

ORDINANCE # 041014-02

AN ORDINANCE AMENDING ORDINANCE #011410-01, AN ORDINANCE GRANTING AN ELECTRIC AND GAS FRANCHISE TO CITY PUBLIC SERVICE, TO INCREASE THE PAYMENT TO THE CITY FOR STREET RENTAL, TO PROVIDE FOR AN OPTION TO FURTHER INCREASE SAID PAYMENT, AND TO ADOPT A NEW COMMENCEMENT DATE FOR SUCH ELECTRIC AND GAS FRANCHISE

WHEREAS, by Ordinance #011410-01 the City Council granted an Electric and Gas Franchise to the City of San Antonio acting by and through its City Public Service Board (CPS Energy), said franchise to be for a 20-year term commencing on June 19, 2010; and

WHEREAS, Ordinance #011410-01 also provided for a payment by CPS Energy to the City of Selma for street rental in the amount of three percent of CPS Energy's gross receipts from the sale of electricity and gas within the City of Selma; and

WHEREAS, by action taken on December 12, 2013, the City Council amended Ordinance #011410-01 and the Electric and Gas Franchise to increase the payment by CPS Energy to the City of Selma for street rental to four percent of CPS Energy's gross receipts from the sale of electricity and gas within the City for a twenty year term commencing February 1, 2014; and

WHEREAS, CPS Energy has offered to increase the payment to the City of Selma for street rental from four percent of CPS Energy's gross receipts from the sale of electricity and gas within the City of Selma to four and one-half percent of CPS Energy's gross receipts from the sale of electricity and gas within the City of Selma provided that the City of Selma agree to amend Ordinance #011410-01 to provide for a twenty (20) year franchise with the term commencing May 1, 2014;

WHEREAS, the City Council of the City of Selma believes that changing the commencement date of the twenty (20) year franchise to CPS Energy from February 1, 2014 to May 1, 2014, in exchange for an increase in the amount to be paid to the City of Selma for street rental from four percent to four and one-half percent is in the best interest of the City and its citizens.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SELMA, TEXAS, as follows:

Section 1. Section 1 of Ordinance #011410-01 is hereby amended to read as follows:

SECTION 1. Description. This agreement hereby grants the City of San Antonio, acting by and through the City Public Services Board (CPS Energy), a twenty (20) year franchise commencing on May 1, 2014, for transmission, distribution, and sale of electricity and gas within CPS Energy's certificated service area and within the City of Selma, Texas (Franchise Agreement). CPS Energy may construct, operate, and maintain in, upon, over, under, and across the present and future streets, alleys, public ways and places within the City of Selma, Texas (City) all the facilities CPS Energy deems reasonably necessary for the rendition of safe, reliable, and economical electric and gas service (CPS Energy Facilities).

Section 2. Section 2 of Ordinance #011410-01 is hereby amended to read as follows:

SECTION 2. Payment for Street Rental. CPS Energy shall make a payment for street rental to the City in the amount of four and one-half percent (4.5%) of CPS Energy's gross receipts from the sale of electricity and gas within the City. "Gross receipts" excludes uncollectibles. The payment for street rental shall be treated by CPS Energy as a system-wide cost of service, and shall not be identified separately on the customer bill.

2.1 The payment for street rental will reflect CPS Energy's gross receipts for such sales, on a quarterly basis and will be due to the City within thirty (30) days after the close of each calendar quarter in CPS Energy's fiscal year.

2.2 If at any time within the term of this franchise the City passes an ordinance increasing the franchise fee from 4.5% to 5.5%, CPS Energy agrees to execute documents necessary to accept this increased fee. Payment of the additional 1% shall be treated by CPS Energy as a City-specific fee and will be identified separately as a surcharge on bills of customers residing within the City limits. Payment to the City of this additional street rental fee will be made consistent with the procedure described in Section 2.1, beginning no sooner than the following quarter, as soon as the implemented surcharge is reflected on customer bills.

Section 3. Section 12 of Ordinance #011410-01 is hereby amended to read as follows:

SECTION 12. Effective Date. This Franchise Agreement shall become effective upon its adoption by the City in the form authorized by the Board of CPS Energy. It shall supersede and take precedence over inconsistent ordinances, resolutions, or regulations hereafter or heretofore passed by the City. The payments provided for in SECTION 2 shall be effective for CPS Energy's gross receipts from electric and gas sales within the City commencing May 1, 2014, if this Franchise Agreement is adopted by the City on or before April 30, 2014, or otherwise shall be effective for CPS Energy's gross receipts from electric and gas sales within the City commencing the first day of the month following adoption by the City.

Section 4. Except as amended by Sections 1, 2, and 3 of this ordinance, Ordinance #011410-01 is ratified.

Section 5. This Ordinance shall be effective upon passage and adoption.

PASSED AND APPROVED this 10th day of April, 2014.



TOM DALY, Mayor

ATTEST:


Kenneth E. Roberts, City Secretary

