



MEMORANDUM

DATE: June 4, 2013

TO: East Bellevue Community Council

FROM: Sally Nichols, Associate Planner

SUBJECT: Proposed PSE Transmission Line – Lake Hills Substation @ 16315 NE 8th Street to Phantom Lake Substation @ 15555 SE 16th Street

11-131123-LB – Conditional Use Permit
11-131124-WG – Shoreline Substantial Development Permit
12-127693-WA - Shoreline Conditional Use Permit
11-131125-LO – Critical Areas Land Use Permit

Applicant Name/Project Contact:

Puget Sound Energy (PSE)
Project Contact: Jeff McMeekin, 425-462-3824

Land Use Planner:

Sally Nichols, 425-452-2727

At the June 5, 2012 and September 4, 2012 meetings of the EBCC, representatives from Puget Sound Energy (PSE) and City staff presented information regarding the proposed PSE Transmission Line that would link the Phantom Lake and Lake Hills Substations (the background information from the June 5th, 2012 EBCC memo is attached at the end of this memo for reference). PSE, with input from City staff, has continued to refine the design and address the potential impacts of the Transmission Line project through the development and design of Conceptual Mitigation Plans. PSE and City staff will once again be in attendance at the June 4, 2013 meeting, and PSE will present a project update and the Conceptual Mitigation Plans for this project.

Background/Review Update:

The review of the permits for the proposal by the City is still in process. The project was publically noticed on May 3, 2012 and an informational Public Meeting was held on Thursday, May 31, 2012 at 6:30 p.m. at Bellevue City Hall. Representatives from PSE were on hand to explain the necessity for this project, the route, and requirements for and challenges of locating a new transmission line through fully developed areas. A majority of the people who attended the meeting live along SE 16th Street. Those residents had specific concerns regarding the impact of an additional transmission line running along the south side of SE 16th Street, particularly since there are existing transmission and distribution lines running along the north side of the street.

Since the last Courtesy Hearing, staff has continued to work with PSE to reduce overall impacts from this proposal and to direct the development of mitigation where impacts cannot be avoided. The Urban Boulevards Initiative team and the Parks Department have been working with Development Services staff to support the review effort for this project by contracting with a design consultant to prepare Conceptual Design Recommendations for the entire 148th Avenue SE and NE right-of-way corridor from Bellevue College to Bel-Red Road. This study helped to inform the conceptual mitigation proposals by PSE, which will be discussed at this June 4, 2013 Courtesy Hearing.

A Public Meeting will also be held on May 21, 2013 at 6:30 pm City Hall.

Additional Information to be Presented at this Courtesy Hearing:

• **SE 16th Street Project Update:**

The City of Bellevue has identified a Transportation Improvement Project (TIP) that is planned to take place on SE 16th between 148th and 156th Avenues SE. This work is expected to include the addition of curbs and gutters, sidewalks, bike lanes and new landscaping. No specific construction date and/or funding have yet been identified. However, the City has indicated that this project might take place within the next 5-10 years. PSE is now proposing to defer final design and construction of the half-mile line segment of Transmission Line along SE 16th Street between 148th Avenue SE and the Phantom Lake substation on the corner of SE 16th Street and 156th Avenue SE in order to coordinate the design of the Transmission Line work with the City and to undertake construction concurrently with the planned road and streetscape improvements. This approach will result in a more unified streetscape and will diminish construction-related disruptions to adjacent neighbors. Note, however, that approval of this segment of the alignment would be included in the Conditional Use Permit now under review (11-131123-LB).

In the meantime, PSE proposes to install two pole-mounted switches on the transmission line along 148th Avenue SE, near the intersection with SE 16th Street. The switches will allow PSE to change the flow of power to the Phantom Lake substation from the north or the south. This interim plan allows PSE to improve reliability for all customers in the area, although the full reliability benefits will not be realized until the SE 16th Street segment is constructed.

