

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

3 IN THE MATTER OF THE APPLICATION) DOCKET NO.
4 OF TUCSON ELECTRIC POWER COMPANY,) L-00000C-18-0283-00181
IN CONFORMANCE WITH THE)
5 REQUIREMENTS OF A.R.S § 40-360,)
et seq., FOR A CERTIFICATE OF) LS CASE NO. 181
6 ENVIRONMENTAL COMPATIBILITY)
AUTHORIZING THE SONORAN)
7 SUBSTATION TO WILMOT ENERGY)
CENTER 138 kV TRANSMISSION LINES)
8 AND ASSOCIATED FACILITIES)
ORIGINATING AT THE SONORAN)
9 SUBSTATION, SECTION 02, TOWNSHIP) DELIBERATIONS
16 SOUTH, RANGE 14 EAST, AND)
10 TERMINATING AT THE CISNE) and
SWITCHYARD, SECTIONS 14 AND 15,)
11 TOWNSHIP 16 SOUTH, RANGE 14 EAST,) VOTING
EACH LOCATED WITHIN PIMA COUNTY,)
12 ARIZONA.)
_____)

13
14 At: Tucson, Arizona
15 Date: September 26, 2018
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1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on regularly to be heard before the
3 Arizona Power Plant and Transmission Line Siting
4 Committee at the DoubleTree Inn Hotel, 455 South Alvernon
5 Way, Tucson, Arizona, commencing at 9:13 a.m. on the 26th
6 day of September, 2018.

7

8 BEFORE: THOMAS K. CHENAL, Chairman

9 LAURIE WOODALL, Arizona Corporation Commission
10 LEONARD DRAGO, Department of Environmental Quality
11 JOHN RIGGINS, Arizona Department of Water Resources
12 MARY HAMWAY, Cities and Towns
13 JAMES PALMER, Agriculture
14 PATRICIA NOLAND, Public Member
15 JACK HAENICHEN, Public Member
16 RUSSELL JONES, Public Member

17

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19 For the Applicant:

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25 and

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32

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1 CHMN. CHENAL: Good morning, everybody. This
2 is the time set for the resumption of the TEP hearing.

3 Let's see if there are any procedural matters
4 we need to review before we continue with the hearing.

5 Yesterday, we were going to start with
6 Ms. Rucker. I understand that the Tucson Airport
7 Authority has a witness as well.

8 Why don't we just proceed with the normal
9 order. And we'll finish with the panel and the witnesses
10 of the applicant, and then we'll have Mr. Schmaltz and
11 we'll swear in the witness after that. And then we'll
12 have time for any redirect after Mr. Schmaltz's witness
13 is finished.

14 So is there anything we need to discuss before
15 we turn it back over to you, Mr. Derstine, and your
16 witness?

17 MR. DERSTINE: Nothing from me. I have a few
18 follow-up questions for Ms. Darling, and I understand
19 that we're going to proceed now with Ms. Rucker.

20 We talked about taking the TAA witness out of
21 order. I think they're fine with us moving forward.

22 CHMN. CHENAL: I asked Mr. Schmaltz before the
23 hearing started if that was the case and they needed to
24 get their witness on now, and he said it's not necessary.
25 We can take him after your panel is completed. So let's

1 just stay with the normal way.

2 If you want to finish up with Ms. Darling,
3 that's fine, and then we'll just take Ms. Rucker after
4 that. And there may be some additional questions of the
5 panel before we start with Ms. Rucker.

6 MR. DERSTINE: Absolutely.

7 CHMN. CHENAL: So go ahead.

8

9 RENEЕ DARLING,
10 called as a witness on behalf of Applicant, having been
11 previously affirmed by the Chairman to speak the truth
12 and nothing but the truth, was examined and testified as
13 follows:

14

15 REDIRECT EXAMINATION

16 BY MR. DERSTINE:

17 Q. Good morning, Ms. Darling. You're sworn, under
18 oath.

19 We finished your prepared testimony yesterday,
20 direct testimony, but there were a couple questions that
21 came up during the course of yesterday's testimony that I
22 think you've done a little homework on and wanted to
23 address.

24 So one, I believe, was from Member Noland
25 concerning the substation, and I think there was also a

1 question from Member Woodall about -- something that had
2 to do with the archeological study report, a reference
3 contained therein.

4 So why don't you address those, and there may
5 be more questions from the Committee.

6 A. Thank you.

7 I believe Member Noland's question was related
8 to the lease area for the substation; is that correct?

9 So this is the TAA parcel shaded in white.
10 It's 317 acres, surrounded by the dashed line as well.
11 This is the actual substation where the wall is
12 represented by the black boundary. That is 11.47 acres.
13 And then we are leasing -- we will be leasing this larger
14 area here, which is 52.14 acres. And the reason for that
15 is we're required to have a 200-foot buffer per City of
16 Tucson's zoning around a substation in a zoning that's
17 RH, which is rural homestead. And then we also extended
18 it all the way out to Swan Road so that we could have our
19 driveway, our detention basin here.

20 So the Southern 1 line would come out the south
21 edge of the sub, come over to Swan Road. And then we
22 would have to also acquire an easement from TAA from the
23 lease site to the edge of the parcel before we cross over
24 to the west side of Swan. So that would be a
25 100-foot-wide easement from TAA there.

1 Does that --

2 CHMN. CHENAL: Member Noland.

3 MEMBER NOLAND: Mr. Chairman, part of my
4 question was the corridor in that area. The 500-foot
5 along the east side of Swan Road and then just to the
6 north of that site.

7 If you could put the other map up that shows
8 the routes, the proposed four routes.

9 All right. Then what I'm looking at is I think
10 mostly to the south. Is that going to be a 500-foot
11 easement on the south end of the Sonoran Substation just
12 above there that runs -- no.

13 MS. DARLING: Right here; correct?

14 MEMBER NOLAND: No. Right here.

15 MS. DARLING: I see.

16 MEMBER NOLAND: Is that going to be 500 feet on
17 the east side of the road alignment?

18 MS. DARLING: Ed is indicating yes, it's a
19 500-foot corridor for all of the Southern 1 Alternative,
20 except as for the exception; however, our intent is to
21 acquire a 100-foot-wide easement from TAA.

22 MEMBER NOLAND: Correct.

23 MS. DARLING: This portion that you're speaking
24 of would most likely fit within that 200-foot lease area
25 and wouldn't require an easement. But I don't want to --

1 MEMBER NOLAND: Well, I'm not concerned about
2 that.

3 MS. DARLING: Okay.

4 MEMBER NOLAND: I'm mostly concerned about the
5 corridor --

6 MS. DARLING: Right.

7 MEMBER NOLAND: -- along this east side of Swan
8 Road for the Southern 1 boundary.

9 MS. DARLING: Right.

10 MEMBER NOLAND: And then, right above the
11 substation on the Northern 2, south end of the Northern 2
12 alignment, is that also going to be according to the
13 legal description that we have and a 500-foot?

