



CITY OF WASILLA

290 E. HERNING AVE.

WASILLA, ALASKA 99654-7091

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COUNCIL MEMORANDUM NO. 93-110

From: Deputy Administrator
Date: November 15, 1993
Subject: Ordinance No. 93-41 - Undergrounding Utilities

Proposed Ordinance no. 93-41 pertaining to requiring underground placement of utility lines was introduced on November 8, 1993 for public hearing on November 22, 1993.

Since last Council meeting we have received comments and suggestions for ordinance modification from the Director of Engineering at Matanuska Electric Association. A brief discussion of the salient requests/recommendations follows:

Request 1. The City should pay MEA for the difference between the cost of underground and overhead construction because only the citizens of Wasilla are benefitted.

Comment: Administration recommends rejection of this request because anyone using the City for shopping, commercial activity, recreation or as a transportation corridor will benefit from improved visual esthetics. No comment was made to probable lower maintenance costs in the long term, thus possibly benefitting all customers. Lastly, the requirement to underground may well be considered a reasonable condition of placing utilities within the City rights-of-way as provided by state law and thus considered a normal operating cost.

Request 2. The definition of "relocation" as a change in one pole or two spans is too restrictive.

Comment: Agree. The intent was to require undergrounding only in the event of relocating two or more poles or three or more spans. The regulation should be changed to reflect the intent.

Request 3. The Wasilla ordinance would require all new service drops to be undergrounded. The Anchorage ordinance allows overhead service drops if they are from existing overhead distribution lines.

Comment: The Anchorage ordinance requires that designated "target" areas of the City be undergrounded each year. At that time, all overhead service drops in the "target" area are placed underground. It seems that it would be less expensive and intrusive to underground all new service drops when a new building is constructed rather than re-route external wiring and service connections possibly far in the future when the distribution lines are eventually undergrounded.


Request 4. The requirement to replace older lines and poles rather than upgrade is more restrictive than Anchorage's designation of target areas within which all facilities must be undergrounded within a set time period, usually 10 years.

Comment: The Wasilla proposal does not require the expenditure of up to 4% of annual gross revenue to underground utilities within a target area as does the Anchorage ordinance. Our proposal only requires undergrounding of existing lines when they are valued at less than 25% of the cost of the proposed construction or upgrade which means that they are old or "aged" facilities or if the proposed upgrade is extensive in terms of cost.

We have not had an opportunity to conduct direct discussions with MEA representatives to examine the issues in more depth. Recommend that Council receive comments during the public hearing and that the Administration revise the proposed ordinance after direct discussions with MEA in an effort to resolve or clarify the issues. The ordinance, with recommended revisions, should then be scheduled for further consideration in December, 1993.



Robert E. Harris
Deputy Administrator



**Matanuska Electric
Association, Inc.**

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NOV 8 - 1993

City of Wasilla, Alaska

November 5, 1993

Mr. Robert E. Harris
Deputy Administrator
City of Wasilla
290 E. Herning Avenue
Wasilla, Alaska 99654-7091

Dear Mr. Harris:

Subject: Proposed Utility Undergrounding Ordinance

We have reviewed the draft ordinance for placing utilities underground within the City of Wasilla that you sent with your letter of September 27, 1993. We appreciate your sending us the draft and giving us the opportunity to comment.

It will not be the intent of Matanuska Electric Association, Inc. (MEA) in this letter to try to dissuade the City of Wasilla from enacting an undergrounding ordinance. Rather, we will attempt to offer some comments and provide information that you may want to consider as you craft your ordinance. One comment that warrants mentioning, even though I am sure you are aware of it, is that the difficulties and costs of burying electric lines are much different than for other utilities because of the material and methods needed to carry high voltages and provide the necessary protections. In general, the cost of installing underground electric distribution lines ranges from two times to four times the cost of overhead, and in unique cases, such as where concrete ducting is required, the cost can be as much as ten times the cost of overhead construction.

As a basic premise, overhead construction of electric distribution lines provides the most efficient and cost effective means for extending and maintaining the delivery of electric service. MEA, as a member-owned cooperative, is obligated to its members to operate as efficiently and cost effectively as it can. In this regard, therefore, we would not be opposed philosophically to an undergrounding ordinance in Wasilla as long as the City is willing to cover any extra costs to MEA that are incurred as a direct result of the ordinance. Not all construction projects, however, would require City participation in the extra costs, as explained below.

There are three basic scenarios under which MEA constructs new distribution lines. They are, 1) line extensions requested by individuals or developers, 2) relocations precipitated by public projects such as municipal or State road improvement or

water/sewer projects, and 3) line extensions or upgrades undertaken as system improvements to improve reliability or to respond to increased demand.

