



# Oncor Franchise Agreement

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**Chief of Staff**

23-2203; Dec. 5, 2023



# Background

- Non-exclusive franchise agreement is required for Oncor to operate in the City of Denton right of way
- Previous Franchise Agreement
  - Adopted: Dec. 18, 2012
  - Expired: Dec. 18, 2022
  - Provisions continued while City and Oncor negotiated new contract



# Agreement

- New agreement has substantial similarities between the previous agreement and agreements between Oncor and other cities
- Agreement provides for (among other regulations):
  - Conditions when Oncor may place facilities in the right of way
  - Maintenance and relocation of Oncor infrastructure
  - Emergency repairs
  - Record retention by Oncor and access by the City
- New Agreement expires Sept. 30, 2043



# Financial Information

- Oncor pay the City:
  - \$0.003002 per kilowatt hour of electricity delivered to customers within the City limits
  - Annual franchise fee of 4% on discretionary service charges
- Payments to City of Denton
  - January-December 2022: \$65,353
  - January-October: 2023: \$44,074



# Next Steps

- City of Denton Charter requires agreement to be read and approved at three (3) regular meetings before it becomes effective.
  - First reading: Nov. 7, 2023
  - Second reading: Dec. 5, 2023
  - Third and final reading: Feb. 6, 2023
- When approved, the new franchise agreement will be effective immediately after its passage, publication, and accepted by Oncor.