14 MS. DARLING: According to the legal
15 description, it's a 1,000-foot corridor there.

16 MEMBER NOLAND: 1,000-foot?

17 MS. DARLING: Yes. But, again, the intent
18 would be to place the lines within the lease area until
19 we get to the edge of the lease area and then acquire an
20 easement up.

21 MEMBER NOLAND: Okay. That answers my
22 question. Thank you.

23 Q. BY MR. DERSTINE: The second part of your
24 homework assignment was to address Ms. Woodall's
25 question, I think, on the archeological report.

1 A. Yes. Member Woodall's question was related to
2 the references in Exhibit E, E.3, where we cite a SWCA,
3 that's S-W-C-A, cultural resources report. And her
4 question was related to why Tierra would have used their
5 report instead of just their own. And it's actually TEP
6 that cites that report in relation to the Cisne
7 Switchyard because the Cisne Switchyard is on the Wilmot
8 Energy Center project. They -- a different company, a
9 different consultant, did their cultural resources
10 studies.

11 So when I stated in E.2.2, the Inventory
12 Methods and Results, that there were no cultural
13 resources that would be affected by the Cisne Switchyard
14 or the easement on Wilmot Energy Center property, that
15 was referenced back to the SWCA report. And I failed to
16 put a reference in the actual text. Just that it was
17 only at the end.

18 CHMN. CHENAL: Member Woodall.

19 MEMBER WOODALL: I think that was a draft
20 report, was it not?

21 MS. DARLING: Yes. It is a draft report. I'm
22 not sure it has been finalized until they receive
23 comments back from Arizona State Museum.

24 MEMBER WOODALL: And do you happen to know why
25 that cultural resources survey was commissioned? Is it

1 for some kind of permitting for the energy center?

2 MS. DARLING: I don't think that there's a
3 required permit. As I stated yesterday when we were
4 talking yesterday about the solar zoning that the City
5 has there, I believe it's due diligence on the part of
6 NextEra.

7 MEMBER WOODALL: You don't think there's a
8 requirement?

9 MS. DARLING: I don't believe that there is.

10 MEMBER WOODALL: May I ask a question of
11 Mr. Beck that's kind of relevant to this?

12 Mr. Beck, the switchyard will be owned by whom?

13 MR. BECK: Tucson Electric Power.

14 MEMBER WOODALL: And the land upon which the
15 switchyard sits will be owned by?

16 MR. BECK: There will be an easement of some
17 type to TEP from Wilmot Energy Center.

18 MEMBER WOODALL: For the substation site?

19 MR. BECK: For the switchyard site.

20 MEMBER WOODALL: Excuse me. Yes, the
21 switchyard.

22 MR. BECK: Yes.

23 MEMBER WOODALL: Okay. So you'll have a
24 long-term lease?

25 MR. BECK: Yes.

1 MEMBER WOODALL: And you'll obviously have some
2 kind of access grants?

3 MR. BECK: Yes. Well, as we indicated, the
4 road that will come off the end of the cul-de-sac at Swan
5 Road would be the access for both our switchyard as well
6 as the NextEra site.

7 MEMBER WOODALL: But you will own the
8 equipment, and you will be operating the switchyard based
9 upon a lease for the underlying land; is that right?

10 MR. BECK: It will be an easement.

11 MEMBER WOODALL: Easement, I'm sorry.

12 MR. BECK: Yeah.

13 MEMBER WOODALL: Yes. Thank you very much.

14 CHMN. CHENAL: Just one follow-up question on
15 that, Mr. Beck, out of curiosity.

16 Why would you, for the switchyard, use a lease
17 as opposed to an easement?

18 MR. BECK: It depends on what you can get from
19 the property owner. But in this case, we should have an
20 easement from Wilmot Energy Center.

21 CHMN. CHENAL: That's to the switchyard, Cisne;
22 right?

23 MR. BECK: The switchyard itself as well as the
24 line coming into Cisne.

25 CHMN. CHENAL: Okay. I misunderstood. I

1 thought you said you were going to have a long-term lease
2 for the land on which the switchyard would be located
3 versus --

4 MR. BECK: In this case, it will be an easement
5 from Wilmot Energy Center.

6 CHMN. CHENAL: For both the line and the
7 switchyard?

8 MR. BECK: And the switchyard.

9 CHMN. CHENAL: Okay.
10 Member Woodall.

11 MEMBER WOODALL: So when you gave us the costs
12 for the switchyard -- I think it was \$3.7 million?

13 MR. BECK: Correct.

14 MEMBER WOODALL: Was a component of that for
15 the easement, the land acquisition?

16 MR. BECK: There is no cost to the easement.
17 That was part of our agreement with Wilmot Energy Center.

18 MEMBER WOODALL: Thank you very much.

19 MR. DERSTINE: So if there are no further -- I
20 have no further questions for Ms. Darling.

21 I think we tendered her for cross yesterday,
22 but there may be some follow-ups. So I'll make her
23 available again if there's any cross questions from the
24 intervenors.

25 CHMN. CHENAL: Mr. Robertson, do you have any

1 questions of Ms. Darling? Any follow-up questions?

2 MR. ROBERTSON: No, Mr. Chairman.

3 CHMN. CHENAL: Mr. Schmaltz?

4 MR. SCHMALTZ: No.

5 CHMN. CHENAL: Thank you, Ms. Darling.

6 MR. DERSTINE: So the last witness on our panel
7 is Ms. Rucker.

8

9

JASMINE RUCKER,

10 called as a witness on behalf of Applicant, having been
11 previously affirmed by the Chairman to speak the truth
12 and nothing but the truth, was examined and testified as
13 follows:

14

15

DIRECT EXAMINATION

16 BY MR. DERSTINE:

17

Q. Ms. Rucker, you have already been sworn.

18

You're under oath. But for purposes of handing off the
19 testimony to you, why don't you state your name for the
20 record, please.

21

A. Jasmine Rucker.

22

23

Q. Ms. Rucker, you are an environmental and land
24 use planner for TEP. Why don't you give the Committee an
25 overview of the kind of work you do for the company in
general and summarize your educational background and

1 some of your experience, please.

2 A. That is correct. I'm an environmental land use
3 planner with Tucson Electric Power.

4 In that capacity, I'm responsible for
5 identifying jurisdictional and regulatory requirements,
6 assisting in environmental reviews, and securing related
7 environmental or land use permits for TEP's various
8 projects, including transmission projects and
9 subtransmission projects.

10 I received my master's degree in urban and
11 regional planning from Portland State in 2016 with an
12 emphasis on community development and environmental
13 sustainability.

