

Granting a Franchise to Arizona Public Service Company (APS)

Question 1, November 3, 2026 Election



CHANDLER
arizona
Community of Innovation

This document is provided for informational purposes only. **The City of Chandler does not support nor oppose any ballot measure.**

BALLOT QUESTION 1 FACTS

- The November 3, 2026 election gives Chandler voters the opportunity to approve or reject a 25-year franchise agreement with Arizona Public Service (APS) on the ballot as Question 1.
- The Franchise permits APS to use Chandler right-of-way to build, maintain, and operate APS' system.
- APS provides Chandler with a 2% franchise fee that supports city services and costs associated with rights-of-way work.
- APS currently operates in Chandler under a 25-year franchise agreement that is expiring soon.



ABOUT FRANCHISE AGREEMENTS

Franchise agreements aim to prioritize essential electric service so that it can be delivered safely and reliably. The agreement also outlines APS' rights-of-way usage so it is done safely, efficiently and in compliance with local regulations.



Franchise Agreement Funding.

As part of a franchise agreement, APS provides two percent of the revenue collected from customers within city limits to the local government. Cities use these funds to support services such as road improvements, community and economic development and public facilities.



Long-Term Planning.

Access to public rights-of-way enables APS to maintain and upgrade its electric infrastructure. A 25-year franchise agreement provides long-term stability for both the City and APS, supporting coordinated planning, infrastructure improvements, and reliable service for the community.



Responsible Use of Public Spaces.

Public rights-of-way are shared spaces that belong to the community and are managed by local governments. Franchise agreements help ensure APS uses these spaces efficiently, safely and in compliance with local requirements. This helps protect neighborhoods and the infrastructure.



Electric Rates.

Approving a franchise agreement does not increase electric rates for customers and does not increase APS revenues.



Coordination of Work.

Franchise agreements support coordination between APS and local governments when work is needed in streets and neighborhoods. This coordination helps reduce disruptions, improve safety around work areas and ensure public spaces are restored after construction or maintenance.

APS Franchise Fee Revenues

Actual:

FY 2022-23 – \$529,376

FY 2023-24 – \$537,763

FY 2024-25 – \$638,080

FY 2025-26 – \$636,768

Budgeted:

FY 2026-27 - \$650,000



Frequently Asked Questions

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What is a franchise agreement?

A franchise agreement is a voter approved contract that allows APS to use public rights-of-way to provide electric service while outlining responsibilities, oversight, and community benefits.



Will the franchise agreement affect my electric rates?

No. Approving a franchise agreement does not increase electric rates.



Why do voters approve franchise agreements?

The Arizona Constitution requires voter approval of municipal franchise agreements.



Does APS have franchise agreements with other communities?

Yes. APS has franchise agreements with 54 municipalities and all 11 counties across Arizona.



How long does a franchise agreement last?

Per the Arizona Constitution, franchise agreements are established for a maximum 25-year term.



I am not a APS customer. Why am I voting on this question?

A franchise agreement is a contract between the City and APS that governs the use of public streets, alleys and other rights-of-way, which belong to the community and are managed by the City on behalf of all residents, not just APS customers. For that reason, the measure is included on the ballots of Chandler voters outside the APS service territory.



What is a public right-of-way?

Public rights-of-way include streets, alleys and roadways used for transportation and essential services. These shared spaces make it possible to deliver electricity, water, communications and other services to the community. Franchise agreements help manage how utilities use these spaces so they remain safe, accessible and well maintained.



What happens if the franchise voting is not approved?

APS would continue to provide electric service. However, the City and APS would need to negotiate terms for APS's access to public rights-of-way. Without an agreement in place, routine maintenance, system upgrades, long-term planning, emergency, timelines for construction, maintenance and restoration, including during power outages, would not be governed by a comprehensive agreement.



How does the City benefit?

Franchise agreements include a two percent franchise fee based on revenue collected from customers within city limits. Cities use these funds to support infrastructure, services, and long term community needs.

Payments to the City associated with work performed in public rights-of-way would be suspended until a new agreement is approved, and a new agreement would need to be brought before voters.

