



AGENDA ITEM COMMENTARY

MEETING NAME: City Council
MEETING DATE: February 2, 2026
ITEM TITLE: Consider and take appropriate action on Ordinance No. 2026-002

AN ORDINANCE GRANTING TO ATMOS ENERGY CORPORATION, A TEXAS AND VIRGINIA CORPORATION, ITS SUCCESSORS AND ASSIGNS, A FRANCHISE TO CONSTRUCT, MAINTAIN, AND OPERATE PIPELINES AND EQUIPMENT IN THE CITY OF WOLFFORTH, LUBBOCK COUNTY, TEXAS, FOR THE TRANSPORTATION, DELIVERY, SALE, AND DISTRIBUTION OF GAS IN, OUT OF, AND THROUGH SAID CITY FOR ALL PURPOSES; PROVIDING FOR THE PAYMENT OF A FEE OR CHARGE FOR THE USE OF THE PUBLIC RIGHTS-OF-WAYS; AND PROVIDING THAT SUCH FEE SHALL BE IN LIEU OF OTHER FEES AND CHARGES, EXCEPTING AD VALOREM TAXES; AND REPEALING ALL PREVIOUS GAS FRANCHISE ORDINANCES.

STAFF INITIATOR: Randy Criswell, City Manager

BACKGROUND:

Attached as an exhibit, you will find the new Atmos Energy Franchise Agreement. The new agreement contains some differences from the prior version but isn't significantly different. Here's a brief summary:

- 20-year term ending February 28, 2046
- Atmos is required to obtain street excavation or other permits for construction, but no fee will be charged
- City has authority to require Atmos to move facilities to facilitate City projects, at their cost unless some type of reimbursement from a third party is available
- Franchise fee is 5%, submitted quarterly
- If Atmos agrees to a municipal franchise with another city with a higher franchise fee, we have the right to negotiate similar
- Atmos's right to use City property is slightly more restricted than the prior agreements

EXHIBITS:

Atmos Franchise

Ordinance

COUNCIL ACTION/STAFF RECOMMENDATION:

Staff recommends adoption of the Ordinance and Franchise Agreement with Atmos Energy as presented.