14 I am a member of the American Planner
15 Association Arizona Chapter and an American Institute of
16 Certified Planners candidate for 2019.

17 I have been employed with TEP for eight months.
18 Prior to joining TEP, I spent three years as an associate
19 planner in the Pacific Northwest with a firm that focused
20 on urban design and urban planning.

21 My expertise includes interdisciplinary project
22 management, strategic planning, and community engagement
23 around urban planning.

24 Q. Thank you for that.

25 What was your role for TEP with this particular

1 project?

2 A. I assisted in the public engagement efforts for
3 the project, and I prepared, under supervision,
4 sections -- or Exhibits H and J of the application.

5 Q. Before we move forward with your testimony, let
6 me cover a couple of the exhibits.

7 You prepared a written direct testimony that we
8 filed prior to the hearing; is that right?

9 A. That is correct.

10 Q. And that's been marked as TEP Exhibit 7?

11 A. Correct.

12 Q. Have you had an opportunity to review your
13 written direct testimony before the hearing today?

14 A. Yes, I have.

15 Q. Any corrections or changes to TEP Exhibit 7?

16 A. No.

17 Q. So if I asked you the questions that were set
18 forth in TEP-7, would your answers today under oath be
19 the same?

20 A. Yes, they would.

21 Q. All right. We also have on the right screen
22 here a PowerPoint slide presentation that you will use as
23 part of your testimony before the Committee today; is
24 that right?

25 A. That is correct.

1 Q. Okay. And you prepared this -- the PowerPoint
2 slide presentation?

3 A. Yes.

4 Q. That's been marked as TEP Exhibit 17?

5 A. Correct.

6 Q. Okay. Is, to the best of your knowledge, the
7 information that's set forth in TEP-17 true and correct?

8 A. Yes.

9 Q. And the source of the information that's
10 presented in these slides, is it generally a summary of
11 your testimony or information that's already contained in
12 the application?

13 A. Yes, it is.

14 Q. Okay. Why don't we, then, move to have you
15 outline for the Committee what you're going to cover in
16 your testimony today.

17 A. Today I'll be discussing the land use analysis,
18 public engagement efforts for the project. And,
19 additionally, I will be sponsoring TEP-13, supplemental
20 comments received post filing.

21 Q. Thank you for that.

22 Let's start with the first bullet, land use
23 analysis, and have you take us through the type of
24 analysis and the considerations that you went through in
25 the land use analysis that you performed.

1 A. Okay.

2 Factors considered during the land use analysis
3 are present on the screen. They include zoning, existing
4 land use, ownership, and additionally planned and
5 proposed land use. The methods of the analysis are
6 detailed in Exhibit H-6 of the application.

7 To provide an overview, TEP obtained existing
8 and planned land use information from general and
9 comprehensive plans adopted by the City and Pima County.
10 We conducted a zoning review as permitted land uses are
11 regulated at the local level by zoning regulations. We
12 inventoried and mapped zoning, existing land use, land
13 ownership, and additionally planned and proposed land
14 uses in the study area in order to better understand all
15 areas where land might be directly or indirectly impacted
16 by the project.

17 First, I'll discuss the zoning review. This
18 information and information from slides 5 through 8 is
19 contained in Exhibit H of the application.

20 Overall, the study area is primarily made up of
21 privately owned land that's zoned rural homestead. And
22 to a lesser extent, there is specific plan zones also
23 present in the project area.

24 Rural homestead land is depicted here in blue.
25 In relation to this zoning, we did look at the proximity

1 of the proposed transmission line corridors to
2 residential use that is existing on rural homestead. And
3 I'll walk into that fairly shortly here.

4 Specific planned zoning is also present in the
5 project area. This is a designation that brings planned
6 area developments into compliance with the comprehensive
7 plan. And we have that present for the Wilmot Energy
8 Center here south of the project area and also South
9 Wilmot Investors' planned Verano development.

10 Additional zoning in the area includes
11 commercial, industrial, and heavy industrial uses, which
12 are primarily focused here north of East Old Vail
13 Connection Road.

14 Next, we looked at existing land use. A lot of
15 this has been ground truthed during our tour yesterday.
16 But just to recap, land ownership adjacent to the project
17 area is over 88 percent privately owned, 10 percent Pima
18 County, and 2 percent City of Tucson.

19 The northern portion of the project area is
20 under the jurisdiction of City of Tucson, while the
21 southern portion of the project area is partially under
22 the jurisdiction of City of Tucson and Pima County.

23 As we've discussed, the proposed routes for the
24 project will primarily be located on new easements on
25 private land or within road right-of-way -- City of

1 Tucson or Pima County road right-of-way as under TEP's
2 existing franchise agreement.

3 Overall, the project is located in a largely
4 undeveloped rural area. Some of the land uses that exist
5 in the study area include Tucson International Airport, a
6 small number of single-family homes on large lots. We
7 have Arizona Department of Corrections prison complex, a
8 Federal Department of Corrections prison complex. This
9 is within one mile of the study area. Numerous
10 commercial gravel extraction sites depicted here in
11 green. Existing utility corridors and a significant
12 portion of undeveloped vacant land depicted here in
13 white.

14 TEP considered impacts of the project on
15 existing residential land use. This slide depicts
16 existing residential use here in red. Residential use is
17 adjacent to the southern options for the project. There
18 is no residential use for the northern portion of the
19 project.

20 For the Southern 1 Alternative route, the
21 corridor would border 15 residential parcels. And for
22 the Southern 2, it would border eight current residential
23 parcels. However, it's TEP's intent to minimize any
24 impacts on existing residential land. As discussed in
25 Mr. Beck's testimony and also in Ms. Darling's testimony,

1 we would intend to site the right-of-way on the western
2 side of Swan Road. And for the Southern 2 Alternative,
3 we would intend to site as far east as possible. By
4 siting on the western side of Swan Road for Southern 1,
5 that would bring the number of residential parcels
6 potentially bordered by the line down to two.

7 Q. And where are those two?

8 A. They're right about here where the structures
9 turn and cross on South Swan.

10 TEP also obtained information on planned and
11 proposed land use in the area. This information is found
12 in Exhibit H-6 of the application and is mapped on
13 Exhibit A-4 of the application.

14 Q. Can you take a minute and differentiate between
15 planned and proposed land use? Are those two different
16 things?

17 A. Sure.

18 For the purpose of the discussion, planned use
19 refers to developments that have entered the permitting
20 process or the land acquisition process, have already
21 begun the formal development process, while proposed have
22 not yet risen to that level of development.

23 So I'll just walk through the different planned
24 uses first. There are federal land use plans for the
25 area. As we've discussed, Western Area Power Authority

1 has plans for the relocation of their existing line which
2 is depicted here in white. They will be relocating that
3 line to this purple hatched alignment north and east of
4 the planned Sonoran Substation. And that is part of the
5 Southline transmission project, which was previously
6 approved by the ACC in Case 173.

