

1 BEFORE THE ARIZONA POWER PLANT
2 AND TRANSMISSION LINE SITING COMMITTEE

4 IN THE MATTER OF THE APPLICATION)
5 OF TUCSON ELECTRIC POWER COMPANY)
6 ("TEP"), IN CONFORMANCE WITH THE) DOCKET NO.
7 REQUIREMENTS OF ARIZONA REVISED) L-00000C-17-0365-
8 STATUTES §§ 40-360, ET SEQ., FOR) 00177
9 CERTIFICATES OF ENVIRONMENTAL)
10 COMPATIBILITY AUTHORIZING THE) LS Case No. 177
11 CONSTRUCTION OF THE)
12 RECIPROCATING INTERNAL)
13 COMBUSTION ENGINE GENERATION)
14 PROJECT AND THE IRVINGTON 138kV)
15 TRANSMISSION LINE RELOCATION)
16 PROJECT, INCLUDING THE)
17 INSTALLATION OF TEN (10) MODULAR)
18 APPROXIMATELY 20 MW)
19 RECIPROCATING INTERNAL)
20 COMBUSTION ENGINE GENERATORS AND)
21 CONSTRUCTION OF APPROXIMATELY)
22 2.2 MILES OF NEW 138kV)
23 TRANSMISSION LINES LOCATED)
24 WITHIN TEP'S IRVINGTON CAMPUS,)
25 SECTION 3, TOWNSHIP 15 SOUTH,)
26 RANGE 14 EAST, PIMA COUNTY,) PREFILING CONFERENCE
27 ARIZONA.)

16

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

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1 BE IT REMEMBERED that the above-entitled
2 and numbered matter came on regularly to be heard before
3 the Arizona Power Plant and Transmission Line Siting
4 Committee, at the OFFICES OF THE ATTORNEY GENERAL, 15
5 South 15th Avenue, Phoenix, Arizona, commencing at 2:03
6 p.m. on the 30th day of October, 2017.

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9 BEFORE: THOMAS K. CHENAL, Chairman

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11 APPEARANCES:

12 For the Applicant Tucson Electric Power Company:

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1 INTERESTED PARTIES:

2 Mr. Ed Beck, Director, Transmission Development,
3 Tucson Electric Power Company

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8 Marie Elena Cobb, Assistant to Chairman Chenal

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1 CHMN. CHENAL: Welcome, everyone.

2 This is the time set for the prefiling
3 conference regarding the TEP -- I'll call it the RICE
4 Irvington Modernization Project, but it's the Sundt --
5 is it Sundt or Irvington? Sundt?

6 MR. BECK: Our original name, as you mentioned,
7 for the Irvington site, it was always called Irvington.
8 It's on Irvington Road. We had one of our board of
9 directors members retire by the name of Sundt. So the
10 generation site was renamed the Sundt Generating Plant.

11 CHMN. CHENAL: That simplifies it.

12 MR. BECK: Internal confusion for all of us.

13 CHMN. CHENAL: All right. The RICE project.

14 MR. BECK: Yeah, that's the best --

15 CHMN. CHENAL: For today's purposes.

16 MR. DERSTINE: That's right.

17 CHMN. CHENAL: Before the hearing started, the
18 court reporter took everyone's name, and I don't think
19 we have to go through the introductions since it seems
20 like it's a small group and we all know each other.

21 Mr. Beck, before we go into the project
22 description, I'm just curious what the level of interest
23 has been thus far in this project and whether you expect
24 there to be any opposition.

25 MR. BECK: We don't expect any opposition. The

1 outreach we've had, we've had some input from a
2 community that's south of the freeway, the other side of
3 the freeway from our project or plant site. And one of
4 the main questions they asked, what about noise? Beyond
5 that, they don't seem to have a lot of interest. We
6 don't have any agencies of real concern.

7 We're working closely with Davis-Monthan, which
8 is the Air Force base directly adjacent to our site.
9 Our stacks for the RICE generators will exceed -- go
10 into their airspace, but our existing stack for the
11 steam units are -- they're about 250 feet, whereas the
12 new ones will be 160. So they don't see a big issue
13 with it. They feel that since we've already got
14 250-foot, it's going to be easy for them to approve this
15 160-foot stack. It's basically the same location.

16 CHMN. CHENAL: Okay. And for orientation
17 purposes, you're looking at a photograph of the project
18 site. Maybe we could mark that as Exhibit 1.

19 MR. BECK: There's a small version of the same.

20 CHMN. CHENAL: Can you mark that as Exhibit 1?

21 (Whereupon, Prefiling Exhibit No. 1 was marked
22 for identification.)

23 CHMN. CHENAL: So just if you could orient me,
24 Mr. Beck, is north the top? Are we looking --

25 MR. BECK: Okay. Depending on how you are

1 looking at this, north would be in this direction. So
2 on your diagram, north is to the bottom.

3 CHMN. CHENAL: All right.

4 MR. BECK: And this road here is Alvernon Way.
5 Along the edge of the map, that roadway is Alvernon Way,
6 and then the bigger two-lane is Interstate 10.

7 CHMN. CHENAL: Okay.

8 MR. BECK: So Interstate 10 runs adjacent to the
9 TEP Irvington property on which sits the Sundt
10 generation plant, and the RICE generation project, one
11 of which -- a component we are here to talk about, is a
12 replacement for two of the steam generators. So unless
13 we put these RICE units in place, two of the steam units
14 shown on that diagram, the generating units here --

15 CHMN. CHENAL: And how many are there now?

16 MR. BECK: There's four.

17 CHMN. CHENAL: Okay.

18 MR. BECK: One of them, Unit 4, the southernmost
19 unit, was a combined coal-, gas- and oil-fired; Units 1
20 through 3, natural gas- or oil-fired. TEP has
21 eliminated coal from this site for generation purposes.
22 So currently all four units are only run on gas and/or
23 oil today. And 99.9 percent of the time it's on natural
24 gas.

25 CHMN. CHENAL: Okay.

1 MR. BECK: So all of the coal facilities that
2 are associated with that unit, there's a conveyor belt
3 that runs along and adjacent to where the RICE units
4 would go in; that's being abandoned. And some of this
5 will be removed as part of this project. Just off of
6 the diagram to the eastern edge of the project map was
7 the old coal piles and a coal-handling silo. All of
8 those are being remediated.

9 CHMN. CHENAL: Okay. Just so I can -- right now
10 there's four steam generators.

11 MR. BECK: Correct.

12 CHMN. CHENAL: But the steam -- the power is oil
13 and gas at this point.

14 MR. BECK: Correct.

15 CHMN. CHENAL: The project will decommission two
16 of those four and replace two of those four steam
17 generators with the RICE --

18 MR. BECK: That is correct.

19 CHMN. CHENAL: -- RICE machines.

20 MR. BECK: Yes.

21 CHMN. CHENAL: Reciprocal of -- well,
22 reciprocal --

23 MR. BECK: They're reciprocal engines.

24 CHMN. CHENAL: Engines.

25 MR. BECK: Yes.

1 CHMN. CHENAL: Okay, which will also run on gas.

2 MR. BECK: They are also -- they also run on
3 gas.

4 CHMN. CHENAL: Okay.

5 MR. BECK: They're more efficient than the big
6 steam units. They are very fast response units, and
7 they have a lot of variability in the output of the
8 units themselves. So a steam unit, a coal unit has to
9 be run basically as a base load. You're always at least
10 50 percent or more output to have it online at all. A
11 RICE unit, we can go down probably to the 20 percent
12 range of its capability and run there as long as we
13 want. So much more flexible.

14 The fast start -- the real reason for looking at
15 these RICE units is the fast-start capability which will
16 respond to issues with renewables. So TEP is targeting
17 30 percent renewable dependence by 2030 as opposed to
18 the Commission requirements of 25 percent, but the issue
19 that we're seeing with the application of renewables
20 into our system, with the variability -- especially if
21 it's a cloud; just a single cloud goes over, you can
22 lose the majority of the output of any particular solar
23 unit. And so we need to be able to support, to keep --
24 pick the system back up as those clouds and so on go
25 over it.