• **Conceptual Mitigation Plans:**

At this meeting of the EBCC, PSE will present Conceptual Mitigation Plans that address impacts of the proposal to the public right-of-way. These plans are based partially on the Conceptual Design Recommendations prepared as part of the Urban Boulevards Initiative (mentioned under the Review Update). Mitigation for this proposal is required per the Decision Criteria for a Conditional Use Permit (Land Use Code 20.30B.140) and as a requirement of SEPA review. The City will review PSE's mitigation proposals as part of the permit review and will then work with PSE to determine how best to implement the design concepts through design development and construction. Feedback from meeting attendees is an important element of the City's continued review of PSE's proposed project.

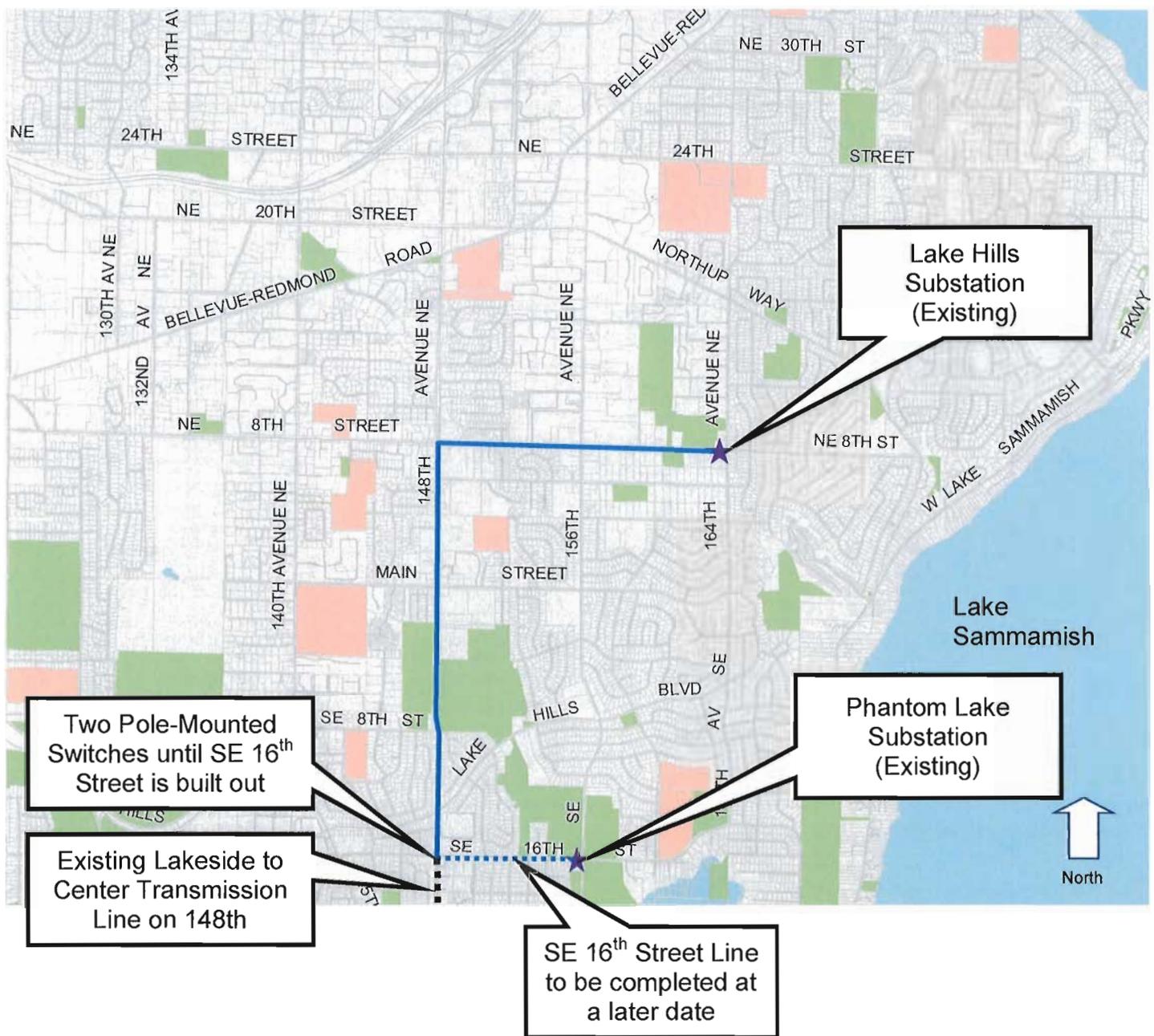
Anticipated Timeline:

2013: Permitting and approvals from City of Bellevue complete

2013-2014: Construction of the new transmission line up to the intersection of 148th Avenue NE and SE 16th Street. Work will include the installation of three pole-mounted switches and improvements to the Lake Hills substation.

