

BOARD OF ALDERMEN

ITEM NO. B(2)

AGENDA ITEM ABSTRACT

MEETING DATE: November 9, 2004

TITLE: Public Service Gas Franchise

DEPARTMENT: Public Works	PUBLIC HEARING: YES or NO <input checked="" type="checkbox"/>
ATTACHMENTS: A. Ordinance	FOR INFORMATION CONTACT: Mike Brough, 929-3905 George Seiz, 918-7427

PURPOSE

The purpose of this item is for the Board of Aldermen to adopt an ordinance granting a franchise to Public Service Company of North Carolina, Incorporated (a subsidiary of Scana Corporation) to continue to operate a natural gas utility system with the Town of Carrboro.

SUMMARY

The previous franchise granted to PSNC to operate a natural gas utility within the Town, which had been in effect for fifty years, expired last year. Town and PSNC representatives have been engaged since then in intermittent discussions to reach agreement on a new franchise. The product of those discussions is attached.

Like other privately owned utilities, PSNC is regulated by the North Carolina Utilities Commission. Therefore, the costs of its services, its obligations to extend its services to new customers, and other service related matters are all covered by the rules and regulations of the Commission. The Franchise Ordinance deals primarily with the control of the Town's streets. It requires prior notification to the Public Works Director before work is undertaken by the company within the Town's rights-of-way, and imposes the cost of any repairs to the streets on the company. The term of the new franchise is thirty years.

ACTION REQUESTED

Pursuant to G.S. 160A-76, an ordinance granting a franchise must be passed at two regular meetings of the Board. The Board is requested to adopt the ordinance on its first reading.

STAFF RECOMMENDATION

The town staff recommends adoption of the attached ordinance.