1 CHMN. CHENAL: Sure.

2 MR. BECK: So these RICE units are a very fast
3 response. We can turn them on. Within 10 minutes,
4 they're at full speed, full output as opposed to a steam
5 unit that typically is an overnight start-up process.
6 It just takes a lot of time to get them preheated.

7 CHMN. CHENAL: So I'm dying to ask the question,
8 why -- how do you refer to these? RICE machines or
9 RICE -- how do you refer to them?

10 MR. BECK: RICE. RICE units.

11 CHMN. CHENAL: RICE units?

12 MR. BECK: RICE generation.

13 CHMN. CHENAL: Why RICE units versus turbines,
14 gas turbines?

15 MR. BECK: Okay. We commissioned a study by --
16 I believe it was Black & Veatch. It's -- they provided
17 what we call a use case. We have provided that in the
18 past to staff for review under confidentiality. We're
19 contemplating putting that on in this case to provide
20 some of that background, that reason for the RICE units,
21 but the RICE units, from a fast response and cost
22 standpoint, as well as efficiency, they won out over a
23 combustion turbine type of installation.

24 CHMN. CHENAL: Really?

25 MR. BECK: Yeah.

1 CHMN. CHENAL: So I guess I'm just a little --
2 I'm learning something new every day, but, I mean, the
3 trend has always been towards the gas turbines for the
4 quick ramp-up efficiency, natural gas, things like that.
5 I know we've had projects where, obviously, the same --
6 a goal has been sought, which is to decommission -- for
7 example, over at ASU, there are the steam turbines
8 that -- I mean, the coal generation has been replaced
9 with gas turbines there. That was a project a couple of
10 years ago.

11 MR. BECK: Uh-huh.

12 CHMN. CHENAL: So I'm just -- it's interesting,
13 I guess. I just will say it's interesting that RICE
14 units are deemed to be more efficient than gas turbines.

15 MR. BECK: Yes. And the gas turbine -- part of
16 the issue with the gas turbine is the number of starts
17 and stops all affect the longevity of the unit as well
18 as the time period between major maintenance. With the
19 RICE engines, it's just like your car. It's a matter of
20 run time. If you run it for ten hours or a thousand
21 hours and you get to a certain number of hours, that's
22 when you do maintenance. A combustion turbine, if
23 you're turning it off and on, there's a lot of wear and
24 tear because of the expansion/contraction, and that's
25 why the turbines aren't as good in a response to a

1 renewables-type situation, and so that's really why
2 these won out for us.

3 So all we have to do is look at how much time
4 we've run it since the last maintenance. That's when we
5 do maintenance. We don't have to worry about if we've
6 turned it off ten times today. Nobody really cares
7 anymore; whereas the turbines, it's a very big issue.
8 You turn it off and on ten times in a day, you're really
9 contributing to the loss of life of those units.

10 CHMN. CHENAL: Very interesting. I know in the
11 aircraft world, I mean, turbines are much more reliable
12 than reciprocating engines, but that probably doesn't
13 take into account what you're adding, which is the
14 number of times it's --

15 MR. BECK: Start and stop.

16 CHMN. CHENAL: Start and stop.

17 So is this what our committee should expect to
18 see in the future? More RICE units than gas turbines
19 for the same reasons you've just explained?

20 MR. BECK: From a TEP perspective, I would say
21 yes to that. From other entities, I'm not sure what
22 their thought process is and what -- you know, when they
23 may or may not come to that conclusion.

24 CHMN. CHENAL: Very good. Okay. That's very --
25 very instructive. I just -- I'm not familiar with the

1 RICE units, and I just instinctively always thought that
2 was going to be less -- they would show more wear and
3 tear than the turbine units, but --

4 MR. BECK: Right.

5 CHMN. CHENAL: Interesting.

6 MR. BECK: Yeah, that's counterintuitive, I
7 think.

8 CHMN. CHENAL: Okay.

9 MR. BECK: We did file in May of this year our
10 integrative resource plan, and there's a whole section
11 in that dedicated to our analysis of RICE and why we
12 want RICE over other types of units.

13 CHMN. CHENAL: Could someone send me a copy of
14 that? I mean, I can look it up online.

15 MR. BECK: Sure. No problem.

16 CHMN. CHENAL: That would be helpful. I'd be
17 interested in reading about that.

18 MR. BECK: Okay.

19 So coming into this project, we have a driver
20 right now to install these RICE units for purposes of
21 supporting our renewable program. A longer-term goal
22 for TEP was to replace the existing substation, the
23 138-kV substation at Irvington, which needs to be
24 upgraded to a breaker-and-a-half type of configuration
25 which is much more reliable. There really isn't room

1 physically where it's located today, which is just
2 adjacent to the power blocks today, right between the
3 power blocks and Alvernon and the railroad tracks.

4 And so long term, we were going to replace that
5 and build it somewhere out on the campus. The RICE unit
6 installation, because we need to connect that into the
7 transmission system, is a driver for also relocating
8 that substation at this time. So it's kind of pushing
9 that time schedule a little faster than we originally
10 planned.

11 So as part of this overall project, we're going
12 to build a new 138-kV substation directly adjacent to
13 the RICE engine location. It would be right here. And
14 as a result, we need to extend the existing transmission
15 that connects to the existing substation into the new
16 substation. So, therefore, we have associated with that
17 transmission construction -- it affects more than three
18 spans of wire.

19 As we've discussed in the past, it's fully
20 encapsulated within the TEP property. It's all on our
21 own private land, basically an industrial site
22 generating plant, but from the technical standpoint of
23 it's greater than three spans of construction, we're
24 bringing this project forward also.

25 Now, just briefly, we mentioned kind of the

1 modernization project. Just to touch on that, the
2 overall Irvington campus is three to four times the size
3 of what you're seeing on this map, at least. We have
4 plans to do additional work throughout the campus: a
5 new office space for our construction crews, new
6 facilities for our fleet and for maintenance purposes,
7 as well as some hazardous waste containment structures
8 and a new location for those -- that group to work out
9 of.

10 So that overall campus redevelopment plan over
11 the next five to ten years, as part of that with the
12 City of Tucson, we're doing a planned area development
13 for that whole site.

14 CHMN. CHENAL: All right.

15 MR. BECK: This is one little component of that,
16 but just for context, it's a five- to ten-year process,
17 but this is our immediate needs and what requires ACC
18 approval.

19 Again, the RICE generation, we're looking at 200
20 megawatts ultimately. We had originally talked about --
21 and right now the application is actually drafted as a
22 Phase 1 and Phase 2: 100 megawatts, Phase 1; 100
23 megawatts, Phase 2. We had planned on having
24 approximately a year to two-year time frame between
25 Phase 1 and Phase 2. As it turns out, as we've gone out

1 to market for the units and we've placed our order, we
2 are much better off actually ordering all 200 megawatts
3 of the equipment at this time. So we've done that, and
4 then internally we've made the decision, well, we'll do
5 Phase 1 and we have a deadline of June of 2019 for
6 Phase 1.

7 CHMN. CHENAL: Construction?

8 MR. BECK: Completion, in service.

9 CHMN. CHENAL: In service.

10 MR. BECK: But we're going to have the units.
11 We're going to have the construction people. We're just
12 going to continue with construction until we build on
13 all 200. So arguably, there is no Phase 1, Phase 2.
14 We're asking for a CEC for all 200 megawatts and we may
15 or may not in the application continue to call it
16 Phase 1 and 2, but it's really just a small timing
17 differential project.

18 CHMN. CHENAL: Okay. Yeah. That sounds good.
19 I was going to ask you as soon as you started talking
20 about a 100 unit and then another 100 megawatt, you
21 know, why not combine them and do it all in one fell
22 swoop and not have to come back.

23 MR. BECK: Exactly. Originally I think some of
24 the internal thought process was, well, if you get one
25 hundred-megawatt block and you get it here and 100

1 megawatts that's two years out, it helps from a budget
2 perspective, but as you start looking at the timing and
3 the cost of doing some of the civil work and everything
4 else, your costs are starting to run together anyways.
5 So it just makes sense. You get some efficiency by
6 having one contractor continually do construction.