7 There are also State of Arizona plans for the
8 area. TEP has coordinated with ADOT regarding the
9 proposed Sonoran Corridor, which the aim is to connect
10 Interstate 19 to Interstate 10. As Mr. Beck discussed,
11 East Old Vail Connection Road is one of the many proposed
12 locations for that corridor.

13 There are no proposed Arizona State Land
14 Department land plans in this area at this time.

15 There are local jurisdictional plans in the
16 area. Pima County indicated a plan to relocate the Union
17 Pacific Railroad from its current location along I-19 to
18 this East Old Vail Connection Road corridor. TEP intends
19 to locate the Northern 2 Alternative outside of Pima
20 County's dedicated 400-foot right-of-way for this
21 relocation.

22 We also coordinated with City of Tucson, and
23 City of Tucson has indicated that the project would not
24 conflict with any known plans from the City's planning,
25 transportation, water, or wastewater departments.

1 And, lastly, as we've discussed, there are
2 private plans for the project area. South of the project
3 area, the Wilmot Energy Center will be developed by
4 NextEra Energy under a purchased power agreement with
5 TEP.

6 And to the west of the project, South Wilmot
7 Land Investors is planning a mixed-use development, which
8 may include residential and commercial and possibly
9 industrial uses.

10 There are additional plans laid out in the
11 application, and they are listed at Exhibit H.

12 Lastly, as far as proposed, TAA and Pima County
13 have proposed extensive redevelopment along the possible
14 Sonoran Corridor alignment, which could include
15 commercial and infrastructure redevelopment, should that
16 be chosen.

17 Q. So that looks like it covers the land use
18 analysis.

19 Why don't you go ahead and summarize the
20 conclusions or what you think are the key takeaways from
21 the land use analysis that was performed.

22 A. Sure.

23 The project is consistent with existing
24 planned -- existing and planned City, County, State,
25 federal, and private land use plans in the area. And the

1 project will have a positive indirect impact on current
2 and future land use by improving the reliability of
3 electrical service in the area.

4 Finally, as discussed by Ms. Darling, one of
5 the next steps for the project is to get a Special
6 Exemption Land Use Permit for the Sonoran Substation.
7 That permit has been filed with the City of Tucson, and
8 it is expected in December of 2018.

9 Q. Thank you.

10 I think the next topic or subject matter for
11 discussion is going to be the public engagement or public
12 outreach that was used for the project.

13 A. Yes.

14 TEP conducted a public engagement program for
15 this project beginning in February of 2018 that included
16 briefings with community leaders, agencies,
17 jurisdictions, as well as one-on-one meetings with
18 landowners in the vicinity of the project.

19 Two public open houses were held on March 24th
20 and July 18th of 2018.

21 During the public process, two newsletters,
22 which describe the project and notice the public of
23 upcoming open houses, were mailed to over 16,000
24 residents, business owners, and landowners in the area.
25 The newsletters were mailed on March 12th and July 9th of

1 2018.

2 TEP also provided a telephone line, a project
3 website, and an online interactive tool called Social
4 Pinpoint to notice the public of the project and to
5 solicit feedback regarding the project.

6 Q. Let me just ask you, in terms of the
7 newsletters that went out to 16,000 residents or
8 organizations and stakeholders, I think Ms. Darling and
9 even Mr. Beck testified, too, that there was, at one
10 time, a larger study area. Then that was confined to a
11 smaller study area based on a change in the project
12 itself.

13 A. Correct.

14 Q. That 16,000, were those -- those addresses are
15 contained in the larger study area?

16 A. That is correct, as depicted on this left-hand
17 side of the screen. We continued to notice the same
18 number of people throughout the duration of the project.

19 Q. And then you mentioned Social Pinpoint. We've
20 touched on that before, but can you explain that tool and
21 how it was used in this case.

22 A. Yes.

23 On the right-hand side of the screen is a
24 static image captured from Social Pinpoint. And on the
25 left-hand screen, we will bring up a live demonstration.

1 TEP used Social Pinpoint for this project.
2 Social Pinpoint is a social media platform that allows
3 users to make a place-based comment, view comments that
4 are submitted by other users, and even like or dislike
5 comments that are submitted by other users.

6 And as you can see, when you visit the project
7 page, it gives you a project description and then also
8 some prompts on how you can participate and remain
9 engaged with the project.

10 Patrick is now going to demonstrate how to add
11 a comment. You can see you can drag and drop, so it's
12 location-specific. You can leave a comment, such as "I
13 support this project."

14 CHMN. CHENAL: I think Mr. Robertson would like
15 to add a comment, 200-foot easement south of the, you
16 know, Southern 1.

17 MS. RUCKER: Yes.

18 So the parameters are quite open. You can
19 comment on anything you'd like. You can add your contact
20 information, say, if you have a question about the
21 project, this is how we got ahold of folks. You can
22 attach a picture as evidence, and then you can submit.

23 CHMN. CHENAL: Was that email address TEP
24 Rules? The user name? I just wanted to make sure that's
25 what it said.

1 MS. RUCKER: So the Social Pinpoint comments
2 can be found in Exhibit J-4 and J-5 of the application
3 and additionally in TEP-13. We received eight total
4 comments from Social Pinpoint on this particular project.

5 Q. BY MR. DERSTINE: So eight using the Social
6 Pinpoint channel, but I assume you received broader
7 comments either through the open houses --

8 A. Yes.

9 Q. Why don't you walk us through --

10 CHMN. CHENAL: All right. Just for a second, I
11 have a question, and then Member Woodall has a question.

12 How do we know what the comments are? I mean,
13 are they in favor? Are they against? I mean, what are
14 the -- can you summarize what those comments that we're
15 looking at were?

16 MS. RUCKER: Yes. We're about to get to that.

17 CHMN. CHENAL: All Right. Thank you very much.

18 MS. RUCKER: Thank you, Mr. Chairman.

19 So TEP sees a potential in Social Pinpoint to
20 capture a new audience. Of course, this is not the way
21 that we received most of our comments, as I'll get to in
22 a moment, but we do see it as a way of extending the net
23 and capturing a broader audience and providing more means
24 to add comment to our projects.

25 That brings us to the comments themselves.

1 The comments that were submitted prefiling are
2 collected in Exhibit J of the application as well as this
3 graph and additional graphs describing what people were
4 commenting on.

5 A total of 21 comments were received for this
6 project and categorized at the time of filing. Of those
7 comments, 53 percent of respondents indicated that
8 location was their primary interest for the project,
9 while health and safety concerns were second, followed by
10 cost and appearance.