Line extensions requested by individuals or developers are paid for entirely by the individual or developer. Therefore, the extra cost of undergrounding a new line in this type of instance is paid for by the user and does not impact the rate base.

Relocations are paid for by the municipal or state agency as a part of the capital cost of the public improvement project, and so the undergrounding ordinance would not affect our customers through the rate base in projects of this type.

System improvements, however, are budgeted in Construction Work Plans that are approved by the MEA Board of Directors in the annual budget approval process. Since funding for system improvement projects is reflected in the MEA rate base, this is the one type of project where the added costs of undergrounding would be passed on to all MEA customers, including those outside the City. We do not think it is fair to have our system-wide rates affected by extra costs that are benefitting only the citizens of Wasilla.

Therefore, we would ask that the ordinance contain a provision requiring the City of Wasilla to reimburse MEA for the difference between the cost of underground and overhead construction for new lines constructed as system improvements in all cases where the lines are installed underground because of the ordinance.

The City may also want to consider a reimbursement provision for individual applicants for line extensions since, in our experience, we have found that people often have difficulty coming up with the required contribution in aid of construction for overhead line extensions, even for those involving as little as one or two spans of primary distribution line. The prospect of doubling or tripling the cost, I am sure, could cancel the project for many applicants.

Developers of subdivisions have frequently opted for underground distribution lines because they can add the cost to the sale price of the lots, and that seems to work satisfactorily where the quality of the subdivision is such that people are willing to pay the price of buried utilities. In other cases, a requirement to bury utilities in all new subdivisions is bound to deter some developers, resulting in slower growth in the City. This will, however, serve the goal of the ordinance by reducing the number of overhead distribution lines in the City.

In your cover letter to us you mentioned that the ordinance was modeled after the Municipality of Anchorage (MOA) undergrounding ordinance. While that appears to be true for the most part, there are some significant differences. The following are some comments on the specific provisions in the draft ordinance.

1. Section III.A.(6) of the draft defines "Relocation" as a change in alignment of more than one span. The MOA ordinance defines "Relocation" as a change in alignment of more than six spans. Under the Wasilla ordinance, a wiggle of a

Mr. Robert E. Harris
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November 5, 1993

single pole would trigger the undergrounding requirement since it would affect two spans. Was this intended?

2. The Wasilla ordinance would require all new service drops to be undergrounded. The MOA allows overhead service drops if they are from existing overhead distribution lines.
3. The MOA ordinance allows unlimited upgrading of overhead distribution lines outside of target areas. Replacement or upgrading under the Wasilla ordinance cannot exceed 25% of the depreciated value of the existing line. This is considerably more restrictive than the MOA ordinance, and would be administratively burdensome to determine.

There are many other implications associated with undergrounding that are not discussed in this letter. I hope we can have an opportunity to meet with you and possibly some of the Wasilla council members to initiate some useful dialogue. As mentioned above, we have no intention of trying to block the enactment of an undergrounding ordinance. We do have an obligation, though, to try to work with you to the extent that we can to make sure the ordinance is fair to all our customers. I am sure you will agree that further discussion, beyond the scope of that which can be done in a single exchange of correspondence, will be mutually beneficial. I hope you will give me a call to set up a meeting.

Again, thank you for offering us the opportunity to comment.

Sincerely,



Robert W. C. Mau, P.E.
Director of Engineering

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ANCHORAGE ORDINANCE *file*

Chapter 21.90

UTILITY DISTRIBUTION FACILITIES

Sections:

- 21.90.010 Definitions.
- 21.90.020 Underground placement of utility distribution lines.
- 21.90.030 Variances.
- 21.90.040 Enforcement.
- 21.90.050 Nonconforming utility distribution lines.
- 21.90.060 Designation of target areas.
- 21.90.070 Placing nonconforming utility distribution lines underground.
- 21.90.080 Nonconforming utility distribution lines in municipal rights-of-way.
- 21.90.090 Conversion of service connections.

21.90.010 Definitions.

As used in Chapter 21.90:

- A. "CATV" means a utility that operates nonbroadcast facilities that distribute to subscribers the signals of one or more television broadcast stations.
- B. "Central office" means a utility facility where messages, impressions, pictures or signals are generated, received or controlled.
- C. "Distribution substation" means a utility facility where the electric voltage is transformed for distribution through a substation transformer.
- D. "Joint trench" means a trench excavated for the underground placement of utility distribution lines owned or operated by two or more utilities.
- E. "Municipal street improvements" means street construction projects within the right-of-way used by motor vehicles and funded by Anchorage.
- F. "Reinforcement" means repair, replacement or addition of a crossarm, guy, pole, stub or conductor for a utility distribution facility.