7 CHMN. CHENAL: Okay. Makes sense.

8 So what was the discussion about the in-service
9 date for what you refer to as Phase 2? Phase 1 is June
10 of 2019.

11 MR. BECK: I think it was going to be 2021. I
12 think June 2021 was the plan.

13 CHMN. CHENAL: Okay.

14 MR. BECK: And so now -- we actually now expect
15 that we'll probably have all the units in operation by
16 early 2020, first quarter of 2020. The actual physical
17 installation of these units is not a big deal. So if
18 they're doing the foundations as they go into Phase 2,
19 they'll be able to pop these units in. They'll be on
20 site. So we figure six months we can get the next 100
21 in.

22 CHMN. CHENAL: Makes sense. Makes sense.

23 MR. BECK: So as part of the whole process, as I
24 said, we will retire two units at the Sundt generation
25 station. So two thermal units go away.

1 One of the things you'll hear in the case is an
2 incredible water savings of the RICE technology over the
3 thermal. Thermal uses steam to drive the turbines and
4 then you have cooling towers and air-cooling
5 evaporation. The RICE units are just like your car.
6 They have a radiator. There's really no use of water.
7 Once you fill up the radiator, there's a little bit of
8 makeup water, but it's very, very low water usage. So
9 not only the efficiency, but just the water savings
10 alone is a big plus for these units.

11 CHMN. CHENAL: And what's the comparative costs
12 between 100 megawatts using the RICE units versus -- or
13 constructing, I should say, the RICE units versus a gas
14 turbine unit?

15 MR. BECK: We will have that information. It
16 does cost a little more for the RICE units, but off the
17 top of my head --

18 CHMN. CHENAL: But over time, you recoup that
19 with less maintenance?

20 MR. BECK: Less maintenance and the efficiency
21 issue.

22 CHMN. CHENAL: Efficiency issue.

23 MR. BECK: And just the overall ability to bring
24 more renewables online. Because the issue that we're
25 having from a system perspective is we're at the

1 point -- we're kind of at a breakpoint where if we add
2 more solar now, the cloud would cover on other issues
3 that provide that variability, we're not going to be
4 able to meet that variability with gas turbines and/or
5 the steam generators. Turbines you can as long as you
6 have them online and running, but then that's the
7 efficiency issue. You've got them on a lot more than
8 you would have to have the RICE. The RICE can be real
9 responsive. So you can leave them off for a majority of
10 the time and only turn them on for when you need them.

11 You'll see in our application and in our
12 testimony, there's a -- we have a pretty good graph, and
13 in the IRP you'll see it -- a good graph of what the
14 variability in our system generation was -- I don't
15 know -- it was last year or the year before and then
16 what we're projecting into the 20s. And just that
17 variability is increasing so much that we cannot
18 accommodate that with our current fleet.

19 CHMN. CHENAL: So I remember from the Ocotillo
20 modernization plan -- that was the one over by ASU -- if
21 I remember correctly, the testimony was that the
22 coal-generated steam turbines took about seven hours to
23 ramp up and the gas turbines took something like ten
24 minutes --

25 MR. BECK: Right.

1 CHMN. CHENAL: -- 15 minutes, but I'm reading
2 into what you've been saying, Mr. Beck, that the gas
3 turbines have to be on in order to ramp up in the -- for
4 a ten-minute period.

5 Is that correct?

6 MR. BECK: No. The gas turbines can come online
7 and be up to full output in 10 to 12 minutes. There are
8 reliability requirements that you have to be under 10
9 minutes' responsiveness. So to be able to meet the
10 reliability -- well, you can get them online and have
11 full output and you don't meet the reliability issue
12 that's associated.

13 CHMN. CHENAL: How much time do you need to meet
14 the reliability?

15 MR. BECK: It has to be less than 10 minutes.
16 So you have to be regulating in under 10 minutes. So a
17 gas turbine you count on as maybe coming online in 11 to
18 12 minutes, that's not good enough from a standard
19 perspective to meet that less-than-ten-minute
20 requirement.

21 CHMN. CHENAL: Okay. I see. But the RICE units
22 will --

23 MR. BECK: The RICE units, I think it's seven --
24 five to seven minutes of full output.

25 CHMN. CHENAL: Okay.

1 MR. DERSTINE: Plus, you have the ability to
2 turn the RICE units down considerably and still have the
3 quick response time, where the gas turbine requires that
4 you're operating at a higher capacity level.

5 MR. BECK: Right. So just as an example, in the
6 summer, we typically run the units during all the summer
7 basically all the time. We have required local
8 generation requirements. We import a lot of our power
9 from external resources, but we have to have enough
10 local to support our voltage. So as a result, we run
11 those steam turbines almost all hours in the summer. We
12 figure we can get by with having one RICE unit -- one of
13 them on full-time and then respond just with the other
14 nine as needed. So it's just a big savings in the
15 general day-to-day use of energy.

16 CHMN. CHENAL: Okay. All right. Interesting.

17 MR. BECK: Yeah. Well, it's interesting, too,
18 our chief person involved in the generation project
19 itself spent 25-plus years with APS steam units, and he
20 is just so sold on these RICE units. That thing is just
21 widespread. There are a lot of benefits to it. I mean,
22 he's just -- he's really behind them.

23 CHMN. CHENAL: Well, it will be interesting to
24 see what it's going to be like in five years from now.

25 MR. BECK: Yes.

1 CHMN. CHENAL: When you got the RICE units in
2 and see when the new technology is. We've unplugged and
3 gone through and thrown out a lot of stuff in the house,
4 connectors, you know, computer stuff that you can't even
5 use anymore.

6 MR. BECK: Right.

7 CHMN. CHENAL: CDs, music CDs, a whole bunch
8 thrown out. I mean, you don't need them anymore. I
9 mean, it's just --

10 MR. DERSTINE: Old technology.

11 MS. DARLING: Old technology.

12 CHMN. CHENAL: Old technology. A couple of
13 DVDs. You don't need them anymore.

14 MR. BECK: That's right.

15 CHMN. CHENAL: Okay. Let's go through the
16 normal checklist, and I think we can go through those
17 pretty quickly.

18 MR. DERSTINE: Yeah. My suggestion is maybe --
19 we've given you draft notice of hearing and that kind of
20 follows through and may give you an outline. I know you
21 have your own checklist, but in terms of kind of, you
22 know, understanding the issues that you follow --

23 CHMN. CHENAL: Sure.

24 MR. DERSTINE: -- our draft kind of in terms of
25 location, venue, hearing days and all that sort of

1 thing.

2 CHMN. CHENAL: All right. How about if I just
3 take a quick minute --

4 MR. DERSTINE: Yeah. We can do that.

5 CHMN. CHENAL: -- and look through this.

6 All right. I've looked at the draft notice of
7 hearing, and let's mark the draft notice of hearing as
8 Exhibit 2.

9 And do you have an extra copy of that?

10 MR. DERSTINE: I do.

11 CHMN. CHENAL: That's the one that starts out
12 "Before the Arizona Power Plant and Transmission Line
13 Siting Committee."

14 (Whereupon, Prefiling Exhibit No. 2 was marked
15 for identification.)

16 CHMN. CHENAL: And we have Exhibit 3 which is
17 signage.

18 MR. DERSTINE: Proposed.

19 CHMN. CHENAL: Proposed signage.

20 MR. DERSTINE: Yeah. It was all for publication
21 and post. Correct.

22 (Whereupon, Prefiling Exhibit No. 3 was marked
23 for identification.)

24 CHMN. CHENAL: All right.

25 MR. DERSTINE: Ed has given you kind of the

1 overall of the project description. It's really -- the
2 application will ask for two separate CECs.

3 CHMN. CHENAL: Okay.

4 MR. DERSTINE: One for the RICE generation
5 installation, the full 10 -- 20-megawatt units and then
6 a separate CEC for the two-plus miles of new
7 transmission line, the 138 kV that need to be
8 constructed to accommodate the relocation of the
9 substation, the upgrade for this new substation, all
10 within the Irvington campus.

11 CHMN. CHENAL: Okay.

12 MR. DERSTINE: We don't foresee any real
13 potential intervenors at this time, Ms. Chairman. We've
14 had communications, as Ed mentioned, with Davis-Monthan
15 about the air and flight issues, you know. We haven't
16 received any real indication from anyone that they want
17 to be a party in the case other than Staff, and we
18 appreciate Ms. Davis being here. So at this point, we
19 don't anticipate intervenors. Obviously, that may
20 change over the course of the case and once we get
21 notices out, but right now I don't foresee any strong
22 intervenors at this time.