11 During the first round of outreach for the
12 project, six respondents expressed a route preference.
13 It's important to note that, of course, at that time, the
14 project included six alternative routes that connected
15 the planned Sonoran Substation to TEP's existing South
16 Loop Substation.

17 Q. BY MR. DERSTINE: When you say the first round,
18 are you referring to the newsletter that went out ahead
19 of the first open house and --

20 A. Correct.

21 Q. -- what was received at that time of that first
22 open house?

23 A. Correct. At the time of the first open house.
24 And, of course, all six of the alternatives that people
25 were responding to utilized the South Swan Road corridor,

1 which corresponds to today's Southern 1 Alternative.
2 Following that round of comments, the Northern 1 and
3 Southern 1 Alternatives were favored by those six
4 respondents.

5 And then, during the second round of outreach
6 after the second public meeting, four respondents
7 expressed a specific route choice. Following that second
8 round, the Northern 2 and Southern 2 were favored.

9 MS. RUCKER: Oh, sorry, Mr. Chairman, it
10 appears that I skipped over one of your questions. The
11 comments from Social Pinpoint are in the application on
12 page 373, Exhibit J.

13 CHMN. CHENAL: Thank you.

14 Q. BY MR. DERSTINE: And just, without having
15 everyone have to dig through their exhibit book,
16 Exhibit J would be a spreadsheet or a table that
17 summarizes the comment itself. Is it verbatim, the
18 comment, or is it a summary?

19 A. It's the actual comments.

20 CHMN. CHENAL: Member Woodall has a question.

21 MEMBER WOODALL: This has always been an area
22 of curiosity for me, and since your expertise is in
23 public engagement and you're extraordinarily articulate,
24 I wonder if you could explain to me why so few people are
25 responding despite the remarkable efforts that the

1 company is making. Is it because there really aren't
2 that many people living in the area? What is your
3 professional assessment of that?

4 MS. RUCKER: It's a good question, Member
5 Woodall. I think there is a complicated answer.

6 There are a lot of things on the local level
7 and as well as the national level that are competing for
8 people's attention. And for this project and the timing
9 of the project, maybe it just got pushed to the back
10 burner for a lot of folks.

11 And you're correct, there aren't an
12 overwhelming amount of folks in the project area. I
13 think that's also a contributing factor. But there are a
14 lot of unknowns there. And, of course, TEP will continue
15 to actively and enthusiastically pursue public engagement
16 and try out different methods.

17 But for this project, as you'll see, there
18 wasn't an overwhelming amount of response.

19 MEMBER WOODALL: And, ma'am, you have studied
20 in the course of your education what are good methods for
21 informing the public about things; is that correct?

22 MS. RUCKER: Correct. Uh-huh.

23 MEMBER WOODALL: Tell me, how effective do you
24 think roadway signs are? Isn't that awful of me to ask
25 that question? I really want to know your professional

1 assessment. And if you prefer to not to answer, that's
2 fine.

3 MR. DERSTINE: I can't object to that question,
4 can I?

5 MEMBER WOODALL: You could.

6 MS. RUCKER: I think I would prefer to think it
7 over.

8 MEMBER WOODALL: That's fine. I just assuming
9 during the course of your education regarding this, you
10 looked at -- that's why you guys are using Pinpoint, is
11 because that's one of the things for public engagement
12 now. And it's like, there's more millennials, there's
13 more people online, etc., etc.

14 MS. RUCKER: Correct.

15 MEMBER WOODALL: So I was just kind of curious
16 if you had a sense of what use roadway signs are. And
17 it's really from your professional standpoint. I'm not
18 asking you to side with me or any member of the
19 Committee. But personally, I don't think they're worth a
20 fig myself. But if you want to ponder on that, that's
21 fine.

22 MS. RUCKER: Yes, I'd prefer to think on it.
23 Thank you.

24 MR. DERSTINE: I mean, I might just interject,
25 I don't have the experience or the training of

1 Ms. Rucker. But in a conversation where we've had about
2 the public engagement process, not only for this project
3 but for other projects, I think Ms. Rucker and
4 Ms. Darling have pointed out that the intent in this
5 space is to use as many channels and ways to try to
6 publicize the project as possible.

7 And while 16,000 residents received the
8 newsletter, we only received comments from -- whatever it
9 was total, 21. The road signs are certainly not perfect.
10 We're going to work with the Committee in terms of ways
11 to make them more visible and maybe more useful to
12 passersby.

13 But I think Ms. Rucker has pointed out that
14 they're trying to use a number of different channels.
15 The website, the project website, newsletters, Social
16 Pinpoint, the signs, all of that contribute to try to get
17 notice out to the public and gain feedback.

18 MEMBER WOODALL: An artful response,
19 Mr. Derstine, as usual.

20 CHMN. CHENAL: Member Hamway.

21 MEMBER HAMWAY: So the large residential area
22 that's cut in between the two Wilmot partners or whatever
23 it's called, anyway, is that an HOA or are they just
24 individually owned? Is there any kind of planned way to
25 communicate within those residents? Are they connected

1 in any way by a shared HOA or anything?

2 MS. RUCKER: No. It is not an HOA. It's a
3 wildcat development. So these are all individually owned
4 and largely individually developed residential parcels.

5 MEMBER HAMWAY: Thank you.

6 CHMN. CHENAL: Member Haenichen.

7 MEMBER HAENICHEN: The 37 percent on health
8 hill, I know it's verbalized in the application, but I
9 want to get your take on it. Is most of it
10 electromagnetic fields and fear of some kind of disease
11 coming?

12 MS. RUCKER: Yes. Many comments are related to
13 electric magnetic fields. We also received a few
14 comments regarding lightning strikes, flooding, and other
15 health and safety concerns.

16 MEMBER HAENICHEN: Now, part of the discussion
17 we heard yesterday, there was a chart that showed the
18 electromagnetic fields coming from common appliances like
19 air dryers and all that.

20 Have you made an effort to share that with the
21 public, or do you think that would look like you're being
22 too defensive?

23 MS. RUCKER: Member Haenichen, it is something
24 that is discussed at the open houses. We do provide a
25 handout at our public engagement events, and we also have

1 that information present on our website. Oh, and we also
2 have a full-sized poster that depicts that information as
3 well.

4 MEMBER HAENICHEN: I don't know if you can
5 answer this or not, but in so doing, have you been made
6 aware that people are surprised by that, and they thought
7 that the transmission lines would be far worse than the
8 appliances?

9 MS. RUCKER: Member Haenichen, yes.

10 MEMBER HAENICHEN: Thank you.

11 CHMN. CHENAL: Member Jones.

12 MEMBER JONES: Thank you, Mr. Chairman.

13 My question is -- well, one is an observation.
14 The homes when we went on our tour, there's two things I
15 noticed. One, on the roadway there on Swan, I believe it
16 was, there's this long line of post office boxes, which I
17 assume each received a notification on. The lots are
18 relatively large, and there are no City services other
19 than electricity because they're all on wells and, I
20 assume, septic system. So very low density.