- G. "Relocation" means a change in alignment of more than six spans.
- H. "Service connection" means conductors transmitting utility service from a utility distribution line to a customer's riser or service entrance.
- I. "State highway project" means a highway project which has received design authorization from the Federal Highway Administration or legislative approval from the Alaska State Legislature.
- J. "Substation transformer" means a utility facility that transforms electric voltage to the level supplied to the distribution system.
- K. "Target area" means an area designated under Section 21.90.060 as a location in which overhead distribution lines are to be placed underground as provided in this chapter.
- L. "Utility" means a public utility as defined in AS 42.05.701 furnishing electric service or telecommunications service as defined in AS 42.05.701.
- M. "Utility distribution line" means all or any part of a conductor and supports owned or operated by a utility and used:
1. to transmit no more than 69 kilovolts of energy; or
 2. to transmit messages, impressions, pictures or signals by means of electricity or electromagnetic waves;

between a distribution substation or central office and the lot line of a customer's premises; excluding auxiliary equipment such as aboveground transformers, switching devices, pad-mounted distribution facilities and CATV power supplies. (AO 156-76 and 155-76, am AO 84-62, AO 86-17).

21.90.020 Underground placement of utility distribution lines.

- A. Except as provided in subsections B, C, D and E of this section, all newly installed or relocated utility distribution lines shall be placed underground.

- B. Except where an assessment district has been formed to convert overhead utility distribution lines as provided in Chapter 19.60:
1. Utility distribution lines need not be placed underground in the rural area defined in Section 21.85.020, or in the I-2 and I-3 zoning districts.
 2. CATV utility distribution lines need not be placed underground where there are other overhead utility distribution lines; provided that when all of the other overhead distribution lines are placed underground, the CATV utility distribution line shall be placed underground in a joint trench with the other utility distribution line.
 3. Notwithstanding paragraph 1 of this subsection B, the following area shall be subject to the provisions of subsection A of this Section 21.90.020 requiring that newly installed or relocated utility distribution lines shall be placed underground:
 - a. Lower Hillside: between and including Abbott Road, Rabbit Creek Road, Hillside Drive and the New Seward Highway.
- C. A new utility distribution line may be placed overhead when necessary immediately to restore service interrupted by accident or damage by flood, fire, earthquake or weather; provided that the utility distribution line shall be replaced by a utility distribution line conforming to this chapter within 12 months of its placement.
- D. A utility distribution line or service connection may be placed on the surface of frozen ground, provided that it is placed underground within 12 months thereafter.
- E. New facilities may be added to existing overhead utility distribution facilities located outside target areas.
- F. Utility distribution lines owned or operated by utilities that are parties to a joint trench agreement shall be placed underground in a joint trench.
- G. Nothing in this section restricts the maintenance, repair or reinforcement of existing overhead utility distribution lines.

- H. A temporary utility distribution line may be placed overhead in connection with new construction if the utility's tariff approved by the Alaska Public Utilities Commission expressly provides for removal of that line by a date certain, not to exceed twelve (12) months. (AO 156-76, am AO 84-62, AO 86-17, AO 92-10).

21.90.030 Variances.

- A. The Planning and Zoning Commission may grant a variance from subsection 21.90.020A when the Commission finds any of the following:
1. placing a utility distribution line underground would cause an excessive adverse environmental impact;
 2. placing a utility distribution line underground would threaten public health and safety, because the placement cannot be shown to meet acceptable technical standards for safety; or
 3. placing a utility distribution line underground in an environmentally sound and safe manner would cost more than three times the cost of placing the line overhead, where the applicant demonstrates the relative cost to the satisfaction of the commission.
- B. The director of the Department of Economic Development and Planning may grant a variance from subsection 21.90.020A when he finds that the utility distribution line is being placed overhead temporarily for one of the reasons listed in this subsection:
1. to provide service when weather conditions do not allow excavation for underground placement;
 2. a permanent location for underground placement is not available because of construction in progress; or
 3. to provide service to a temporary use or structure.
- A variance issued under this subsection shall expire within two years of its issuance.

- C. The Planning and Zoning Commission may adopt regulations in accordance with Chapter 3.40 of this code, delegating authority to grant variances under subsection A of this section to the director of Economic Development and Planning. (AO 156-76, am AO 84-62, AO 86-17).

21.90.040 Enforcement.

- A. Violations of this chapter are subject to all of the penalties and remedies for violations of this title set forth in Chapter 21.25.
- B. In addition to the penalties and remedies provided for violations of this chapter in subsection A of this section, no permit may be issued to install a utility distribution line on municipal property or in a municipal easement or right-of-way in violation of this chapter. (AO 156-76, am AO 84-62).