23 CHMN. CHENAL: All right. Very good.

24 MR. DERSTINE: In terms of the hearing, so we've
25 got -- you'll see in the notice we've kind of marked out

1 the Doubletree there in Tucson as a venue that we've
2 checked on availability and is close to the project
3 site. So that's our suggested location, and that seems
4 like a fairly good, central location for the hearings.
5 They have the ballroom. They have the number of rooms
6 that are available. We can talk about days and hearing
7 dates in a second, but I think that's the general venue.

8 And then in terms of hearing dates, those will
9 be tied off to, I guess, timing of the filing of the
10 application. And we can talk about those -- those
11 dates, but I think right now we're projecting January 11
12 and 12 as our suggested hearing dates. And that would
13 be tied to our filing date of November the 13th,
14 roughly. Obviously, we can accommodate -- I don't know
15 what communications you may or may not have had with
16 members of the committee or whether that works for your
17 other members, but that's -- that's kind of our
18 suggested timeline. So a filing of November 13th with
19 hearing dates which we've already cleared with the
20 Doubletree for January 11th through 12th.

21 CHMN. CHENAL: All right. I'm not sure if we
22 have feedback yet on the -- whether the 11th or 12th
23 would work.

24 MR. DERSTINE: Okay. And there is some
25 availability the following week. We've checked into the

1 following week after the 11th and 12th. We haven't
2 pinned down any specific dates. So there is some
3 flexibility there, and we would just need to decide
4 what -- you know, once you're dialed in on the hearing
5 dates and when members will be available, then we can
6 tie that to our actual filing of the application so we
7 meet the timeline.

8 CHMN. CHENAL: Here's -- 11th and 12th may work.

9 Was it 11th and 12th or 10th and 11th?

10 MR. DERSTINE: 11th and 12th.

11 MR. BECK: Thursday and Friday.

12 CHMN. CHENAL: Thursday, Friday.

13 MR. DERSTINE: Yeah.

14 CHMN. CHENAL: That Monday is Martin Luther King
15 Day, the 15th. So now you're starting to back up
16 against a possible -- you know, a three-day weekend.

17 MR. DERSTINE: Travel.

18 CHMN. CHENAL: Travels.

19 MR. DERSTINE: Yeah.

20 CHMN. CHENAL: I mean, personally, it's okay
21 with me, but I sense -- I mean, in the past, sometimes
22 that's presented a problem. The members don't like to
23 be crowded around a holiday like that.

24 How flexible is the applicant in pushing it to
25 the following week, let's say?

1 MR. DERSTINE: So we have -- no?

2 MS. DARLING: I haven't checked.

3 CHMN. CHENAL: The 15th is Martin Luther King
4 Day.

5 MR. BECK: So a couple of things. One is from a
6 timing perspective. The issue with timing is that TEP
7 is attempting to try and start construction April 1st,
8 which, you know, would require potentially a March
9 approval at the Commission which then, backing in, the
10 later we get in January, concerns about, you know,
11 timing for that. And there may be ways to work around
12 that, but that is a little bit of concern.

13 Also, I think you are aware Tucson has the gem
14 show in February. So the venues start to get much less
15 available as you get towards the end of January. So we
16 know that the week of the 8th, they had the Monday,
17 Tuesday, and they had the Thursday, Friday. They do not
18 have availability on the Wednesday. And we have not
19 reached out and talked about the week of the 15th, but
20 to your point, probably not a Monday. So then it would
21 be --

22 CHMN. CHENAL: Yeah, that won't work.

23 MR. BECK: Yeah. We're open and flexible to
24 that following week. It's just those are a couple of
25 logistics concerns.

1 MR. DERSTINE: And I think the important fact is
2 this is not the only venue. This is one that we thought
3 would be a good venue and that we communicated with. We
4 thought the accommodations are reasonably good and that
5 the location is reasonably close to the project site for
6 purposes of a tour and just proximity, but if for
7 reasons of the members' availability we need to slide
8 earlier or later, yeah, we can look into that and try to
9 make accommodations and look at other venues if the
10 Doubletree is not available, say, the following week.

11 CHMN. CHENAL: I mean, anywhere in Tucson. I
12 mean --

13 MR. DERSTINE: Yeah.

14 CHMN. CHENAL: You know, it's not going to take
15 much to visit the site. It's all compact, right?

16 MR. BECK: Yes.

17 CHMN. CHENAL: So, you know, it's not -- this is
18 not a hard tour.

19 MR. BECK: No, no.

20 CHMN. CHENAL: So, I mean, a venue anywhere in
21 Tucson probably is okay.

22 MR. DERSTINE: Yeah.

23 CHMN. CHENAL: I notice you have two days, and
24 one of those, that evening is the public hearing or, you
25 know, the public comment.

1 I mean, how realistic is two days? You've been
2 to some of ours.

3 MR. DERSTINE: Yeah. So I think our
4 anticipation is that obviously no matter where you go,
5 the logistics of a tour is a morning or an afternoon.
6 And so then in terms of the presentation of the actual
7 case itself, it's probably a morning plus maybe an hour.
8 So four hours of presentation time, maybe a little bit
9 more, depending on how many questions we get from the
10 members of the committee, and then building in the time
11 for deliberation over two CECs which should not present
12 real significant issues given that the RICE unit
13 generation piece as well as the transmission piece are
14 all being constructed on an existing TEP project site
15 and already existing generation site.

16 So we don't foresee a lot of environmental or
17 other sorts of condition crafting. It should be pretty
18 generic, but these things just take time to go through
19 the various conditions. Even if we're using all the
20 stock conditions, it's going to be going through them
21 and making sure everyone is comfortable. So it's a half
22 day plus of case presentation and three hours probably
23 on getting the CECs reviewed and getting the members of
24 the committee to vote and say yes or no. So -- and then
25 add that with the tour, which is probably a half day,

1 it's a good two days and however we break it up.

2 So I know in the past -- I think at the
3 conclusion of the last hearing on the DC pipe case, you
4 made some -- or, I guess, probably relayed some of the
5 comments from members of the committee about does it
6 make sense to have the 6:00 o'clock public comment after
7 the day of hearing? In this case, our thinking is if
8 we've got a real day of presentation of testimony and
9 then negotiation of the CEC, does it make sense to do
10 the tour and the public comment kind of on a -- start
11 that half day and then do public comment in the
12 afternoon, then do our full hearing the next day? Is
13 that the best sequence in timing? That seems to make
14 sense.

15 CHMN. CHENAL: Say that again.

16 MR. DERSTINE: So do our tour, say -- I think in
17 Nogales we started at 1:00 o'clock.

18 CHMN. CHENAL: Yeah.

19 MR. DERSTINE: So we might do -- again, have a
20 1:00 o'clock start in Tucson and then, at that point in
21 time, take any initial public comment there might be,
22 run everyone out to tour the project. We can do a short
23 overview before we run out, go out and tour the project,
24 do our tour, come back, do public comment, and then the
25 next day start with the hearing in earnest and then

1 negotiation of the CEC conditions and hopefully wrap it
2 up with a day of case presentation and CEC review.
3 That's one way. I'm sure there's other ways to go about
4 it. That seemed one way, in terms of just given what we
5 have in this case, to efficiently cover all the bases.

6 So that's your two -- really it's a day and a
7 half, but maybe you call it two days. And we could
8 try -- you could do the tour in the morning and then do
9 a half day of case presentation, do our public comment
10 at the close of the day as we've always done and then
11 finish up the next day and hopefully then we're done in
12 midafternoon. That's another way to approach it.

13 CHMN. CHENAL: I do like the idea of having a
14 little more of the hearing before the tour just because
15 it puts things in context. I mean, if you tour it
16 without having, you know, all the background on the
17 matter, I think it doesn't get the benefit of the tour
18 as much.

19 MR. DERSTINE: Mr. Beck should give a project
20 overview or a description in general, however we do it,
21 but we can present more of the case and then do the tour
22 after a couple of hours of testimony as well, however
23 you'd like it, but we think -- it's two days. We're
24 hoping it's less, but I think in terms of chunking out
25 time, it's probably a good two days.