21 MS. RUCKER: Member Jones, that is correct.

22 CHMN. CHENAL: I'm thinking back on one of our
23 previous projects, SunZia, and I was just imagining that
24 if -- along Old Vail Road, in terms of public response,
25 if that was a riparian birding area with a lot of very

1 large archeological sites, I think you'd find a ton of
2 people interested in it. But it's kind of partly the
3 nature of the project.

4 Maybe in your view, is it potentially a
5 reflection that people are not necessarily opposed to
6 this project?

7 MS. RUCKER: Chairman Chenal, I think it would
8 be a stretch for me to answer that question.

9 CHMN. CHENAL: Let me ask it this way: Based
10 on planning studies and experience, where there is more
11 public opposition to a project, is there more public
12 participation and response to projects?

13 MS. RUCKER: Mr. Chairman, that is correct.

14 CHMN. CHENAL: Okay. I'm going to take away
15 from that where there's less opposition by the public,
16 there's going to be less participation. Does that also
17 flow from that?

18 MS. RUCKER: Mr. Chairman, that is very
19 possible.

20 CHMN. CHENAL: Member Haenichen.

21 MEMBER HAENICHEN: Maybe Mr. Robertson will
22 want to chime in on this too. But on the proposed Verano
23 project, are they also going to be on septic and that
24 kind of stuff, or is there going to be full City
25 infrastructure?

1 MS. RUCKER: I believe they have full City
2 infrastructure planned for that project.

3 MR. ROBERTSON: Member Haenichen, I'm sorry. I
4 had difficulty hearing your question. If you don't mind
5 repeating it, and then I can respond as appropriate.

6 MEMBER HAENICHEN: Of course.

7 Earlier, one of the other panel members said
8 they noticed that existing homes in that area were on
9 large lots, and they -- other than electric power, there
10 were no other services to them. And I was wondering if
11 that same thing will apply to Verano, there will be
12 septic tanks and that kind of thing or full City
13 infrastructure?

14 MR. ROBERTSON: As I believe I indicated in my
15 opening statement, and if I did not, I was remiss.

16 In connection with the Verano project, for
17 several years now, they have had an understanding and an
18 arrangement with Pima County Wastewater Management that
19 the sewer and wastewater services would be provided by
20 Pima County, and the water would be provided by Red Rock
21 Utilities.

22 MEMBER HAENICHEN: Thank you. That's all I
23 need.

24 CHMN. CHENAL: Please proceed, Ms. Rucker.

25 Q. BY MR. DERSTINE: So the prior slide said

1 prefiling. So those were the comments that were received
2 before the filing of the application; is that right?

3 A. Correct.

4 Q. And what we're going to move to now is that
5 there were, then, additional comments that were received
6 after the application was filed, and that's how you kind
7 of separated the timing of those comments?

8 A. Correct.

9 Q. Okay.

10 A. So this brings us to TEP-13, supplemental
11 comments to Exhibit J of the application.

12 TEP held a third public meeting to discuss the
13 purpose of the Sonoran Substation as well as the project
14 in general and elicit additional feedback on August 18th
15 of 2018.

16 This meeting was held in the road right-of-way
17 on Swan Road adjacent to the proposed Sonoran Substation
18 site. And here is a photo of our lovely setup.

19 13 members of the public attended this meeting
20 and one stakeholder attended this meeting. All means for
21 providing comment on the project remained open to the
22 public post filing. We received two additional Social
23 Pinpoint comments and four additional comment cards post
24 filing, which can be found in Exhibit 13 to the
25 application.

1 TEP received comments that largely focused,
2 again, on location in general and appearance. But for
3 this round of comments, no alternative routes were
4 selected.

5 CHMN. CHENAL: Excuse me. Member Woodall.

6 MEMBER WOODALL: Ma'am, did you provide notice
7 somehow to people like on your website that you would be
8 at a certain spot on a certain date at a certain time?
9 Is that how you publicized it?

10 MS. RUCKER: Yes. It was on the website and
11 also by mail.

12 MEMBER WOODALL: So 16,000 people got -- no?

13 MS. RUCKER: So the noticing for this meeting
14 was a part of the SELUP, Special Exception Land Use
15 Permit, process --

16 MEMBER WOODALL: Oh, yes. Yes, yes, yes.

17 MS. RUCKER: So apparently --

18 MEMBER WOODALL: Yes, yes, yes.

19 MS. RUCKER: Yes.

20 MEMBER WOODALL: And so I understand now.

21 Thank you very much. I apologize for interrupting your
22 orderly flow.

23 Q. BY MR. DERSTINE: And, Ms. Rucker, your slide
24 indicates TEP-13 Supplemental Comments, and I think you
25 mentioned Exhibit 13 are comments that were received

1 after the filing of the application. So those comments
2 were not collected in Exhibit J as filed. But we have
3 marked that as an exhibit and that is a supplement to
4 what's set forth as Exhibit J, and we would seek to admit
5 that at the conclusion of your testimony; is that right?

6 A. That is correct.

7 Q. And I think when you and I said good morning,
8 you mentioned that there was a comment that was received
9 yesterday or this morning.

10 Can you inform the Committee of that one?

11 A. That is correct. Yesterday, TEP received a
12 phone call on the telephone line. It related to a
13 complaint, unfortunately, that the hearing was being held
14 during work hours and that the respondent was not able to
15 attend the hearing, though they were interested.

16 We responded to that voicemail with a voicemail
17 explaining that public comment would be provided at
18 5:30 p.m., and we will be following up with that
19 individual again so we can talk to them one on one.

20 Q. And when you said -- the message that was left
21 was that public comment was noticed and formally
22 scheduled for 5:30 p.m. on the first day of the hearings;
23 is that right? Was that the information?

24 A. That is correct.

25 Q. With the idea of conveying to that commenter

1 that even though the hearings do take place and generally
2 start at 9 a.m. and end at 5:00, that we specifically
3 schedule public comment to try to accommodate people who
4 have a 9-to-5 job. And if they want to come and appear
5 personally and provide comments, they're able to do that.
6 And the Committee has always been very accommodating to
7 the public and will take public comment at almost any
8 time. But it sounds like this was directed to some
9 frustration over that these hearings take place during
10 normal business hours.

11 A. Correct.

12 Q. So do you want to wrap up the key points or the
13 takeaways from what TEP learned through its public
14 engagement process and how it went about that?

15 A. Sure. 16,000 residents and business owners
16 were notified and informed of the project need and scope
17 for this project.

18 Public engagement did indicate that there was
19 an interest in the location and appearance of the project
20 in general. But with limited responses, no overwhelming
21 consensus emerged regarding a route alternative.

