



CITY OF LAKE FOREST PARK

CITY COUNCIL

AGENDA COVER SHEET

Meeting Date	July 14, 2022
Originating Department	Public Works
Contact Person	Jeff Perrigo, Public Works Director Kim Adams Pratt, City Attorney
Title	Ordinance 1242 Authorizing the Mayor to Sign a non-exclusive Franchise Agreement with Puget Sound Energy, Inc. for providing electric and natural gas service.

Legislative History

- First Presentation June 23, 2022 Regular Meeting
 - Second Presentation July 14, 2022 Regular Meeting
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Attachments:

1. Ordinance 1242
 2. Exhibit A to Ordinance – Franchise Agreement
 3. Map of PSE Electric Service Area
 4. Map of Seattle City Light Service Area
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Executive Summary

This is the City Council's second touch considering a proposed franchise with Puget Sound Energy (PSE) for electric and natural gas service to Lake Forest Park. The proposed Franchise includes a fifteen-year term with the possibility of two extensions of five years each. The Franchise grants PSE the right to use public roads within the City to construct and operate its natural gas and electric transmission facilities. The terms of the Franchise include obtaining right-of-way permits from the City prior to performing work, a process for removing decommissioned poles, a process for decommissioned natural gas lines to be "located" for individuals installing or repairing underground utilities, relocation of PSE facilities when the City undertakes improvement projects; and requires a performance bond from PSE.

Background

RCW 35A.11.020 grants the City broad authority to regulate its right-of-way by. The City is authorized by RCW 35A.47.040 to grant nonexclusive franchises for use of the right-of-way for facilities to transmit natural gas and electricity for public service. The City is prohibited by RCW 35.21.860 from charging a franchise fee for use of the right-of-way for this type of franchise, except for administrative expenses and other fees such as right-of-way permit fees. The City is also authorized by chapter 35.21 RCW and chapter 3.18 of the LFPMC to impose a utility tax on electric energy and natural gas.

The City's previous franchise for natural gas was with PSE's predecessor Washington Natural Gas Company, which ran from 1988 to 2013. PSE provides electric transmission services to the area in the City shown on the PSE service area map attached. Seattle City Light provides electricity to the remaining customers in the City as shown on the Seattle City Light service area map attached. Its most recent franchise with the City was entered into in 2015 and expires in 2030.

Fiscal & Policy Implications

Alternatives

<i>Options</i>	<i>Results</i>
Authorize the dual franchise with PSE	Mayor will execute the franchise with PSE and both parties will work under its terms for the next 15 years with an option for two extensions of five years each.
Decline to authorize the dual franchise with PSE	Decline to authorize the dual franchise with PSE

Staff Recommendation

The Administration recommends approval of Ordinance 1242 authorizing the Mayor to sign the Franchise Agreement with Puget Sound Energy for providing electric and natural gas transmission services.