1 CHMN. CHENAL: I mean, it's Tucson. We don't
2 necessarily have to start at 1:00. We can start at, you
3 know, 10:00 or something like that. That would give
4 people an opportunity to get down in the morning and not
5 miss the whole morning.

6 MR. DERSTINE: Stay overnight.

7 CHMN. CHENAL: Without having to force them to
8 come down the night before. I know Nogales and Wilcox,
9 it's a little more problematic there.

10 MR. DERSTINE: Ed -- I mean, in terms of the
11 time for a tour, it's not as long as driving around the
12 Nogales route tour.

13 MR. BECK: No. The timing for the tour is going
14 to be getting from the venue to the site.

15 CHMN. CHENAL: Yeah.

16 MR. BECK: Because you can almost stand on one
17 corner and see the whole thing. And we'll -- obviously,
18 we'll drive from here to there, but, you know, you are
19 talking about a mile distance at the most. So, again,
20 it depends how many questions and what the committee
21 would want to actually see. We're expecting that by the
22 time we get to the hearing in January, we may have done
23 some of the grading and elevation changes for the
24 overall site. So a lot of this area will probably be
25 just clear land, open space.

1 CHMN. CHENAL: Okay.

2 MR. BECK: You'll be able to see the existing
3 substation, very old equipment, glass structures, but
4 probably not a whole lot to really say about it other
5 than this is the existing substation and here will be
6 the new location and where the RICE units will be
7 located.

8 MR. DERSTINE: And there may also be the one
9 residential community on the other side of the freeway.

10 MR. BECK: The edge of it is here, but it's
11 probably --

12 MR. DERSTINE: At least see where that is.

13 MR. BECK: Yeah, we can drive.

14 MR. DERSTINE: Understanding what the views are
15 and the perspective is from that.

16 MR. BECK: There is a little parkway along
17 there. We can drive over there and let the community
18 see what -- if you can see from that side of the road.

19 CHMN. CHENAL: Right.

20 MR. BECK: Because you've got the freeway in
21 front of it.

22 CHMN. CHENAL: Here's -- okay. I don't
23 necessarily have a problem with the 11th and 12th, but I
24 don't like having all our eggs in one basket assuming
25 we're going to finish in two days. If for any reason we

1 don't, now there's heck to pay, you know, with the
2 three-day weekend and rescheduling everything. I think
3 in this case we should have three days set aside with
4 the expectation we use one and a half to two, but just
5 to have a little cushion there as insurance. So the
6 10th and 11th and 12th would be my preference. I know
7 that hotel doesn't cover it.

8 MR. DERSTINE: We'll find another venue.

9 CHMN. CHENAL: And maybe the following week, the
10 17th, 18th and 19th, you know, would be -- I think -- or
11 whatever dates are available. We'll get our committee
12 polled. I mean, it's -- you know, with the normal
13 caveat, which is, you know, we'll do our best to get as
14 much -- as many of the committee there. I had a couple
15 of people -- one person last time at the hearing who
16 couldn't make it because of a scheduling conflict and
17 was a little ticked off, which I like. So they wanted
18 to be there.

19 MR. DERSTINE: Right.

20 CHMN. CHENAL: And so that was good. So we've
21 got to account for the care and feeding of the
22 committee, but I know -- Renee, I know it's heck to pay
23 to get accommodations down there, but I'm telling you
24 I'm just not 100 percent confident we'll get it done on
25 Thursday or Friday. You're talking about a tour. You

1 don't know if there's going to be someone that comes out
2 of the -- you know, the woodwork and starts to chew up
3 some time in the hearing, a possible intervenor. The
4 military takes a more active role in it. I just think
5 we need a little more time just to be safe.

6 MS. DARLING: Okay.

7 CHMN. CHENAL: Because, otherwise, we can be --
8 you know, you want to get -- I understand the hurry to
9 get it down so you can start construction in April, but
10 if we don't get it done on Thursday and Friday, the 11th
11 and 12th, you might be talking about a two- or
12 three-week delay.

13 MR. BECK: No, I understand.

14 MR. DERSTINE: That's a very good point. That's
15 a good point.

16 CHMN. CHENAL: And I'd just like to avoid that.

17 MR. BECK: So we'll reach out and check both
18 sets of dates and we'll try and find venues that are
19 available for both dates. And then, in the meantime,
20 will you be checking with the committee to see which
21 works best?

22 CHMN. CHENAL: We will. We'll check -- I mean,
23 the 10th, 11th and 12th; 17th, 18th and 19th. I
24 personally think the 17th, 18th and 19th is a better
25 time frame. It's a little further away from the hectic

1 holidays. It's after the Martin Luther King Day and we
2 can get it done then.

3 MR. BECK: Okay.

4 CHMN. CHENAL: I mean, you know, we won't --

5 MS. DARLING: Shall we just shoot for that?

6 MR. BECK: Well, let's see what's available and
7 whatever works best for your committee --

8 CHMN. CHENAL: Yeah.

9 MR. BECK: -- will be the driver.

10 CHMN. CHENAL: But we'll get both dates out and
11 poll our committee, but we'll get it done in those three
12 days, either that week or the following week. And we
13 can get the CEC out, you know, within a day or two --

14 MR. BECK: Yeah.

15 CHMN. CHENAL: -- hand-delivered to the
16 committee -- I mean, to the Commission to get the clock
17 running.

18 MR. DERSTINE: And then we'll just tether the
19 filing of the application based on whatever dates we
20 land on for the hearing.

21 CHMN. CHENAL: And I know the committee -- the
22 Commission in the past has kind of worked, I guess, with
23 the applicants. I mean, there's a statutory time frame
24 there, but I mean, I've been getting notified. I mean,
25 they've been very good about getting these done within

1 the 60 days, I mean, so it sounds like --

2 MR. BECK: There may be other methodologies,
3 too, with the Commission itself.

4 CHMN. CHENAL: So it sounds like --

5 MR. BECK: We're not real concerned about it,
6 but it's just --

7 CHMN. CHENAL: It sounds like you can get it
8 done by April.

9 MR. BECK: Yeah.

10 CHMN. CHENAL: Either way we slice it.

11 MR. BECK: And I think we talked about the 13th
12 filing was based on the 11th and 12th.

13 MR. DERSTINE: Right. So that's why I said --

14 MR. BECK: So we would shift it that four or
15 five days if we move it.

16 CHMN. CHENAL: Now, you know, the hearing has to
17 start within 30 to 60 days. I mean, you don't have to
18 cut it so that it's at the last date. I mean, I would
19 suggest you give yourself a little cushion just in case.

20 MR. BECK: Yeah. Okay.

21 CHMN. CHENAL: You know, shoot for the 45-day
22 period. Work -- whatever our dates and maybe 45 days
23 back from that so you're not, like, running around at
24 the last minute and now something bad is going to
25 happen.

1 So -- okay. So that takes care of at least the
2 date.

3 The facility, you know, I don't -- it doesn't
4 have to be the Doubletree, I mean --

5 MS. DARLING: It's an awesome place.

6 CHMN. CHENAL: Then it has to be -- then it has
7 to be the Doubletree.

8 MS. DARLING: It's right next to Reed Park. You
9 know, there's a walking trail, a running trail, golf.

10 CHMN. CHENAL: Is that like a five- -- eight- to
11 ten-story?

12 MS. DARLING: Uh-huh. Right on Alvernon between
13 22nd.

14 CHMN. CHENAL: I know exactly the facility.

15 MR. DERSTINE: She was already scoping out bike
16 routes and things for you.

17 CHMN. CHENAL: How ironic. I know that
18 facility. Okay. Yeah, it is awesome.

19 MR. DERSTINE: So then within those three days,
20 and I think you're right. Let's mark out three days and
21 we'll look at venues that are available for both the
22 11th and 12th; 17th, 18th and 19th. And we can get back
23 with you to confirm availability and you'll let us know
24 which one you pick.