2020+: Depending on the City of Bellevue’s Transportation Improvement Plan, construct the remaining segment of the transmission line along SE 16th Street and make improvements to the Phantom Lake substation

Proposed PSE Transmission Line Route



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Background Information included in June 5, 2012 EBCC Meeting Memo

Puget Sound Energy (PSE) has applied to the City of Bellevue for a Conditional Use Permit, a Critical Areas Land Use Permit, a Shoreline Substantial Development Permit, and SEPA Threshold Determination to construct a new 115 kV overhead transmission line running from the Lake Hills Substation to the Phantom Lake Substation. The Critical Areas Land Use Permit, Shoreline Substantial Development Permits and SEPA Determination are all Process II, administrative approvals made by the Development Services Department Director. The Conditional Use Permit is a Process III quasi-judicial decision made by the City Council. This approval will not be effective until the East Bellevue Community Council (EBCC) votes to approve the ordinance at a public hearing. Decisions of the Community Council may be appealed to Superior Court.

The purpose of the proposed transmission line is to improve reliability and allow for better use of existing capacity at the community and local level. The new transmission line between the two substations will create a “loop”, which means that each substation will be fed by two transmission lines. If one transmission line goes out, the other line will still be able feed the substation and customers. In addition, with the new line, PSE will be able to use each of the substations to its designed capacity without requiring additional substation expansion.

The route will begin at the Lake Hills Substation and extend westerly along the south side of NE 8th Street. West of 156th Avenue NE, the line will cross to the north side of the street, passing condominium developments and the wetlands associated with Kelsey Creek at the intersection of NE 8th Street and 148th Avenue NE. From the northwest corner of NE 8th Street, the line will extend in a southerly direction along the west side of 148th Avenue NE, past the commercial area and continue to approximately NE 3rd Street, where it will cross the street to the east side. The line will then remain along the east side of the street until Main Street, where it would cross back to the west side until it reaches SE 16th Street. At SE 16th Street, the line would again cross 148th Avenue NE and continue east on the south side of the street, through a residential area to the existing Phantom Lake Substation (refer to route map on page 10).

The three wires will be supported on single poles that will be constructed of wood, steel and/or weathered steel – depending on location. Typical pole heights will be 70 to 80 feet above the ground. Upgrades to the substations themselves include installation of new equipment, new foundations for new steel termination poles, fence replacements and landscape and site work. Mitigation for placing the poles within existing wetlands and for the removal of mature trees within the City right of way will be required and proposed during the permit review process.

The applicant has been working with the City for the past two years to determine the best possible route for this line. Three options were considered – running down 164th Avenue NE, 156th Avenue NE and 148th Avenue NE. To aid in that effort and per requirements of Land Use Code (LUC) 20.20.255, the applicant has submitted an Alternative Siting Analysis. Although each route had associated impacts and the proposed route is the longest, PSE determined that the route along 148th Avenue NE had the fewest impacts to Bellevue residents after considering the following factors:

- The route primarily follows existing major and minor vehicular arterial corridors;
- The route is an extension of the existing Lakeside to Phantom Lake 115kV transmission line corridor running along the east side of 148th Avenue SE and the south side of SE 16th Street.
- The route avoids single-family neighborhoods to the greatest extent possible and when the corridor is located adjacent to residential uses, the corridor generally abuts side or rear yards - versus placement in front yards;
- The route crosses the Lake Hills Greenbelt in the most developed and intensely used section of the Greenbelt and avoids a significant visual impact if it were placed on SE 16th Street going east from 156th Avenue SE;
- The route provides the most opportunities for pole placement and mitigation, especially along 148th Avenue; and
- Results in no cost to individual homeowners associated with undergrounding of existing distribution lines.

