

MUNICIPALITY OF ANCHORAGE
Planning Department
Memorandum

DATE: April 25, 2019

TO:  Michelle J. McNulty, Planning Director

FROM:  Francis McLaughlin, Senior Planner

SUBJECT: Case 2019-0060, ML&P Five Year Undergrounding Plan for 2019-2023

APPLICANT: Municipal Light & Power

RECOMMENDATION SUMMARY: Accepted

Municipal Light and Power is requesting an administrative review of their five year undergrounding plan for 2019-2023, in accordance with AMC 21.07.050F. and 21.07.050G. for Utility Distribution Facilities.

Municipal Code Requirements:

21.07.050A. Underground Placement Required for New or Relocated Lines

1. Except as provided in subsection B. below, all newly installed or relocated utility distribution lines (as defined in section 21.14.040) shall be placed underground.
2. Utility distribution lines owned or operated by utilities that are parties to a joint trench agreement shall be placed underground in a joint trench.
3. Nothing in this section restricts the maintenance, repair, or reinforcement of existing overhead utility distribution lines.

21.07.050F. Designation of target areas

1. **An electric utility that owns poles that support nonconforming utility distribution lines shall prepare or otherwise include as part of its annual capital improvement plan, a five-year undergrounding program consistent with subsection G. below. This five-year program shall be updated on an annual basis. Priorities shall be based on undergrounding in conjunction with the electric utility's essential system improvements and then by target area as set forth below in no particular order. The director of the planning department shall provide review and comment for consideration by the electric utilities on these five-year programs. When reviewing and commenting on these programs the director shall consider the following factors in no particular order:**

- a. Whether undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric distribution or other attached utility facilities.**

Complies. The submittal includes photographs of the overhead lines to aid in evaluating whether the proposed undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric distribution or other attached utility facilities.

- b. Whether the street or general area is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic.**

Complies. The Gambell Street, Benson Boulevard, E Street to C Street, Arctic Boulevard and 27th Avenue projects meet this criterion. Approximately 95% of the overhead lines within ML&P's service area are located in residential areas. Thus, many of the projects are located in residential neighborhoods or the alleys of commercial areas. These projects do not carry either a heavy volume of pedestrian or vehicular traffic.

- c. Whether the appearance of grounds and structures adjacent to the roadway is such that the removal of the overhead facilities will substantially improve the general appearance of the area.**

Complies. Each of the projects that are proposed will improve the grounds and the structures and will substantially improve the general appearance of the area.

- d. Whether the street or area affects a public recreation area or an area of scenic interest.**

Complies. The park environments for Elderberry Park, Nulbay Park, Delaney Parkstrip, Mountain View Lions Park, Arctic Benson Park, and Frontierland Park will be improved with the undergrounding of the poles and lines.

- e. Whether there is a significant opportunity to achieve economies due to the anticipated relocation or replacement of overhead lines or the widening or realignment of streets within a given area.**

Complies. ML&P is undergrounding overhead lines along Inlet Place in coordination with an AWWU Water Rehabilitation Project and along Gambell Street in coordination with AK DOT&PF.

f. Whether the five-year program sufficiently addresses the objectives of subsection G. below – Nonconforming Overhead Lines.

Complies. See review below of G. Nonconforming Overhead Lines.

g. Whether the area under consideration is within a zone where new and relocated distribution lines are required to be placed underground.

Complies. The proposed undergrounding involves existing lines that are not required to be relocated and are not new lines which are required to be undergrounded.

h. Whether the installation of underground distribution lines is economically, technically and environmentally feasible, including the effect on an attached utility.

Complies. ML&P believes the projects proposed are economically and technically feasible. The environmental effects are unknown until a design is actually underway; however ML&P presumes the projects will also be environmentally feasible. The lack of participation from another attached utility on a particular project is usually blamed as economically unfeasible by the attaching utility. ML&P has hosted multiple meetings with the attached utilities and has encouraged input to shape the Title 21 five year plan so all utilities can have a successful feasible project.

i. Whether undergrounding will avoid or eliminate overhead electric distribution or other attached utility facilities in a residential area with significant risk exposure to wildfire, high winds, or other natural disaster.

Complies. The plan indicates that the 24th Avenue and Glacier Street project is located inside the highest wind speed in ML&P territory.

2. The director shall confirm annually that the electric utilities have developed project undergrounding implementation plans. The director shall consult with the utilities and public agencies affected by any implementation plan. In reviewing implementation plans, the director shall consider the factors stated in subsection F.1. above.

Complies. Annual plans have been submitted by ML&P since the adoption of the ordinance amendment requirements of March 1, 2005 (AO 2005-02).