21.90.050 Nonconforming utility distribution lines.

Existing overhead utility distribution lines located where this title requires new or relocated utility distribution lines to be placed underground are nonconforming utility distribution lines and are subject to Section 21.90.070 through 21.90.090. No utility distribution line is a nonconforming structure or a nonconforming use of land or a structure under Chapter 21.55 because it is a nonconforming utility distribution line under this section. (AO 84-62).

21.90.060 Designation of target areas.

- A. The director of the Department of Economic Development and Planning shall submit to the Assembly a 10-year program designating target areas for the underground placement of nonconforming utility distribution lines. The 10-year program shall be resubmitted for Assembly review every five years. The Community Planning director shall consult with the utilities and public agencies affected by the program. The 10-year program and its revisions shall become effective when adopted by the Assembly as part of this chapter. In reviewing the 10-year program and its revisions, the Assembly shall consider the following factors:

1. whether undergrounding will avoid or eliminate an unusually heavy concentration of overhead distribution facilities;
 2. whether the street or general area is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic;
 3. 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;
 4. whether the street or area affects a public recreation area or an area of scenic interest;
 5. 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;
 6. whether the targeted areas are of sufficient size to allow the utility companies significant discretion in choosing those facilities that will be converted under Section 21.90.070;
 7. whether the area under consideration is within a zone where new and relocated distribution lines are required to be placed underground;
 8. whether the installation of underground distribution lines is economically, technically and environmentally feasible.
- B. The director of the Department of Economic Development and Planning shall prepare a two-year implementation plan which designates overhead utility distribution facilities within the target areas to be placed underground that two year period. The director shall consult with the utilities and public agencies affected by any implementation plan. Each two-year implementation plan shall be effective when approved by the Assembly. In reviewing a two-year implementation plan, and its revisions, the Assembly shall consider the factors stated in Section 21.90.060(A).

C. The following shall be the target areas through the year 1995:

1. Central Business District: between and including 3rd Avenue and 10th Avenue and L Street and Ingra Street;
2. Mid-town area: between and including New Seward Highway and Minnesota Drive and International Airport Road and Fireweed Lane;
3. all municipal and state street improvement projects except for those which do not require relocation of utility distribution facilities;
4. the following major traffic corridors:
 - a. Old Seward Highway
 - b. Ingra and Gambell Streets between and including 9th Avenue and Fireweed Lane
 - c. Northern Lights Boulevard and Benson Boulevard between and including Glenwood Street and Arlington Drive
 - d. Muldoon Road between and including New Glenn Highway and Patterson Street
 - e. Tudor Road between and including Patterson Street and Arctic Boulevard
 - f. Boniface Parkway between and including 30th Avenue and New Glenn Highway
 - g. Spenard Road between and including Hillcrest Drive and International Airport Road.
5. all those park, recreational use, and scenic interest areas designated in the two-year implementation plan.
6. 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.

7. any area where utility distribution facilities are provided by more than one utility as a result of mergers and boundary changes approved by the Alaska Public Utilities Commission. (AO 155-76, AO 156-76, am AO 82-49, AO 84-62, AO 86-17).

21.90.070 Placing nonconforming utility distribution lines underground.

- A. A utility owning or operating nonconforming utility distribution lines shall place those lines underground in accordance with the 10-year plan approved under Section 21.90.060; provided that a utility need not expend, except by special agreement, during any fiscal year of the utility, more than 4% of its gross revenues derived from service connections within the municipality (excluding toll revenues and revenues from sales of electric power for resale) during its preceding fiscal year to comply with this subsection.
- B. New service connections shall be placed underground in target areas designated under Section 21.90.060; provided that service connections may be installed overhead from October through May, if placed underground within one year of installation. (AO 155-76, am AO 84-62).

21.90.080 Nonconforming utility distribution lines in municipal rights-of-way.

- A. The Department of Public Works shall furnish to a utility owning or operating utility distribution lines all planning documents for municipal road construction which will require the relocation of those utility distribution lines.
- B. Upon adoption of Chapter 21.90 a utility installing a utility distribution line underground in material compliance with a right-of-way permit issued by the Department of Public Works, and in accordance with this chapter, the municipality shall reimburse the cost of any subsequent relocation of the utility distribution line required by municipal road construction.

- C. If municipal road construction requires the relocation of a nonconforming utility distribution line, the municipality, as part of the road construction project cost, shall reimburse the cost of the relocation. Reimbursable costs under this subsection include engineering and design, inspection, construction and general overhead costs, but exclude utility plant betterment costs. Plant betterment costs are the costs of providing utility distribution line capacity or quality beyond what current industry standards require for the capacity or level of service existing before the relocation. (AO 155-76, am AO 84-62).