Chair Kasner said the Community Council is an elected body. In 2013, there will be two ballot measures: 1) Should the Community Council be continued? and, if yes, 2) Who should serve on the Council?

Ms. Kiselev disagreed that outreach should begin with churches. She believes that increasing the involvement of foreign-born residents will benefit everyone. She described a magazine focused on diversity in the community.

Councilmember Gooding welcomed all citizens to become involved in the community and to participate in Community Council meetings.

4. **APPROVAL OF AGENDA**

Councilmember Seal moved to approve the agenda, and Councilmember Gooding seconded the motion. The motion to approve the agenda carried by a vote of 5-0.

5. **COURTESY HEARING:**

- (a) Conditional Use Application for new Puget Sound Energy Transmission Line connecting Phantom Lake and Lake Hills Substations

Sally Nichols, Land Use Planner/Project Manager, introduced Jeff McMeekin, Project Manager, and Andy Swayne, Municipal Liaison Manager, of Puget Sound Energy (PSE).

Ms. Nichols explained that PSE has applied to the City for a Conditional Use Permit (CUP), Critical Areas Land Use Permit, Shoreline Substantial Development Permit, and SEPA (State Environmental Policy Act) Threshold Determination to construct a new 115 kV overhead transmission line running from the Lake Hills Substation to the Phantom Lake Substation.

The Conditional Use Permit is a Process III quasi-judicial decision made by the City Council, which must be then be approved by the East Bellevue Community Council. Decisions of the Community Council may be appealed to Superior Court. The remaining three permits are subject to a decision by the Director of Development Services.

Ms. Nichols indicated that if anyone wishes to be a party of record in this matter, they need to send a letter to the City or to email comments to: SPNichols@bellevuewa.gov. An informational public meeting held on May 31 at City Hall was well attended. Some citizens expressed concern about SE 16th Street with its existing transmission and distribution lines.

Mr. Swayne described the layout of the project, which is a reliability improvement to the transmission system for the local area. Three substations currently serve the area, and the project will provide two sources of power to the substations instead of only one. PSE considered a number of different routes for the new transmission line (148th Avenue, 156th Avenue, and 164th Avenue). Most residents who commented preferred 148th Avenue, which is PSE's proposed route.

Responding to the Council, Mr. Swayne said that PSE does not build underground transmission lines, primarily because they are very expensive. He said it would be difficult to justify undergrounding transmission lines to the state regulatory agency because the cost would be passed along to ratepayers. However, he noted that most of the distribution system goes underground in new developments.

In further response, Mr. Swayne said that interference with AM radio transmission can come from any higher voltage electric field and is less associated with any magnetic field. FM radio and amateur radio transmissions are generally not affected by electric magnetic fields.

Responding to Mr. Hughes, Mr. Swayne said the popping noise from a power pole when electricity goes out is typically the fuse blowing.

Chair Kasner opened the courtesy hearing for public comment.

Mr. Boettiger spoke to the email from Kevin Forsythe to Ms. Nichols regarding this project [Page 4 of the meeting packet]. Mr. Boettiger commented that a great deal of money and effort was spent to beautify 148th Avenue. He would have preferred to see the new line along 140th, 156th or 164th Avenues. He questioned the need for a redundant transmission line.

Ms. Nichols said the City has been planning this project with PSE for a number of years. She noted Comprehensive Plan Policy UT-39, which states that any expansion of the existing system requires the undergrounding of distribution lines, such as the ones on 164th Avenue. Running the lines on 164th would place poles and lines in the front yards of many more homes than the 148th Avenue route. If the lines were placed underground, every homeowner would be required to pay to connect the distribution lines from the street to their homes.

Councilmember Capron said his expectation would be that, if PSE replaces lines, PSE would be responsible for reconnecting to the residential service line.

Mr. Swayne explained that state law requires that a utility take down the overhead service lines when power or telecommunications systems lines are placed under the road. As a result, new service line connections must be installed and the cost is passed on to property owners.

In further response to the Council, Mr. Swayne said residents have not expressed a willingness to pay for the cost of undergrounding lines. State regulations do not allow a utility to provide a private benefit (i.e., undergrounding service lines).

