corporation.

Background

The City has had a franchise agreement with Atmos Energy or its predecessor for many years. The current agreement expires at the end of November 2018. The City is allowed to impose a franchise fee for use of City right of way. In the current agreement, a fee is based on a charge per hundred cubic feet of gas delivered to residential and commercial customers and is added to customer bills.

The proposed ordinance is an extension of the existing agreement for a term of an additional 10 years.

Financial Impact

The City currently collects approximately \$1 million per year under the existing agreement, with revenues accounted for within the City's General Fund. FY 2017 audited revenues were \$993,932.37. The exact revenue received varies with the volume of natural gas delivered to customers by Atmos.

Recommendation

Staff recommends approval of Ordinance 2018-08 to extend the franchise agreement between the City and Atmos Energy Corporation for ten years.