21.90.090 Conversion of service connections.

A utility that places a nonconforming utility distribution line underground as required by Section 21.90.070 shall bear the cost of placing underground any related service connections or other utility facilities on a customer's premises, in accordance with the utility's applicable tariff or rules or regulations of operation. (AO 155-76, am AO 84-62).



CITY OF WASILLA

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MEMORANDUM

From: Wasilla Senior Advisory Commission

To: Wasilla City Council

Date: November 15, 1993

Subject: Support for Underground Power/Telephone/Cable Utilities

The Senior Advisory Commission voted unanimously at their regular meeting of November 15 to support the concept of requiring underground installation of power, telephone and cable lines.

John C. Stein, Mayor
Staff to the Commission

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NOV 2 - 1993

City of Wasilla, Alaska

Gary Thurlow
5630 Revolutionary Way
Wasilla, Alaska 99654
(907) 376-4552
October 30, 1993

Mayor John Stein
City of Wasilla
City Hall
Wasilla, Alaska

Re: Undergrounding of existing and new electric distribution lines

Dear John:

Stick to your guns on your proposal to underground electric utilities in Wasilla. I do not know of any California, Oregon or Washington city of any size which has not adopted such ordinances years ago. Anchorage adopted an ordinance requiring undergrounding of electric distribution (not transmission) lines in new residential subdivisions in 1972 and in 1975 added ordinances requiring the undergrounding of new lines through much of Anchorage whether they were for new residential subdivisions or not. (Residential areas with large acre zoning - 52 $\frac{1}{2}$ acres and larger or with very rocky conditions were exempted) They also required the gradual undergrounding of existing overhead distribution lines in key areas, primarily along arterials. They had to be undergrounded over a period of years. Transmission lines such as the high line running across Carr's parking lot did not have to be undergrounded because of the high cost of insulating the conductor within the cable. (A high voltage transmission line generates much more heat than a distribution line.)

If you assume it takes Wasilla about twenty years to catch up with other American cities of similar size then the time has just about come for Wasilla to consider an undergrounding ordinance.

During the six year Sullivan administration the Anchorage ordinance requiring undergrounding within new subdivisions was enforced but the rest was pretty well ignored. Bud Schultz, head of Chugach Electric, hated the idea and made it clear he intended to ignore it. He did ignore it and the Sullivan Administration did nothing to compel Chugach to comply. It required a little more of its own electric utility, but not much more. During the Knowles Administration Dale Merrill, redrafted the ordinances to meet objection so of the utilities (Schultz was gone by this time) and revised ordinances were adopted which the Knowles Administration enforced. I think Dale Merrill is now head of a large Washington state electric utility, maybe the Vancouver, Washington utility. Tom Starr of the Anchorage electric utility could tell you where Merrill is now. Merrill's work, analysis and proposed ordinances should be on file with the Anchorage

Municipal Clerk and with the Anchorage Electric utility.

Most of the undergrounding you see along Anchorage arterials and highways was done with federal primary and secondary highway monies and from legislative grants for widening and upgrading various Anchorage arterials. The same type of undergrounding of existing overhead lines could be done with federal ISTEAs monies in any Wasilla situation where existing poles have to be relocated. If there is going to be any ISTEAs money for upgrading Main Street and if it is going to be necessary to relocate utility poles, don't relocate the poles, insist that the State bury them using ISTEAs money! The cost of undergrounding was included as a widening and upgrading cost). The 2% fee had not generated much money by the early 1980's. If anyone thinks undergrounding doesn't make a difference they should compare pictures of Anchorage's Fourth Avenue in the 1950's when the streets were festooned with overhead lines as compared to Fourth Avenue after undergrounding.

I am sending you copies of the two ordinances which were introduced in Anchorage in 1975. They were enacted in about the same form as the ordinances which are enclosed. They are copied for the most part from two 1968 orders of the California Public Utilities Commission which in 1968 required California electric and telephone utilities to underground new distribution lines and to begin a program to underground existing overhead lines with the proceeds of a 2% statewide levy on utility billings for this purpose.