3. The following shall be the target areas:

- a. **Central Business District: between and including Third Avenue and Tenth Avenue and L Street and Ingra Street.**
- b. **Midtown area: between and including New Seward Highway and Minnesota Drive and International Airport Road and Fireweed Lane.**
- c. **All municipal and state street improvement projects except for those which do not require relocation of utility distribution facilities.**
- d. **The following major traffic corridors:**
 - i. **Old Seward Highway.**
 - ii. **Ingra and Gambell Streets between and including Ninth Avenue and Fireweed Lane.**
 - iii. **Northern Lights Boulevard and Benson Boulevard between and including Glenwood Street and Arlington Drive.**
 - iv. **Muldoon Road between and including New Glenn Highway and Patterson Street.**
 - v. **Tudor Road between and including Patterson Street and Arctic Boulevard.**
 - vi. **Boniface Parkway between and including 30th Avenue and New Glenn Highway.**
 - vii. **Spenard Road between and including Hillcrest Drive and International Airport Road.**
 - viii. **Arctic Boulevard between 17th Avenue and Tudor Road.**
 - ix. **Lake Otis Parkway between Tudor Road and Abbott Loop**
- e. **All park, recreational use and scenic interest areas.**
- f. **Eagle River Central Business District between and including the New Glenn Highway, North Eagle River Access Road, Aurora Street as extended to the Old Glenn Highway, and the Old Glenn Highway.**
- g. **Any area where utility distribution facilities are provided by more than one utility as a result of mergers and boundary changes approved by the state public utilities commission.**
- h. **School and university areas.**
- i. **Any residential area with significant risk exposure to wildlife, high winds, or other natural disaster.**

Complies. The proposed undergrounding projects are located along some major traffic corridors and parks. Projects in the Central Business District include 3rd Avenue, 4th/5th Alley, Frontierland Park, and 7th/8th Alley. The Benson Project is also in Midtown. The Central Business District and Midtown are within Target Areas.

21.07.050G. Nonconforming overhead lines

1. **An electric utility that owns poles that support nonconforming utility distribution lines shall remove the poles and place those lines underground. Any other utility that attaches to such poles shall place**

its lines underground at the same time that the pole owner places lines underground.

The memorandum from ML&P states that for projects completed in 2018 at 3rd and 4th Alley and Bootleggers Cove that poles were left up because the attached communications lines did not remove their facilities and the street lights remained on the pole. ML&P did not cut the top of the pole off because of the cost (approximately \$300 per pole) and because communications companies previously complained that they wanted to raise low hanging wires on the pole to provide more above ground clearance. Ownership of the poles were transferred to the remaining attached utility.

- a. **The electric utility that owns poles shall, in each fiscal year, expend at least two percent of a three-year average of its annual gross retail revenues derived from utility service connections within the municipality, excluding toll revenues, revenues from sales of natural gas to third parties, and revenues from sales of electric power for resale for purposes of undergrounding nonconforming lines. An electric utility's expenditures, pursuant to AS 42.05.381(h), within the Municipality of Anchorage, shall be counted toward satisfaction of the two percent expenditure required by this subsection.**

Complies. ML&P's report shows that the 2% expenditure has been occurring as required.

- b. **A utility with lines attached to a pole that is to be removed under this subsection shall place its lines underground at the same time that the pole owner places its lines underground. To underground nonconforming utility lines, an attached utility shall not be required to expend more than two percent of its annual gross retail revenues derived connections within the municipality, excluding toll revenues. For the purpose of satisfying 21.90.070, the utility's expenditures pursuant to AS 42.05.381(h) within the Municipality of Anchorage are counted toward this two percent expenditure limit.**

The memorandum dated March 22, 2019 states that the attached utilities were not placed underground last year for two projects because the attached telecommunications utility did not to participate at the same time as the projects.

- c. **The electric utility that owns poles may choose which existing lines to underground in order to fulfill the two percent expenditure**

requirement, in consultation with appropriate public agencies and any other utilities.

Complies. ML&P determines which lines to underground based on a set of factors. The plan notes that an evaluation review sheet is used to assess potential projects and facilities for priority decisions made by a Review Committee. Some of the factors considered in project evaluations are included in the plan.

- d. An electric utility that owns poles that does not expend the amount required in subsection A. of this section, or that expends more than that amount, may carry over the under expenditure or over expenditure as an adjustment to the following year's obligation.**

Complies. The three year requirement indicates an under expenditure of \$1.636 million. ML&P will carry over the under expenditure that is required with the intention to spend it in 2019. ML&P is projected to spend \$3.39 million in 2019.

Review Agency Comments

The comments from reviewing agencies are enclosed. No objections were received from reviewing agencies.

Department Comments

The Division finds that the five year (2019 – 2023) Distribution Facilities Undergrounding Plan from ML&P generally complies with the requirements and intent of AMC 21.07.050F and 21.07.050G.