25 And then the tour, however you decide the best

1 way to approach that timewise. I think you're right,
2 certainly giving a presentation of the case so the
3 committee members understand what they'll be looking at
4 and why they're looking at it is important, how much --
5 how you want to break up that first day between some
6 project description and overview and then tour, if
7 that's the best way to do it, and combined with public
8 comment and get through that on that first day or some
9 of that -- if you're going to start, say, at 10:00 or
10 noon, we'll just proceed however you decide is the best
11 way.

12 CHMN. CHENAL: I'm thinking if we had a 10:00
13 a.m. start, broke for lunch -- I'm thinking out loud,
14 but if we broke for lunch, had the tour and not a fancy
15 tour, you know --

16 MR. BECK: Yeah.

17 CHMN. CHENAL: -- that's going to take forever,
18 get back, resume the hearing and then maybe this time we
19 have the public comment not at 6:00, but we can move it
20 up to 5:30 or something like that.

21 MR. DERSTINE: Yeah, yeah.

22 MR. BECK: Just one of the issues that's come up
23 in our venue discussions and as far as the cost and
24 meals and so on -- and I know previously the committee
25 kind of decided they didn't want the evening meal on the

1 second or third day.

2 Is there any value to us setting up an evening
3 dinner or just stay away from that totally?

4 CHMN. CHENAL: Yeah, we'll get to that.

5 MR. BECK: Okay.

6 CHMN. CHENAL: I think the rule is for State
7 employees that if the meal is provided, they have to
8 take it. If it's not provided, they can go wherever
9 they want.

10 MR. DERSTINE: And then use their per diem.

11 CHMN. CHENAL: And use their per diem. I
12 believe that's the rule I'm looking at.

13 MS. DAVIS: Well, I can't speak to that because
14 I'm not sure what, like -- I think that would govern our
15 rules for State employees generally, you know. I'd have
16 to look at the rule specifically. I'm not sure at the
17 moment.

18 CHMN. CHENAL: But apart from that, I've
19 noticed, as I've gotten to know the committee better,
20 there's a wide range of times to eat -- that people like
21 to eat and, you know, I'm on the French schedule. I
22 don't like to eat before 7:30 or 8:00 and I'm not going
23 to eat at 5:00 to 6:00. I mean, that's lunchtime.

24 MR. DERSTINE: So forget the planned meal and
25 let people do what they want.

1 CHMN. CHENAL: I think you can let them do what
2 they want, and I think that will work out just fine.
3 And we'll talk about it with them, but I think that
4 works out better.

5 MR. DERSTINE: That probably allows us to
6 schedule the public comment a bit earlier.

7 CHMN. CHENAL: Yeah. 5:30, I think, is when we
8 should do it instead of 6:00. And as we did in the last
9 hearing, we actually worked up till close to that point
10 anyway to make sure we got done, you know, quicker. So
11 those are -- those are thoughts on that.

12 MR. DERSTINE: Okay. So that's the tour, venue
13 discussion, hearing dates. You have the draft notice of
14 hearing there.

15 CHMN. CHENAL: You'll send that in Word format
16 once we work out the --

17 MR. DERSTINE: Right.

18 CHMN. CHENAL: Let me just kind of go through my
19 list here.

20 MR. DERSTINE: Sure.

21 CHMN. CHENAL: Just for a minute. At the
22 prehearing conference we'll allow people to appear in
23 person or by telephone if they can't make it in person.

24 We've entered maps and documents here into the
25 record. You'll provide a Word copy of the notice of

1 hearing once we finalize more of the details.

2 Publication? What's the plan there? The
3 "Tucson Daily Star"?

4 MR. BECK: The "Arizona Daily Star."

5 CHMN. CHENAL: Sorry. I'm sorry. Okay. The
6 "Arizona Daily Star."

7 MR. BECK: "Tucson Citizen" is gone. It's the
8 "Arizona Daily Star."

9 CHMN. CHENAL: Sure.

10 MR. DERSTINE: And I think that's the only
11 newspaper that really would cover the project site and
12 hearing.

13 CHMN. CHENAL: Yeah. Okay.

14 MR. BECK: Just briefly, the whole Irvington
15 site was annexed by the City. So we're in the city of
16 Tucson and have been for five or ten years, something
17 like that.

18 MS. DARLING: Ten-plus.

19 MR. BECK: It's been a while.

20 MS. DARLING: '95.

21 MR. BECK: Okay. Yeah.

22 CHMN. CHENAL: Okay. All right. That should be
23 fine.

24 Signs and locations for the signs?

25 MR. BECK: We're anticipating at least three

1 signs, one at each of the -- our entry gates to our
2 plant site. And then we've contemplated maybe putting
3 one on the freeway side of our plant site within our
4 fence, not real visible to anybody, but it's another
5 notice sign. We talked about potentially putting one on
6 the south side of the interstate. We will have to check
7 to see whether we can get permission to do that. We're
8 kind of looking maybe for a little bit of your thoughts.
9 Should we try to reach that neighborhood that is south
10 of the freeway?

11 CHMN. CHENAL: I think so, because they're the
12 only ones that are going to be affected, at least from
13 what I have heard so far today.

14 MR. BECK: Right. So then that would be the
15 fourth sign location.

16 CHMN. CHENAL: And where would the other three
17 be, Mr. Beck?

18 MR. BECK: All right. Our Gate Number 1 which
19 is just east of Alvernon Way along Irvington.

20 CHMN. CHENAL: Okay.

21 MR. BECK: And then we've got a Gate 4 which is
22 over on this end of the property.

23 CHMN. CHENAL: So those are two.

24 MR. BECK: And then one along the southern edge
25 of our property facing the ramp and the freeway.

1 CHMN. CHENAL: Okay. All right. Very good.

2 That sounds very agreeable there.

3 Affected jurisdictions? Who are the affected
4 jurisdictions?

5 MR. BECK: City of Tucson, Pima County. I don't
6 think Davis-Monthan is a jurisdiction. So I think it's
7 just those two.

8 CHMN. CHENAL: Okay. You know, the procedural
9 order will require the applicant to provide notice to
10 the affected jurisdictions.

11 We talked about the evidentiary hearing. We'll
12 come up with dates, and Marie will poll our committee to
13 clarify which of those two time slots are better. And I
14 know that could affect the location of the hearing. I'm
15 thinking we'll use a 10:00 a.m. start time on the
16 initial day of the hearing. I'm thinking we'll have a
17 tour right after lunch. Lunches are nice.

18 MR. BECK: Okay. Yeah, that works.

19 MR. DERSTINE: Provide lunch.

20 MS. DARLING: And breakfast.

21 CHMN. CHENAL: Yeah.

22 MS. DARLING: Continental style.

23 CHMN. CHENAL: Yes.

24 MS. DARLING: And a snack.

25 CHMN. CHENAL: Yeah.

1 MS. DARLING: Okay.

2 MR. BECK: Or two depending on the time of day.

3 CHMN. CHENAL: Yeah. That's all helpful.

4 That's very much appreciated. So I don't want to make
5 it sound like that's not appreciated. It very much is.

6 MS. DAVIS: I'd just like to clarify my earlier
7 comment. Commission Staff have a different policy than
8 would the members. So I can circulate both policies
9 later if that's agreeable.

10 CHMN. CHENAL: That's fine, just for curiosity.

11 MR. BECK: Staff is paid for meals as we provide
12 them, and you can contribute towards that.

13 MS. DAVIS: Staff always has to.

14 MR. DERSTINE: Naomi and Charles will put a five
15 down.

16 MS. DAVIS: That's right. Let the record
17 reflect we paid for it.

18 MR. DERSTINE: Two dollars' worth of snacks in
19 the afternoon.

20 MS. DAVIS: That's right.

21 CHMN. CHENAL: Very good. Okay.

22 Then we'll have the public comment, I'm
23 thinking, at 5:30 the night of the first hearing, the
24 evening of the first hearing. So I think with that
25 we'll be able to get through it in two days, hopefully,

1 but if we need it, we'll have the third.

2 The tour, we'll -- I'll ask the applicant to
3 provide kind of --

4 MR. BECK: A bus.

5 CHMN. CHENAL: -- tour itinerary, kind of a plan
6 for that. I think the afternoon, you know, 1:00 p.m.
7 the first hearing day would probably be the best time to
8 do that.