Responding to Chair Kasner, Ms. Nichols said the ongoing process will include a public hearing before the Hearing Examiner on the Conditional Use Permit, consideration by the City Council, and action on the City Council's decision by the Community Council.

Mr. Swayne said the SE 16th Street portion of the project received the most comment during the public meeting, primarily due to concerns about adding another line given the existing transmission line. He noted that residents have asked why the lines cannot be placed using the

existing poles. He explained that using the same poles would defeat the purpose of providing a redundant transmission line.

Responding to Councilmember Hughes, Mr. Swayne said the land use process will extend into the next year, and construction could begin during the summer of 2013. In further response, Mr. Swayne said the proposed route affects the fewest residential properties.

Ms. Nichols said the City and PSE are aiming for the best outcome for the community in terms of landscaping and other project mitigation.

Responding to the Council, Mr. Swayne said the transmission lines project could reduce power outages. However, outages will still inevitably occur at times due to downed distribution lines.

Staff responded to additional questions of clarification, which were primarily about the public outreach process and project mitigation.

Chair Kasner thanked PSE representatives for the update and their efforts with the public.

Responding to Councilmember Hughes, Mr. Swayne described the conversion of PSE's ownership to a private corporation based in Canada.

6. **RESOLUTIONS:** None.

7. **REPORTS OF CITY COUNCIL, BOARDS, AND COMMISSIONS:** None.

8. **DEPARTMENT REPORTS**

(a) Kelsey Creek Center Short Plat (12-102663-LN)

Chair Kasner noted packet materials [Page 23] regarding a short plat application for Lot 1 at Kelsey Creek Center.

Sally Nichols provided an update on the Islamic Faith Center Eastside project, which is in design review.

Mr. Kasner requested contact information for the Islamic Faith Center. He thanked Ms. Nichols for her participation in the meeting.

9. **COMMITTEE REPORTS:** None.

10. **UNFINISHED BUSINESS**

(a) July 3 Community Council Meeting Status

Chair Kasner said he would not be attending the July 3 meeting.

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Bob Leingang stated his concern about foot traffic, stating the loss of student access to the south.

Mr. Palmer responded there is a bus stop at the corner of SE 8th and 140th where students can walk up the west side of 140th and cross at the crosswalk further north and which ties to the front entrance of the building.

Chair Kasner seeing no one further wishing to testify closed the courtesy hearing.

Chair Kasner called a short recess at 7:16 PM.

(b) Puget Sound Energy Transmission Line Conditional Use Application connecting
Phantom Lake and Lake Hills substations

Chair Kasner reconvened the meeting at 7:26 PM and opened the courtesy hearing.

Phyllis Egts stated her concern that this project will impact property values. She stated she is not agreeable to selling any portion of her property to accommodate the proposed transmission line. She stated her support for undergrounding the new line on 156th.

Chair Kasner explained the public process.

Sally Nichols provided a brief staff overview of the proposed Puget Sound Energy Transmission Line that will link the Phantom Lake and Lake Hills Substations at the corner of SE 16th and 156th.

Mr. Kasner stated his frustration with the process due to this proposal's quasi-judicial nature prohibiting him from attending any of the public information meetings.

Andy Swayne, Municipal Liaison Manager for PSE, provided his background with PSE and explained the progression of this project over the last five years. He stated earlier iteration of this proposal actually goes back twenty years. PSE recognized the need to build a new transmission line connecting these two substations to increase electrical reliability. There are three substations currently fed only by single transmission lines. If something should happen to that single line, power to the substation would be lost, making all customers served by those substations vulnerable to power loss. He explained the often timely options that can be employed to remedy such power outages and stated that very few substations in the total county's urbanized service area are served only by a single transmission line. In terms of giving this local area the same level of systems support, PSE determined it was time to move this project forward.

Chair Kasner read the questions and answers printed in the packet into the record. Council asked additional clarifying questions to which Mr. Swayne responded.

Mr. Marvin Kananen asked if there is only one main power line going into Redmond. Mr. Swayne responded there are several transmission lines that bring power to the Lakeside switching station. There are a total of fourteen lines to Redmond.

