



MEMORANDUM

To: Mayor and City Council

From: Vicki Chiavetta, Deputy City Manager

Date: August 25, 2020

Reference: Consider approval of a new Franchise Ordinance between the City of Coppel and Oncor Electric Delivery Company, repealing all previous ordinances with Oncor, and authorizing the Mayor to sign.

Introduction: The City of Coppel's current Franchise Ordinance with Oncor Electric Delivery Company is scheduled to expire on August 31, 2020. During the past several months, the City has negotiated a new, long term electric Franchise Ordinance with Oncor. This ordinance grants to Oncor the use the present and future streets, alleys, highways, public utility easements, public ways and public property of the City of Coppel for the purpose of delivering electricity to the City.

Analysis: It has been thirty years since the Franchise Ordinance between the City of Coppel and our Electric Delivery Company has been revised. In 1990, Ordinance 90493 was adopted by Council granting a franchise to Texas Utilities Electric Company for a term of 20 years, until October 1, 2010. In January 2002, as a result of electric industry restructuring, the franchise formally held by Texas Electric Company was assigned to Oncor Electric Delivery Company. In 2007, Council amended the term of that franchise to expire August 31, 2015. In 2015, the term was extended an additional five years to August 31, 2020.

Due to the length of time this ordinance has been in effect, the City determined it was time for a review of the original ordinance. Subsequently, the City worked with Chris Brewster, our utility legal representative from Lloyd, Gosselink, Rochelle & Townsend, PC, to work with Oncor Electric Delivery Company and draft a new ordinance that would bring it up to current legal standards.

In addition to standard franchise language, the new ordinance provides clarity around how Public Rights-of-Way issues are handled, including delineation of responsibilities of all involved parties and the management of abandoned Public Rights-of-Way. It also requires Oncor to have a Vegetation Management Program in place and available upon request, and includes language from previous separate ordinances that amended the original 1990 agreement, such as outlining the franchise fee factor, the current payment schedule and Discretionary Service Charges.

Legal: The proposed new ordinance has been reviewed by Chris Brewster, our utility legal representation from Lloyd, Gosselink, Rochelle & Townsend, PC.

Fiscal Impact: There is no change in franchise fees received or costs to operations related to the Oncor Franchise Ordinance from our current status.

Recommendation: Staff recommends approval of this ordinance.