22 Q. All right. Anything you want to add to your
23 testimony?

24 A. No. That is it.

25 MR. DERSTINE: With that, I would like to move

1 the admission of Ms. Rucker's written direct testimony --
2 that's TEP-7, I believe -- as well as her PowerPoint
3 slide presentation, which was marked as TEP-17, as well
4 as the post-filing supplement to Exhibit J, which has
5 been marked as TEP-13.

6 CHMN. CHENAL: All right. So TEP-7, 13, and 17
7 have been moved for admission.

8 Are there any objections?

9 (No response.)

10 CHMN. CHENAL: All right. With no objection,
11 TEP-7, TEP-13, and TEP-17 are admitted.

12 (Exhibits TEP-7, TEP-13, and TEP-17 were
13 admitted.)

14 MR. DERSTINE: Thank you.

15 MS. RUCKER: Thank you.

16 CHMN. CHENAL: Any questions of Ms. Rucker from
17 the Committee?

18 (No response.)

19 CHMN. CHENAL: Mr. Robertson, do you have any
20 questions of Ms. Rucker on cross?

21 MR. ROBERTSON: I have no cross-examination,
22 Mr. Chairman. Thank you.

23 CHMN. CHENAL: Mr. Schmaltz, any questions of
24 Ms. Rucker?

25 MR. SCHMALTZ: I have a quick question. Thank

1 you, Mr. Chair.

2

3

CROSS-EXAMINATION

4 BY MR. SCHMALTZ:

5 Q. You may not be aware of this because it was
6 happening during the sort of the preparation. This is
7 just a curiosity from a planning perspective because I'm
8 kind of a planning geek as well.

9 Are you familiar with the City of Tucson's
10 update of its zoning code to include a new category
11 called Airport Authority District?

12 A. Yes.

13 Q. Yeah. That process was happening over this
14 past summer, and the City of Tucson Zoning Code
15 specifically was updated to allow for the uses that -- is
16 that your understanding -- allow for the uses that the
17 airport has designated in its master plans incorporated
18 into the City of Tucson Code in that district?

19 A. Yes.

20 Q. Great.

21 It probably wasn't included as part of this
22 application because it was happening during the time
23 while it was being prepared. So thank you.

24 MS. RUCKER: Thank you.

25 CHMN. CHENAL: Member Woodall.

1 MEMBER WOODALL: Ms. Rucker, is this the first
2 time you've testified?

3 MS. RUCKER: Yes, it is.

4 MEMBER WOODALL: It's an amazingly effective
5 performance. I'm very, very impressed, and I just wanted
6 to tell you that on the record.

7 MS. RUCKER: Thank you.

8 MEMBER WOODALL: You're welcome.

9 CHMN. CHENAL: Thank you. I think the entire
10 panel has performed very well.

11 Member Noland.

12 MEMBER NOLAND: I was going to say the same
13 thing. The difference between this case and the case a
14 week and a half ago is night and day because, number one,
15 the presentation of the panel. They're not reading
16 everything. They're covering the points and following an
17 outline.

18 And also the audiovisual portion, which not
19 only makes it easier for us -- we can hear everyone.
20 It's a well-presented presentation, and it makes it so
21 much easier for the court reporter to be able to handle
22 it and not have to say, Could you please speak up or I
23 can't hear you. The microphones aren't working. It just
24 is night and day.

25 Thank you.

1 CHMN. CHENAL: Member Woodall.

2 MEMBER WOODALL: Mr. Beck, I left you with a
3 puzzling question about whether or not batteries would
4 count as renewable -- entered as renewable energy credit
5 purposes in the Commission's current REST, R-E-S-T,
6 rules.

7 MR. BECK: Yes, Member Woodall, and I have not
8 gotten the response back yet. So, hopefully, we'll have
9 it before we actually do our closing, and we'll get it in
10 through closing.

11 MEMBER WOODALL: I just would like to know
12 because, as you may or may not know, the Commission has
13 an undertaking of numerous evaluations of our existing
14 rules. And if you were to tell me that it did not count,
15 then I would make a mental note that maybe that would be
16 something to be discussed during our rulemaking
17 activities. So thank you.

18 MR. BECK: Yes.

19 CHMN. CHENAL: All right. Mr. Derstine,
20 anything further with the panel at this time?

21 MR. DERSTINE: Before we rest and conclude our
22 case in chief, I thought I would just check with the
23 panel members to see if there was any follow-up either
24 from Mr. Raatz, Mr. Beck, or Ms. Darling, anything they
25 wanted to add or thought they wanted to clarify from the

1 testimony that took place yesterday.

2 MR. RAATZ: Yes, Mr. Derstine, I'd like to
3 follow up with Member Palmer's question yesterday
4 regarding the letter received by Staff regarding the
5 System Impact Study.

6 The System Impact Study is conducted to address
7 any negative impacts that the interconnection facility
8 would have, and, therefore, it did not address any
9 positive impacts.

10 MR. DERSTINE: But the company's position in
11 the testimony that we put on in this case is that we
12 believe it has some significant positive impacts in terms
13 of being able to serve future growth as well as the
14 system as it stands today; is that right?

15 MR. RAATZ: That is correct, Mr. Derstine. And
16 also, that was studied in the TEP's ten-year plan and
17 capital budget studies as well, and it did show
18 significant and reliability improvement.

19 CHMN. CHENAL: Mr. Robertson.

20 MR. ROBERTSON: Thank you, Mr. Chairman.

21 Mr. Raatz, following up on Mr. Derstine's
22 question about the positive aspects from the project,
23 those are actually summarized in your PowerPoint
24 presentation on the summary page, which I believe is
25 Exhibit 15, slide 16, are they not?

1 MR. RAATZ: That is correct.

2 MR. ROBERTSON: Thank you.

3 CHMN. CHENAL: I had a couple questions for
4 Mr. Beck, and it relates to conditions that will -- we'll
5 do our normal review of the conditions that have been
6 suggested by the applicant and a few that I am proposing
7 for discussion purposes only. I'm not saying that they
8 should be included, although there's one or two that I
9 think should be, native plants and things like that.

10 But I'd like Mr. Beck to explain -- I'm going
11 to read you the two that I'm thinking of, and they deal
12 with the interconnection agreement. And I need a little
13 help with understanding.

14 And I understand from previous cases that
15 that's more appropriate for merchant cases, but I think I
16 need a little education on these interconnection
17 agreements and when they come into play. And let me just
18 read the two that we'll be addressing later, but I'd
19 rather have a little discussion on it now.

20 So one of them is -- again, this is just for
21 discussion purposes: TEP shall file notice with Docket
22 Control that a copy of any Project-related transmission
23 service agreements were provided to Commission Staff
24 within 60 days after such agreement was filed with FERC.

