

PEC FRANCHISE ORDINANCE

1st Reading

CITY COUNCIL MEETING: MAY 11, 2021

Presentation Outline

- **Background**
- **Overview of New Franchise**
- **Next Steps**

BACKGROUND

- **PEC serves customers in parts of Georgetown**
- **Utilities must have a franchise from City to utilize City rights-of-way** (rather than obtain their own easements)
- **2008:** City issues PEC a 10-year franchise
- **Spring 2020:** Parties extend 2008 franchise thru Sept. 2020
- **Oct. 2020:** Agreement to finish new franchise by Jan. 2021
- **Jan. 2021:** City sends proposed settlement
- **Spring 2021:** Resolution of final open issues

New Franchise

- 10-yr term
- Fee = 4.5% of Gross Revenues (now defined)
- Parkland no longer a “Public Right-of-Way”
- PEC shall now:
 - comply with City ordinances (e.g. tree preservation)
 - obtain permits for certain work within rights-of-way
 - warrant right-of-way restoration work for two years
 - underground all new or relocated lines, except system improvements
 - relocate its facilities for City projects at PEC’s expense
 - remove poles within 180 days of PEC non-use

New Franchise

- **City agrees:**
 - Certain revenues now excluded from “Gross Revenue”
 - City audit rights limited to 4-year “lookback” period
 - PEC maintenance, emergency work exempt from City permits
 - Notice, submission of as-built plans (if footprint changes), and compliance with City regulations still required
 - PEC may request waiver of Right-of-Way Regulations if compliance renders project impossible or impractical
- **Remedies (other than termination) added**

Next Steps

- **June 22:**
 - 2nd reading of ordinance
- **June 25, July 2, July 9, July 16:**
 - Publication of ordinance in Sun
- **July 22:**
 - Deadline for PEC acceptance of franchise
 - Effective date of new franchise

Caption

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GEORGETOWN, TEXAS EXTENDING THE FRANCHISE OF PEDERNALES ELECTRIC COOPERATIVE, INC.; AMENDING CHAPTER 14.20 OF THE CODE OF ORDINANCES RELATING TO THE TERMS AND CONDITIONS OF THE FRANCHISE; REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS; ESTABLISHING A PENALTY; INCLUDING A SEVERABILITY CLAUSE; AND DECLARING AN EFFECTIVE DATE