



Proposed Franchise Agreement with Universal Natural Gas

October 21, 2025



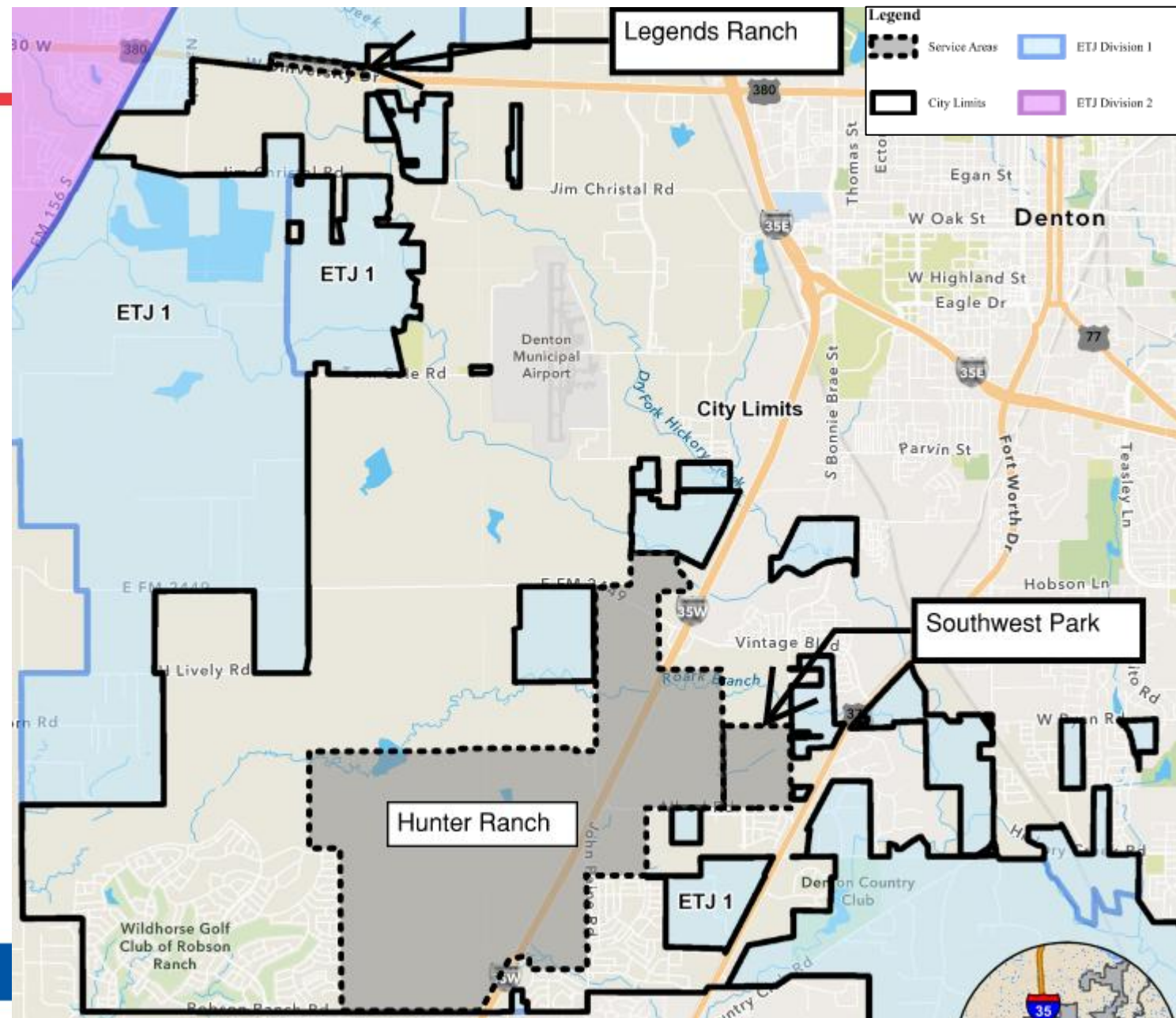
Background

- Franchise agreement allows a utility use of the City's public rights-of-way to install and maintain its equipment and provide services to customers.
- Proposed agreement with Universal Gas, LLC, a new utility provider to the City of Denton.
- Universal Gas, LLC, will be providing natural gas services to the Hunter Ranch and Legends Ranch developments. Construction of facilities is underway.
- Proposed agreement structured after the City's current Franchise agreement with Atmos Gas.



Proposed Service Area

- Hunter Ranch
- Legends Ranch
 - Portion within City Limits
- Southwest Park



Proposed Terms

Term	Proposed	Notes
Agreement Term	10 years, with the option of one (1) additional 5-year term	
Use of the Right-of-Way	City grants access for use but maintains control of the ROW and permitting is required	ROW Management Ordinance
Mapping of Distribution System	Provide notice of planned ROW construction and maintain records of installation	Quarterly reports for an upcoming 2 year period
Relocation of Buried lines and assets	City can require the Company to relocate facilities or the City may impact facilities in the event of an emergency	Company is full responsible for the cost of repairs or relocations.
Franchise Payment	Amount Equal to 5% of Company's Gross Receipts	Paid Quarterly, excludes permit fees
Southwest Park	Connection to the Southwest Park at the Company's cost	



Next Steps

- Requires three (3) approvals of the ordinance by City Council
 - September 16, October 21, December 2
- Universal Gas, LLC must publish the ordinance in its entirety in the Denton Record Chronicle for three (3) consecutive weeks.
- If approved, Universal Gas, LLC must file an acceptance letter with the City Secretary within 60 days, and the Franchise Agreement is effective after this filing.
- Staff recommends approval of the proposed ordinance
 - Continue the ordinance approval at the December 2 City Council Meeting



Questions?

Charlie Rosendahl

Interim Director of Development Services

Development Services