Ms. Rossman asked if a greater load is anticipated. Mr. Swayne responded that this proposal has very little to do with how load has grown over time. The question is, given the PSE operating guidelines today, should this group of customers served by these facilities be exposed to a lower level of reliability. From a policy perspective, such a lower level of reliability is not appropriate. He stated each of these three substations have the capacity to serve the surrounding areas.

Unidentified audience participant asked if over the last twenty or so years if there have been other situations where PSE has gone from one line to two lines and the reactions of those impacted. Mr. Swayne stated PSE had attempted a similar project on Bainbridge Island. Continuing the response, Mr. McMeekin relayed a somewhat similar project in Watcom County and the mitigation employed to address impacts.

In response to Ms. Rossman, Mr. McMeekin noted that this current project is designed around the retention of as many trees as possible.

Mr. Hughes noted the tagged trees along 140th. Ms. Nichols explained that those trees are part of the 140th overlay project.

Michael Richardson stated the system in his neighborhood are underground and have experienced about ten power outages in the same timeframe, most of which were due to the power station. He questioned why there has been no consideration of undergrounding the new transmission line.

Mr. Boettinger stated there have been basically four outages in ten years all remedied within a few hours. He stated to have less outages he is being asked to put up with lines going down 148th and double lines down 156th and 16th. He does not see the value in this tradeoff.

Chair Kasner continued with the printed questions and answers for the record.

Mr. Swayne clarified that building this proposed transmission line will not change what happens in the distribution system itself. Similarly, having this transmission line is not going to affect other problems in the distribution system. He explained the transmission system moves power around the region and City. Each local substation, which is a smaller network of distribution operating at a low voltage, brings power to area homes. One does not replace the other but instead work in tandem.

There was discussion related to the cost of undergrounding versus the cost of the current proposal. Mr. Swayne estimated the typical cost of undergrounding at four to ten times the cost of building equivalent lines overhead.

Mr. Swayne described the loop accomplished by the new transmission line and the system redundancy created. He stated that distribution of build costs would be shared by all rate payers.

Mr. Palmer questioned the proposed distance between poles and placement at edge of roadway. Mr. Swayne responded that today's placement depends on road configuration. But, generally,

poles are placed towards edge of right of way if possible. PSE's design guidelines call for placement two feet from face of curb.

In response to Mr. Kasner, Mr. Swayne stated the PSE policy related to the purchase of right of way/easements. Offers are based on property/fair market values and impacts anticipated, and are typically negotiated one on one with individual property owners. He noted PSE is granted condemnation authority under state law.

Mr. Rick Conte requested better explanation of homeowners' rights under these circumstances and how the value of the appraisal is reached.

Mr. Swayne explained the easement acquisition process.

Mr. Ken Koken stated he is not faulting the need for a redundant power system, but, was concerned about the surveyor stakes placed about 27 feet in from the asphalt into the parking line 10 to 12 feet from his building. He continued, stating if the stakes represent the easement needed, he will lose control of all his plantings and north end of his property. Mr. Koken stated such a loss would be a quality of life issue.

Mr. Conte expressed his concern related to possible easement acquisitions and impact on structures such as patios and decks.

Mr. Swayne stated typically there is a standard easement form that starts at a generic level and individualized depending on the circumstance. He explained that when PSE acquires an easement from a private property owner, it is for PSE use and PSE use alone. Under federal law, PSE must make their poles available to other communication providers but does not allow trespass onto private property through the use of PSE's negotiated easements.

Unidentified speaker stated his understanding of Mr. Swayne's comment that PSE will allow the use of its poles by other communication providers. Mr. Swayne continued his response, providing a hypothetical example.

Unidentified speaker stated his point was that PSE will string three cables on the pole and, over time, could allow other carriers use of the pole as well. He opined that such additional lines will increase the blight in neighborhoods. He noted that he is not convinced the proposed line is even necessary at this time and is concerned with impact to property values.

Chair Kasner stated the December report identified four potential routes. Currently under consideration is only one of those routes. He asked how the route selection was narrowed down.

Mr. Swayne stated, over the past five years, PSE has spent a lot of time and effort with members of the community to identify the preferred route. After much discussion, the route decision was based on the least overall impact to the smallest number of residential properties.