9 Let's pick a couple of days for the prehearing
10 conference depending on which scenario works out for the
11 days, but that way we'll have an automatic date built in
12 here. We won't have to, you know, discuss it any
13 further. It won't be before New Year's which is the
14 Monday. So if we have the hearings the 10th, 11th and
15 12th -- given that this doesn't sound like a
16 controversial hearing, I mean, it wouldn't upset me to
17 have the prehearing conference Friday the 5th.

18 Is that -- does that work with everyone's
19 schedule?

20 MS. DeCORSE: Yeah.

21 CHMN. CHENAL: It could be early afternoon. It
22 could be in the morning.

23 MR. DERSTINE: So we're good?

24 MS. DAVIS: Yeah.

25 MR. BECK: So that one will be regardless of the

1 window?

2 CHMN. CHENAL: Well, no. Well, maybe -- let's
3 see. Let's do the math. You know, we can do it that
4 way, Mr. Beck. That's not a bad thought. Given Martin
5 Luther King's Day on that Monday, I think that date
6 would work. I mean, normally you are looking for, if
7 anyone moves to intervene, it has to be at least ten
8 days before. So I like to have the prehearing
9 conference within the ten days so that we know who the
10 intervenors are, you know, but this doesn't sound like
11 that's going to be that kind of a case.

12 So we'll just take the chance. You'll know
13 who's interested. You'll provide notice to any
14 interested parties so that they'll be there regardless
15 even if they may not have already provided their
16 notification or filed their application.

17 MR. BECK: Okay.

18 CHMN. CHENAL: So we'll assume January 5th,
19 maybe late morning, early afternoon. I'll have to look
20 at my schedule to decide, but does that work for
21 everybody?

22 MR. DERSTINE: Yeah.

23 CHMN. CHENAL: On that date? Okay. I see
24 everyone saying yes.

25 Let's see. Any litigation or disputes regarding

1 this project that has not already been -- that haven't
2 already been discussed?

3 MR. BECK: No. We are in the process of getting
4 permits for the RICE units themselves. So there are
5 other permitting processes going on, but we don't see
6 any showstoppers within -- in that process. And we
7 haven't found anybody that's really objecting to the
8 project. In fact, we have had some support for the
9 project from the standpoint of supporting renewables and
10 especially once they hear that we're going to get two
11 steam units as a result of the project.

12 MR. DERSTINE: And the permit you are referring
13 to is the air permit?

14 MR. BECK: Yeah. The primary permit we will do
15 is an air permit. And just for the record and for your
16 information, the National Park Service has -- I'm not
17 sure what the right term would be. They haven't
18 intervened, but they have provided comment to PDEQ
19 regarding their thoughts on the modeling for the smoke
20 plume coming out of the stacks. And so there's been
21 some back-and-forth as to exactly what that modeling
22 should look like, but we're working very closely with
23 them to try to accommodate their question.

24 CHMN. CHENAL: Okay. Let's talk for a minute
25 again about the -- when you want to file your

1 application. I mean, if we have the hearing the 11th or
2 the 10th or even the 17th, but let's use the 10th --
3 let's use the 17th. If we go back a month and a half,
4 that's -- no, that's the first week of December or
5 sometime in there. That's a bit past when you had
6 discussed doing it, but it would give you a lot more
7 time. It will give you a little more time to finalize
8 it and it will give you more flexibility.

9 You can file when you want. I mean, this
10 isn't -- this is your decision, not mine. I just would
11 throw out that, you know, filing it a little later -- I
12 mean, I don't know what goes on behind the scenes and
13 what the motivations are for getting it filed sooner,
14 but I'll just throw that out.

15 MR. BECK: Based on the windows that we're
16 talking about for the hearings, I mean, we don't have
17 any problem with delaying. In fact, to your point, it
18 would be better for us to delay the actual filing of the
19 application. We'll have to have some discussion on
20 whether we want to do it before or after Thanksgiving,
21 just get it in just before, like the last full week --

22 CHMN. CHENAL: Sure.

23 MR. BECK: -- of November maybe.

24 MR. DERSTINE: Also, we'd want to work around --

25 MR. BECK: The time issue.

1 MR. DERSTINE: -- your schedule and plan so you
2 can have your ten days to get notices out and we're not
3 conflicting with Thanksgiving or the holidays.

4 CHMN. CHENAL: Yeah. That's true. So we'll
5 get -- we'll poll the committee members immediately and,
6 you know, if you could be in contact, we'll let you
7 know.

8 Who should be the contact person for Marie?

9 MR. BECK: I have been to date.

10 CHMN. CHENAL: Okay. All right. We'll continue
11 with that.

12 MR. BECK: Okay.

13 MR. DERSTINE: We'll just do whatever Marie
14 tells us.

15 CHMN. CHENAL: That's good advice.

16 MS. COBB: That's right. I have the power.

17 CHMN. CHENAL: Okay. You'll get the standard
18 procedural order. It probably won't differ much from
19 the last hearing we had.

20 CEC conditions, you know, parties have been very
21 good -- applicants have been very good about including,
22 you know, conditions that seem to make sense. I mean, I
23 do look at them. I do have my little laundry list of
24 ones we go through, but, you know -- you know, you'll
25 create the draft CECs, and the procedural order

1 addresses when they're to be submitted.

2 We talked about public comment. We talked about
3 the permit status. We'll need to have a high -- robust
4 Wi-Fi at the hearing site. I guess there were some
5 horror stories in the past, and I have that on the
6 checklist.

7 MR. BECK: I can imagine.

8 CHMN. CHENAL: John Foreman said -- one of the
9 most important things when I took over from him is make
10 sure they have robust Wi-Fi. Hammer that point home
11 hard.

12 MR. BECK: Just as a point of information,
13 Ms. Chairman, we're going to strive to have what we call
14 the men in black. So the group -- or the audiovisual --

15 CHMN. CHENAL: That's right.

16 MR. BECK: -- work. They do a very good job.

17 CHMN. CHENAL: I think I remember them.

18 MR. BECK: Yeah. They were there for the first
19 day of hearings.

20 CHMN. CHENAL: Yeah.

21 MR. BECK: They were very good.

22 CHMN. CHENAL: Yeah, very good.

23 All right. Any other matters? That covers the
24 checklist I had.

25 Any other matters we should discuss?

1 MR. DERSTINE: So I think in the last hearing
2 the applicants paid for the member rooms in advance
3 rather than having the reimbursement.

4 Is that a preferred way to handle it so you
5 don't have to deal with --

6 MR. BECK: Well, it is, actually, and that's the
7 way the model that it's been going in.

8 MR. DERSTINE: Okay.

9 CHMN. CHENAL: We got the okay from the
10 Corporation Commission that that was -- that was okay by
11 them.

12 MR. DERSTINE: Okay.

13 CHMN. CHENAL: I think it's easier on the
14 members and, you know, we just check in and we check
15 out. So that seemed to be a good way to do it.

16 MR. DERSTINE: All right.

17 MR. BECK: Was that an issue for Staff? Is that
18 an issue for Staff? Should we not plan on --

19 MS. DARLING: Hotel rooms.

20 MS. DAVIS: I'm just going to have to check.
21 I'm not sure.

22 MR. BECK: Okay. Whichever, just let us know
23 and we'll do whatever works for you guys.

24 MS. DAVIS: Okay. Will do.

25 CHMN. CHENAL: But at our end, you know, I think

1 that works. That works well.

2 MR. BECK: Okay.

3 CHMN. CHENAL: I come the night before even if
4 we start at 10:00. I don't want to be taking the chance
5 driving from Carefree down to Tucson for a 10:00 o'clock
6 start time, you know. There will be an accident.
7 Murphy's Law. So I always go the day before, but we'll
8 talk -- we can talk about that. So there might be
9 some -- I know a lot of members like to stay over that
10 last night of the hearing and not have to drive up to
11 wherever they have to go back to. So have some
12 flexibility there.

13 MR. DERSTINE: I think we've already identified
14 the libraries where we're going to deposit the
15 application. We've got those set.

