

1 Introduced by Council Member Salem:
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4 **ORDINANCE 2024-436**

5 AN ORDINANCE GRANTING TO PEOPLES GAS SYSTEM,
6 INC. ("PEOPLES GAS"), ITS SUCCESSORS AND
7 ASSIGNS, A NON-EXCLUSIVE NATURAL GAS FRANCHISE
8 AGREEMENT FOR USE OF THE RIGHTS-OF-WAY OF THE
9 CITY OF JACKSONVILLE, FLORIDA; APPROVING, AND
10 AUTHORIZING THE MAYOR AND CORPORATION SECRETARY
11 TO EXECUTE AND DELIVER, THAT CERTAIN NATURAL GAS
12 FRANCHISE AGREEMENT BETWEEN THE CITY OF
13 JACKSONVILLE AND PEOPLES GAS TO PROVIDE THE
14 TERMS AND CONDITIONS UNDER WHICH SAID FRANCHISE
15 MAY BE EXERCISED; PROVIDING FOR CITY OVERSIGHT
16 BY THE PLANNING AND DEVELOPMENT DEPARTMENT,
17 DEVELOPMENT SERVICES DIVISION; DIRECTING THE
18 LEGISLATIVE SERVICES DIVISION TO FORWARD THE
19 ENACTED ORDINANCE TO THE DEVELOPMENT SERVICES
20 DIVISION OF THE PLANNING AND DEVELOPMENT
21 DEPARTMENT; PROVIDING AN EFFECTIVE DATE.
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23 **WHEREAS,** the City is authorized to award a franchise agreement
24 when there is a request for significant use of the City's rights-of-
25 way for operation of a utility pursuant to Chapter 711, *Ordinance*
26 *Code*; and

27 **WHEREAS,** Peoples Gas System, Inc. ("Peoples Gas") was
28 initially granted a franchise to use the City's rights of way by
29 Ordinance 2003-1103-E, and said franchise was subsequently extended
30 by Ordinances 2013-532-E and 2013-725-E with an expiration date of
31 March 31, 2024; and

1 **WHEREAS,** Peoples Gas, desires to continue using the City's
2 rights-of-way for operation and maintenance of a subsurface natural
3 gas distribution system; and

4 **WHEREAS,** the franchise agreement was administratively extended
5 by an additional six months through September 30, 2024 to allow time
6 for a new franchise agreement to be prepared; and

7 **WHEREAS,** it is anticipated that Peoples Gas will continue to
8 invest in the natural gas distribution system located within the
9 City's rights-of-way, and therefore the utility has requested a new
10 franchise be granted for a 30 year term; and

11 **WHEREAS,** pursuant to Chapter 711, *Ordinance Code*, franchise
12 agreements for a period in excess of two years require Council
13 approval; and

14 **WHEREAS,** the Council hereby grants a non-exclusive franchise
15 to Peoples Gas for the continued operation of a natural gas
16 distribution system in the City's rights-of-way as further described
17 herein; now therefore

18 **BE IT ORDAINED** by the Council of the City of Jacksonville:

19 **Section 1. Grant of Non-Exclusive Franchise.** The City
20 hereby grants to Peoples Gas a non-exclusive right, privilege and
21 franchise to lay, erect, construct, operate and maintain a natural
22 gas distribution system within the City in accordance with the terms,
23 conditions and authorizations outlined in the Natural Gas Franchise
24 Agreement Between City of Jacksonville and Peoples Gas System, Inc.
25 (the "Franchise Agreement") in substantially the form attached hereto
26 as **Exhibit 1** and incorporated herein by this reference.

27 **Section 2. Approval and Authorization.** There is hereby
28 approved, and the Mayor and Corporation Secretary are hereby
29 authorized to execute and deliver, the Franchise Agreement which
30 authorizes Peoples Gas to locate and operate its natural gas system
31 within the City's rights-of-way to service individual customers

1 subject to the terms and conditions outlined in the Franchise
2 Agreement. In exchange for the use of the City's rights-of-way,
3 Peoples Gas shall pay a franchise fee in an amount equal to six
4 percent (6%) of the company's gross revenue, less any adjustments for
5 uncollectable accounts, from the sale of natural gas to customers
6 within the corporate limits of the City.

7 **Section 3. Oversight.** The Planning and Development
8 Department, Development Services Division, shall oversee the
9 Franchise Agreement described herein.

10 **Section 4. Directive to Legislative Services Division.** The
11 Chief of Legislative Services is hereby directed to provide a copy
12 of this legislation, once enacted, to the Development Services
13 Division of the Planning and Development Department.

14 **Section 5. Effective Date.** This Ordinance shall become
15 effective upon signature by the Mayor or upon becoming effective
16 without the Mayor's signature.

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18 Form Approved:

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20 /s/ Mary E. Staffopoulos

21 Office of General Counsel

22 Legislation Prepared By: Mary E. Staffopoulos

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