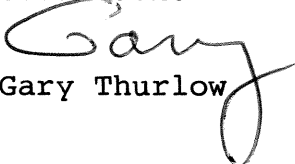
In 1975 I wrote to the California Public Utilities Commission to get the construction costs in California for undergrounding lines as opposed to building them overhead. Even as far back as 1968 there wasn't much difference in cost. What you had instead was a ferocious kneejerk institutional resistance to change as exemplified by Bud Schultz who then was working for a California electric utility. A neighbor of mine, Mr. Hiller, who constructed about a fourth of the houses in the area burned by the recent Oakland fire (Hiller Highlands above the Caldecott tunnel on the Oakland-Berkeley border) told me (and the California Public Utilities Commission in public hearings on mandated undergrounding) that his cost as one of the Bay area's largest developers for undergrounding new lines, including the ones for Hiller Highlands, were no greater than for overhead lines and in many cases lower. Hiller was convinced that annual maintenance costs for the buried lines were lower. You can get a copy of the current California Public Utilities Commission undergrounding order or orders by writing to the CPUC. They are headquartered in San Francisco or Sacramento.

You can get actual recent installation costs for overhead and underground electric distribution lines for the Mat-Su area. Ask Rex Turner how much it cost him to underground the lines in Equestrian Estates near Palmer and what it would have cost him if he went overhead. He could give you a lineal foot cost for underground and could probably give you an estimated linear cost

for overhead. In about 1986 I asked Gary Silvers of Silvers Engineering why the Native Coproration which developed the land chose to go with overhead at Mid-Town subdivision just east of the intersection of the Palmer-Wasilla Highway and Trunk Road. He had checked the costs and as a subdivision engineer wanted to go underground for many reasons; he was overridden by the manager of the corporation who had thought there might be some slight cost advantage going overhead. The developer forfeited a lot in value per lot by making this decision.

Finally, ask MTA what their experience has been with undergrounding telephone lines. Most Mat-Su residents have seen MTA's crews laying undergound lines and have an idea how it works. MTA used to build telephone lines overhead but no more. And ask MEA what their experience has been with Equestrian Estates buried lines. How much money has MEA spent in Equestrian Estates and other similar first class subdivisions in digging up and maintaining buried lines? And, how much has it spent in repairing blown down lines? The overhead lines in front of my house in Colonial Park Subdivision have been broken three times by falling trees knocked over by high winds - the last time the breaking of line caused a great deal of sparking and started a brush fire.

Good Luck.


Gary Thurlow

Wasilla has a line on ugly

Image-conscious city wants utilities buried

By PETER S. GOODMAN
Daily News reporter

In an effort to stop what many see as a spreading eyesore, the Wasilla City Council soon may force developers to bury utility lines underground when they put up new buildings.

Wasilla Mayor John Stein needed just one word to explain the reason for the proposed move: "aesthetics."

Bob Harris, the city administrator who drafted the measure about to reach the council, had a few more. "It's best to do it now, while the town's still young, rather than wait until you can't even see the sky because of all these damn ugly poles and lines overhead," he said.

The way utility company officials and developers figure it, the ordinance would increase the costs of housing and office space while jacking up utility rates for everyone. But it's not clear just how much more expensive all these things would be.

Tom Stahr, general manager of Municipal Light and Power, Anchorage's city-owned electric company, estimates that underground lines cost the consumer roughly twice as much as the overhead variety. "And that's based on large, densely populated lots," he said. "The further out in the country you get, the less economical it becomes."

Up-front costs associated with digging trenches and burying lines are higher, said Ken Ritchey, general manager for the Matanuska Electric Association, which serves the Matanuska-Susitna Borough and part of Anchorage. But after they are in place, underground lines may be cheaper to maintain. "You don't have winter storms knocking them down and cars running into poles," said Ritchey.

Not that underground lines are trouble-free.

"Overhead, if you know there's a bad line somewhere; you can see it," said Patti Bogan, a spokeswoman for Chugach Electric Association, which serves parts of Anchorage and the Kenai Peninsula. "But if it's underground, you've got to go and dig it up. In the winter, if you have to do anything, you have to steam-thaw the ground

Please see Page B-3, UTILITY

UTILITY: Lines may be buried

Continued from Page B-1

to get to the lines."

Despite the extra cost, no one has come out against the move to bury utility lines. In fact, a number of developers have been going underground voluntarily for years because it makes property more attractive.

"It's going to cost more, but I'm all for it," said Howard Nugent, president of Howdie Investments, a Wasilla real estate development firm. "I'm getting tired of the visual pollution. You look at some of the streets in Anchorage and ... well, it's ugly."

Visions like that are largely responsible for Wasilla's changed ways. In recent years, the city has been moving away from its traditional laissez-faire mentality.

"We have a difference in the type of people who are selecting Wasilla as a place to live," said Laura Chase, executive director of the Greater Wasilla Chamber of Commerce and a member of the city's planning commission. "People that are moving in seem to be progressive in nature. They're concerned about their freedom and yet they necessarily see the need for orderly planning in the city.

In recent months, the pace of Wasilla's development has turned from rapid to break-neck. Last year, the city issued 47 development permits. In the first eight months of this year alone, 74 such permits have been handed out.