16 CHMN. CHENAL: Okay.

17 MR. DERSTINE: We covered the posting sites, and
18 we'll post the application on the company's website --

19 CHMN. CHENAL: Right.

20 MR. DERSTINE: -- in addition.

21 CHMN. CHENAL: Good point, because I now include
22 that in the --

23 MR. BECK: Procedure.

24 CHMN. CHENAL: -- procedural order. A lot of
25 people have asked that they'd like to see it on the

1 website -- on the website, on the site of the project.

2 That's helpful to a lot of people.

3 MR. DERSTINE: Okay. You're still excited about
4 iPad use at the hearing? That's why Ranie is here.

5 CHMN. CHENAL: There's always a technical
6 wizard. It's so important.

7 MR. DERSTINE: I thought you were going to start
8 including the iPad requirement as a "shall" in your --

9 CHMN. CHENAL: Procedural order.

10 MR. DERSTINE: -- procedural order.

11 CHMN. CHENAL: Well, I think I am. I just
12 didn't have it on my prefiling checklist, but I do now
13 for the future.

14 MR. DERSTINE: All right. We'll be ready.

15 CHMN. CHENAL: Is that a possibility?

16 MR. DERSTINE: Yes.

17 CHMN. CHENAL: I think that was very helpful.
18 Unfortunately, we still need you to file -- I mean,
19 that's not our rule. That's the way the statute is set
20 up -- the application materials. And some people do
21 like it, you know, in the hard copy, but I thought
22 everybody took to it very well at the hearing to have
23 the iPads, and we're using them almost exclusively.

24 MR. DERSTINE: And probably the more you use
25 them, the more you're going to feel comfortable with

1 them and rely on them.

2 CHMN. CHENAL: Yeah.

3 MR. DERSTINE: In terms of the filing the actual
4 paper application, the 25 plus 1, do you still want a
5 jump drive or the electronic version with each
6 application? Do the members use that? Do they like
7 that? We ran into some logistics last time where the
8 thumb drives were separated from the applications and
9 then -- we can do it. It's just a matter of what's your
10 preference.

11 CHMN. CHENAL: How hard is it to do that?

12 MR. DERSTINE: No, no.

13 CHMN. CHENAL: If it's not a problem, let's add
14 them, but I think at the hearing I'll ask some of the
15 members what they feel about it. I mean, if you have
16 the iPad, you're not going to use the little thumb
17 drive.

18 MR. DERSTINE: Right, but if you bring it in
19 advance, maybe they will pop it into the computer.

20 CHMN. CHENAL: It could be.

21 MR. DERSTINE: Yeah.

22 CHMN. CHENAL: It could be true. So let's
23 include it, but I think iPads are a great idea.

24 MR. DERSTINE: Okay.

25 CHMN. CHENAL: So how are you going to do that?

1 MS. ROZENBERG: A vendor is going to help.

2 CHMN. CHENAL: Okay. How do you load that stuff
3 in? I mean, what's -- I think the last time we had
4 GoodReader as an app and it was loaded into that on the
5 iPad. It was GoodReader.

6 MR. DERSTINE: Well, we just sprung this on
7 Ranie at lunch. So she hasn't done the research yet,
8 but I'm sure she's up to the task.

9 MR. BECK: We will be reaching out and
10 determining how -- an estimate, but I think you talked
11 to the A/V guys in Nogales and they were suggesting a
12 different way of being able to download all the
13 applications.

14 CHMN. CHENAL: They had -- and I couldn't begin
15 to tell you what they were using, but they basically
16 had, like, a local area network that was created where
17 people would just kind of --

18 MS. DARLING: Kind of like Google share.

19 CHMN. CHENAL: Yeah, it wasn't Google. It was a
20 separate company or a new -- I had never heard of it
21 before, but it wasn't -- I would have remembered Google
22 share.

23 MS. DARLING: But it works like that.

24 CHMN. CHENAL: It probably works like that where
25 it's a shared drive and everyone kind of logs in to it.

1 It's like a local area network just for this, and stuff
2 is dropped into it, and everyone accesses on their -- on
3 their iPad with a, you know, secure password and all
4 that. And you could access these documents that way and
5 everyone can access different documents and, you know,
6 it seemed like it was a pretty good idea.

7 MR. DERSTINE: Okay.

8 CHMN. CHENAL: Anything else?

9 MR. DERSTINE: Anything else that worked or
10 didn't work at the last hearing that you want to give us
11 some tips and tricks on? Things you were happy with?
12 Not happy with?

13 CHMN. CHENAL: A/V was sketchy at certain
14 points, through no fault of the applicant. I mean, I
15 understand that it's just the venue required that. No,
16 you know, I think --

17 MR. DERSTINE: iPads were good?

18 CHMN. CHENAL: iPads were a great idea.

19 MR. DERSTINE: Okay. Still have paper there
20 available? Okay.

21 CHMN. CHENAL: Yeah. I don't think -- I don't
22 think the applicant -- maybe you can bring an extra set
23 of, you know, the application documents, you know, hard
24 copy but, you know, usually, unfortunately, what happens
25 is people bring it and then they leave it. I mean, I'm

1 not sure how much they are used. Especially if you have
2 the iPads available, I'm not sure. I mean, some people,
3 like, still use them. I do for maps, things like that,
4 but to tier the substance of it. Once you get to the
5 hearing, I don't think that the paper documents are of
6 much worth.

7 MR. DERSTINE: Okay.

8 CHMN. CHENAL: Other than maps.

9 MR. DERSTINE: Okay. And placement is helpful?

10 CHMN. CHENAL: Very helpful, yeah. That's never
11 been in any order or anything, but that's one of those
12 things that I think is just custom and practice.

13 MR. BECK: Yeah.

14 CHMN. CHENAL: But that's very helpful.

15 MR. DERSTINE: Okay.

16 CHMN. CHENAL: I can't think of anything other
17 than what we have discussed.

18 MR. DERSTINE: Okay.

19 CHMN. CHENAL: It just doesn't sound like it's
20 going to be a contested matter.

21 MR. DERSTINE: Well, we'll then -- I guess we'll
22 wait for Marie to tell us what's the window, what's the
23 right block of time for the members of the committee,
24 and we'll go from there.

25 CHMN. CHENAL: Yeah, just work backwards.

1 MR. DERSTINE: Either way. Okay.

2 CHMN. CHENAL: And then I'll start working on
3 the procedural order, and we'll fill in the information
4 when we have the date -- when we have dates solidified
5 and the venue, and you can shoot the notice of hearing
6 in, you know, Word format. We'll take a look at it.

7 MR. DERSTINE: Got it.

8 CHMN. CHENAL: And we'll go from there. All
9 right. This should be a fun one.

10 MR. DERSTINE: Yeah.

11 CHMN. CHENAL: This will be the first generating
12 plant --

13 MR. DERSTINE: In a while.

14 CHMN. CHENAL: -- that I will have been a part
15 of.

16 MR. DERSTINE: New generation.

17 CHMN. CHENAL: New generation, yeah.

18 MR. DERSTINE: I think these RICE engines, we'll
19 have -- the TEP witness Ed Wallace will do the project
20 overview, but I think we'll have --

21 MR. BECK: Our generation person.

22 MR. DERSTINE: -- our generation person who's
23 going to talk about it who's actually in Finland right
24 now meeting with the manufacturers of these engines.
25 And so yeah, it's interesting.

1 CHMN. CHENAL: I should ask who your witness is
2 going to be.

3 MR. BECK: It would be myself, Ed Beck. Renee
4 will be on the environmental side and then probably
5 Conrad Spencer, who is our generation person.

6 CHMN. CHENAL: You will not have a panel? It
7 will be three separate witnesses, then, because of the
8 topic?

9 MR. BECK: We haven't --

10 MS. DARLING: We can all step in.

11 MR. BECK: I think for this project it makes
12 sense for all of us to be together.

13 CHMN. CHENAL: That's fine. That's fine.

14 MR. DERSTINE: Yeah.

15 CHMN. CHENAL: Okay.

16 MR. DERSTINE: Well, thank you.

17 CHMN. CHENAL: Anything else? If not, we'll
18 adjourn and see you on January 5th.

19 MR. DERSTINE: Yeah.

20 CHMN. CHENAL: All right. Okay, everybody.

21 Thank you very much.

22 (Whereupon, the proceedings concluded at 3:09
23 p.m.)

24

25

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