



TO: T.C. Broadnax, City Manager
FROM: Kurtis D. Kingsolver, P.E., Public Works Director/City Engineer / *KDK*
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COPY: City Council and City Clerk
SUBJECT: Ordinance – Puget Sound Energy Gas Franchise Renewal – August 25, 2015
DATE: August 4, 2015

SUMMARY:

An ordinance approving the renewal of a franchise between the City of Tacoma and Puget Sound Energy for gas pipelines and facilities.

STRATEGIC POLICY PRIORITY:

- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Assure outstanding stewardship of the natural and built environment.

Renewing the franchise allows Puget Sound Energy (PSE) to continue to serve citizens and businesses within the City of Tacoma (City). The renewal also serves to protect City infrastructure.

BACKGROUND:

In 1984, PSE was assigned an existing franchise within the City by Washington Natural Gas Company, the owner at that time. This franchise term expired in June 2009. Prior to the expiration, the City and PSE began negotiating terms for a renewal franchise for existing and future PSE gas pipelines and facilities located within City rights of way. Negotiations have concluded, and both parties have agreed to all terms as presented. A presentation by Real Property Services and the City Attorney’s Office regarding this franchise is scheduled for Government Performance and Finance Committee on August 19, 2015.

ISSUE:

Pursuant to TMC 12.02 Franchises, City Council approval is required before the City can proceed with the franchise renewal with PSE.

ALTERNATIVES:

City Council could elect to not approve the renewed franchise and can instead require PSE to go through standard City Work Order processes and obtain Street Occupancy Permits for all work and facilities within the City rights of way. This alternative would increase timelines and costs to PSE, and would substantially increase City staff workloads.

RECOMMENDATION:

The Public Works Department recommends City Council approve this request to execute the renewed franchise between the City and PSE.

FISCAL IMPACT:

There is no fiscal impact.