"We have a lot of potential for growth," said Chase, "yet one thing that will never change is that this is not Anchorage." That sentiment, she said, makes people willing to accept greater regulation.

The proposal is modeled on an Anchorage utility ordinance, though Wasilla's version is less restrictive. It requires underground utilities for new construction, but, unlike the Anchorage ordinance, says nothing about conversion from overhead to underground lines except in cases of major overhauls.

Conversion of Anchorage lines has moved slowly, in part because of an exemption in cases where underground lines would cost more than three times as much as overhead lines. The Wasilla ordinance contains a similar provision for new development. Developers there would also be able to ignore the ordinance in a number of other circumstances. For example, underground lines aren't required in industrial areas.

The ordinance will be introduced to the City Council on Nov. 8.

GREATER ANCHORAGE AREA BOROUGH

OR NO 75-143

AN ORDINANCE REQUIRING THE UNDERGROUNDING OF NEW AND RELOCATED
DISTRIBUTION AND TRANSMISSION FACILITIES.

THE ASSEMBLY OF THE GREATER ANCHORAGE AREA BOROUGH
HEREBY ORDAINS:

Section 1. Undergrounding of distribution facilities.
All new utility distribution facilities installed or relocated after January 1, 1975 shall be installed underground after January 1, 1975 with the exception of certain utility distribution lines located outside of undergrounding zones pursuant to standards set forth in Section 2 of this ordinance and the undergrounding zone map set forth in Section 3 of this ordinance.

Section 2. Standards for determining areas and situations where overhead lines are permissible. The intent of this ordinance is to require the undergrounding of new and relocated distribution facilities in all locations except the following:

- (a) distribution lines located in residentially zoned areas with a predominant actual density of less than one dwelling unit to two and one half acres or a predominant permitted density of less than one dwelling unit to two and one half acres, whichever is the more restrictive.
- (b) distribution lines in subdivisions, where under subdivision regulations, undergrounding of utility lines are not required or have been waived by Platting Authority action.
- (c) distribution lines which pass through residential areas where undergrounding would not be currently required under applicable subdivision ordinances.
- (d) areas zoned other than residential which are located within areas which are predominantly residential in character where undergrounding is not required in new subdivisions.
- (e) areas zoned other than residential which are not visible to a substantial portion of the travelling public.
- (f) areas where undergrounding is not economic in the opinion of the Borough Director of Public Works (if outside of the City of Anchorage or in the opinion of the City Director of Public Works (if inside the City of Anchorage) because of rocky or other exceptionally difficult subsurface conditions.

Section 3. Undergrounding zone map. The Borough Department of Planning shall, on the basis of the foregoing standards, prepare an undergrounding zone map showing zones where undergrounding for various types of development are required. The Borough Department of Planning shall, in addition to the foregoing standards, consider the overall economics and aesthetics of undergrounding so that isolated portions of distribution facilities are not required to be undergrounded and so that isolated portions of distribution facilities are not permitted to be installed overhead. Particular consideration to undergrounding shall be given where a consistent policy of undergrounding is required to protect the appearance of public lands, recreation areas, areas of natural beauty and well travelled corridors including State highways, arterials and collector streets.

The Borough Department of Planning shall prepare a narrative statement for each zoned area explaining the standards which were applied by the Department in arriving at an undergrounding zone map.

Any undergrounding zone map prepared by the Borough Department of Planning shall become effective only after its adoption by ordinance by the Borough Assembly.

Section 4. Transmission lines. All new or relocated transmission lines shall be installed underground if they can be installed at a per linear foot cost of not less than 50% of the per linear foot cost of the heaviest capacity distribution facility. The Borough Director of Public Works shall make the determination as to per linear foot costs of transmission lines and the heaviest capacity distribution facility.

Section 5. Variances. Variances from the requirement for undergrounding utility distribution lines may be granted for unusual economic hardship in the same manner as other requests for variances from the requirements of the Borough zoning ordinance.

Section 6. Alaska Public Utilities Commission regulation. This ordinance shall be administered consistent with the rules and regulations of the Alaska Public Utilities Commission.

Section 7. Borough rights-of-way and lands. Notwithstanding the provisions of Section 6, no permit shall be issued for the installation of a utility distribution facility within a Borough right-of-way or Borough owned lands until the requirements of this ordinance are satisfied.

Section 8. Definitions. Distribution facilities include all telephone facilities and all electric facilities with a capacity of less than 66 kv, excluding transformers.

Heaviest capacity distribution facility means the heaviest capacity distribution facility commonly used in the Borough with a capacity of less than 66 kv.

Relocation means a substantial change in alignment of an existing utility line, but excludes the shifting of a minor portion of a line.