Mr. Kasner stated he believed the level of knowledge of the general community related to this issue is incredibly low.

Mr. Swayne stated PSE mailed invitations to at least three separate public meetings over the last three years to every residential and commercial address throughout the entire area.

Mr. Kasner asked, as this application moves forward, if the Community Council has the opportunity to look at the outreach to date. Mr. Swayne noted that the outreach accomplished to date is summarized in the application package.

Mr. Livingston stated he felt misled when he was approached regarding an easement prior to permit application.

Unidentified speaker stated that PSE already has huge poles in the right of way on the north side of the street. He asked why PSE needs to trash the opposite side of the street with additional poles and transmission lines.

Ms. Nichols spoke to the conditional use process, explaining the noticing accomplished to date.

Mr. Gooding asked if alternative routes could still be suggested. Mr. Swayne stated that PSE has done an alternative siting analysis but, through the formal review process, the potential to suggest alternative routes is possible. However, he stated he did not want to leave the impression that PSE is open to considering a different route. PSE is open to considering refinements to this selected route to mitigate any adverse impacts to the best of its ability.

Continuing his response to Mr. Gooding, Mr. Swayne stated PSE considered four alternative routes in its analysis but had studied in the past five years approximately twenty-two different scenarios that were discarded due to technical issues or community objections.

In response to Mr. Conte, Chair Kasner explained the Community Council's approval/disapproval authority and process of consideration.

Mr. Richardson asked if the Community Council had a subsequent meeting, would they be able to discuss this matter without PSE present. Chair Kasner responded absolutely not, such a meeting would need to be noticed, to allow all parties the opportunity to participate.

Ms. Nichols explained the noticing requirements and the process to which one becomes a party of record.

Unidentified speaker stated this has been an informative meeting tonight. PSE had come to a meeting at the Lake Hills Neighborhood Association going back several years about this very topic. He stated he thought the City of Bellevue, PSE and this Community Council have certainly tried to bring this matter front and center. He questioned the need to go forward with this proposal given the sparse history of past outages.

Mr. Palmer stated he did not live in the affected area, but, as a rate payer asked the return of investment.

Mr. Swayne stated the misperception that all improvements made by PSE are about money. PSE is different from most businesses, as it is a regulated monopoly by the state charged with providing a public service. Therefore, PSE must be able to convince the state regulators that all investments made are prudent in the sense they are necessary, well-grounded and warranted in the interest of the rate payers. If PSE fails that test, it is disallowed to include those capital costs into the rates. PSE has a heightened sensitivity to the investments made and the value to its customers.

Mr. Swayne stated that PSE is firmly convinced that this project is warranted. Route selection is not driven by cost but by what is best for the community as a whole. More information is available at PSE.com in the My Neighborhood Section.

Mr. Seal stated whatever the decision made by this Council it must comply with the decision criteria listed in the Land Use Code.

Ms. Nichols stated the alignment has been selected by PSE but what it looks like is still in flux. She explained that it is the City's job to make this project the best it can possibly be. She invited ideas to make this project better.

Mr. Richardson questioned any consideration of an underground route.

Mr. McMeekin responded that a rough estimate for undergrounding the SE 16th section is approximately \$15 million. He noted undergrounding or overhead lines would require the removal of trees.

Ms. Nichols responded to Mr. Boettinger regarding previous public response to this project. She stated the majority of people along SE 16th were concerned due to the double impact to their area.

Mr. Kananen suggested the easiest, straightest route.

Mr. Capron clarified that the route was selected by PSE.

Mr. Swayne stated his understanding of the Hearing Examiner's process and recommendation to the City Council. The route selection process and decision is summarized in the PSE application and supports best fit and least impactful based on the public input and the research that has been done. The City, though its review, may find fault with the analysis and could raise issues.

In response to Mr. Kasner, Ms. Nichols stated the City's review will be based on whether or not this project meets the decision criteria set forth in the Land Use Code.

Seeing no one further wishing to testify, Chair Kasner thanked the audience, proponent and City staff for their participation and closed the courtesy hearing at 9:41 PM.

6. **RESOLUTIONS:** - None.