Transmission lines include all electric facilities with a capacity of 66 kv or greater, excluding transformers.

Section 9. Effective date. This ordinance is effective January 1, 1975.

PASSED AND APPROVED by the Assembly of the Greater Anchorage Area Borough this ____ day of _____, 1975.

Presiding Officer

ATTEST:

Borough Clerk

PASSED AND APPROVED this ____ day of _____, 1975.

Borough Mayor

GREATER ANCHORAGE AREA BOROUGH

OR NO 75-137

AN ORDINANCE PROVIDING FOR THE UNDERGROUNDING OF EXISTING OVERHEAD UTILITY LINES, DECLARING OVERHEAD UTILITY LINES ALONG URBAN AND SUBURBAN HIGHWAYS, ARTERIALS AND COLLECTOR STREETS TO BE NONCONFORMING USE AND PROVIDING FOR THEIR UNDERGROUNDING OVER A PERIOD OF YEARS.

THE GREATER ANCHORAGE AREA BOROUGH HEREBY ORDAINS:

Section 1. Existing overhead distribution facilities along public highways, arterials and collector streets are nonconforming uses and shall be undergrounded according to a schedule more particularly set forth in Section 3 of this ordinance. Other existing overhead distribution facilities shall be undergrounded according to the schedule provided in Section 3 of this ordinance.

Section 2. Beginning on January 1, 1976, all electric and telephone utilities within the Greater Anchorage Area Borough shall carry out a program of undergrounding existing overhead distribution facilities according to standards provided in Section 3 of this ordinance and to the extent permitted by funds accumulated for this purpose, equal to 2% of such utilities' gross revenues collected in the Greater Anchorage Area Borough for each fiscal year, beginning January 1, 1976. Electric and telephone utilities may carry out undergrounding programs which cost in excess of 2% of their gross revenues received during the fiscal year within which the work was performed and the cost incurred, in which case they shall be given a credit for such expenditures against the amount which would otherwise be required for this purpose during the next subsequent five fiscal years. This credit shall be distributed equally for each of such five years. If the utility should, for any reason, allocate less than 2% of their gross yearly revenues for conversions of existing overhead distribution facilities, any such excess funds not used during the fiscal year shall be carried over to the next year or years and be available for expenditure during such periods, provided that such amounts accumulated shall be used for undergrounding of facilities within a reasonable time. Where a utility has a fiscal year other than January 1, through December 31, the Borough Director of Finance shall make appropriate arrangements with the utility for funding a portion of the first fiscal year of the utility's operation for that portion of the utility's fiscal year which is within the period January 1, 1976 and the beginning date of the next fiscal year of the utility.

Section 3. To the extent monies are available under Section 2 of this ordinance, the utility will, at its expense, replace its existing overhead distribution facilities with underground distribution facilities along public streets and roads, and on public lands and private property across which rights-of-way have been obtained by the utility, provided that they have been obtained or are being used by the utility and provided that:

1. The Borough Assembly has,

a. determined, after consultation with the utility and after holding public hearings on the subject, that such undergrounding is in the general public interest for one or more of the following reasons:

(1) Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead distribution facilities.

(2) The street, road or right-of-ways is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic.

(3) Undergrounding will significantly decrease traffic hazards or improve the appearance of a particular area.

(4) The street, road or right-of-way adjoins or passes through a civic area or public recreation area, or an area of unusual scenic interest to the general public.

(5) The above requirements are met, and there is a significant opportunity to achieve economies, because the overhead utilities must be relocated in any event due to widening or realignment of a road, street or right-of-way.

b. Adopted an ordinance creating an underground district in the area in which both the existing and new facilities are or will be located requiring, among other things,

(1) that all existing overhead communication and electric distribution facilities in such districts shall be removed at the expense of the utility, and

(2) that each property owner served from such electric overhead distribution facilities shall provide, in accordance with the utilities rules for underground service, all electric facility changes on his premises necessary to receive service from the underground facilities of the utility as soon as it is available, and

(3) authorizing the utility to discontinue its overhead service.

In lieu of adopting an ordinance creating an underground district the Borough Assembly may satisfy the requirements of this provision b by obtaining a rule or order from the Alaska Public Utilities Commission providing for the foregoing.

Section 4. This ordinance shall be administered in accordance with all applicable rules and orders of the Alaska Public Utility Commission.

Section 5. This ordinance is effective January 1, 1976.

PASSED AND APPROVED by the Assembly of the Greater Anchorage Area Borough this ____ day of _____, 1975.

Presiding Officer

ATTEST:

Borough Clerk

APPROVED this ____ day of _____, 1975.

Borough Mayor