25 Let's stay with that one. That one was from a

1 previous case.

2 Could you help me understand what transmission
3 service agreements are?

4 MR. BECK: Yes, Mr. Chairman.

5 Transmission service agreements are agreements
6 that a transmission owner has with a third party that
7 gives rights to use the transmission line, the
8 transmission capacity.

9 In this particular project, it will be TEP
10 utilizing our transmission lines to bring power in from a
11 generating plant that we're purchasing from, and so we do
12 not have transmission service agreements with ourselves.
13 So that's one reason it's not applicable in this case.

14 The transmission service agreements are a
15 function of the Federal Energy Regulatory Commission.
16 They dictate how transmission service is provided. We
17 have an open access transmission tariff that is
18 FERC-approved. We do all of our business with third
19 parties under that tariff, and so we get approval from
20 FERC for those transmission service agreements. So
21 bringing the ACC into that probably doesn't have a lot of
22 value.

23 But very specific to our case in this instance,
24 there will be no transmission service agreements for the
25 use relative to the NextEra project because that is a TEP

1 purchase of generation, and we will use our own lines to
2 bring it into our system.

3 CHMN. CHENAL: So describe an example where TEP
4 would enter into a transmission service agreement.

5 MR. BECK: Today, we do not enter transmission
6 service agreements with our 138kV system. And it's a
7 peculiarity to TEP in that we are financed through what
8 we call two-county bond money. And there are very strong
9 restrictions on the use of the local 138kV system -- we
10 really consider it subtransmission -- and those
11 restrictions would not allow us to sell to a third party
12 any transmission service.

13 The rules for two-county specifically state
14 that the benefits of that two-county financing can only
15 flow to the residents in the two counties that we serve.
16 In TEP's case, that's Pima County, which basically is the
17 City of Tucson, and Cochise County because we serve Fort
18 Huachuca.

19 So for our 138 system, we do not sell to third
20 parties. That may change. In a couple of years, likely
21 we will get rid of two-county financing, at which point
22 we'd have the opportunity to sell to third parties.

23 So, as an example, if Southline were to connect
24 to our system -- it gets built and it ties to our system
25 and another third party wants to use the Southline system

1 to bring maybe wind energy from New Mexico up to the
2 Phoenix area, Southline basically ends at the TEP system.
3 They would have to buy transmission service across the
4 TEP system to continue their path up to Phoenix. Or
5 possibly other parties.

6 But if they were buying from TEP, we would
7 enter a transmission service agreement with them, and
8 that would give them the right to utilize our system to
9 flow through their energy.

10 So, basically, a transmission service agreement
11 is like a reservation for a hotel room. You reserve it,
12 and you have the use of it as long as it's in effect.
13 But, again, specific to this project, we don't do
14 transmission service agreements with ourselves.

15 CHMN. CHENAL: That's helpful. I was thinking
16 as you were describing it as kind of like a toll road.
17 Someone wants to use the transmission facilities of TEP,
18 they have to pay for that, and they do that through a
19 transmission service agreement.

20 MR. BECK: Correct. That's another good
21 analogy.

22 CHMN. CHENAL: Member Noland.

23 MEMBER NOLAND: Can I just ask you,
24 Mr. Chairman, which number that was that you were
25 referring to?

1 CHMN. CHENAL: Yes. No. 27 on the draft that I
2 forwarded to the parties.

3 MEMBER NOLAND: Thank you.

4 CHMN. CHENAL: And then the next one -- okay.
5 So that dealt with transmission service agreements.
6 Actually, transmission service agreements, yes.

7 Now, the next one, which is 28, let me read
8 that to you, Mr. Beck. And this is a transmission
9 interconnection agreement.

10 TEP shall provide the Commission Staff with
11 copies of the transmission interconnection agreements it
12 ultimately enters into with any transmission provider in
13 Arizona with whom it is interconnecting within 30 days of
14 execution of such agreements. And then: A summary
15 thereof filed with Docket Control.

16 So can you kind of explain what transmission
17 interconnection agreements are versus transmission
18 service agreements and whether or not it could be
19 applicable in this case or not and why.

20 MR. BECK: Knowing what case that came from,
21 the impetus there was that the developer of the project
22 would be a transmission owner, but they would also be
23 interconnecting with other wired owners or other
24 transmission owners. And I think the Committee had put
25 on that entity that when they entered those transmission

1 interconnection agreements, basically a wires-to-wires
2 agreement, that get filed with the Commission.

3 This project, again, is a little bit different
4 in -- you could tweak the language to change it to kind
5 of go with this particular instance, but, again,
6 interconnections are governed by the Federal Energy
7 Regulatory Commission, not the ACC.

8 So, for informational purposes, they could be
9 filed with Docket. I'm not sure anybody at the
10 Commission would care, and so I don't know that there
11 would be any value in it. Not to say we couldn't do it.

12 We also post all of our interconnections onto
13 our website. We call it the Open Access Same-time
14 Information System, which is part of the FERC process.
15 So they're publicly available at any time to see who is
16 interconnected to our system.

17 I think there were some comments made earlier
18 about our queue for transmission, and I think there was a
19 reference to this case being, I think, Q-59.

20 When a party comes in and requests
21 interconnection to the TEP system, if it's a generator,
22 we will put a Q number for that entity, and all of our
23 public documents show up as, for example, Q-59, to mask
24 who the actual entity is. You finally reach a point
25 where the project becomes public, then that Q number

1 isn't as important. But during the process of studying
2 and doing all the process, it's very critical that we not
3 disclose the names.

4 In this particular case, Q-59 became NextEra.
5 And that's publicly known, everybody knows that now, so
6 we don't need to have that sort of hidden.

7 But that interconnection is for a generator
8 connecting to our transmission system. The specifics of
9 the language you had read was for interconnections
10 between wires owners to wires owners.

11 CHMN. CHENAL: So a couple follow-up questions,
12 and then Member Woodall has a question or two.

13 So the transmission service agreement is where
14 another entity is using your transmission lines and
15 paying for it. A service interconnection agreement is
16 where two different transmission owners or a generator
17 owner interconnects with TEP's lines, and that would be
18 where you would use an interconnection agreement?

19 MR. BECK: Yes. It basically covers the
20 interface between a project and our system. It gives
21 them the right to actually connect and attach to our
22 system. But the interconnection agreement in and of
23 itself does not give the entity the right to use our
24 system. It's kind of strange, but you go through the
25 process. First, you get the right to interconnect. And

1 then the second part of that is, if you want to actually
2 send something across the system, you have to get the
3 right to use it, which is the transmission service
4 agreement.

5 So there's the interconnection, which I guess
6 gives you the key, and then the transmission service,
7 which is then paying the toll and using the toll road
8 itself.

9 CHMN. CHENAL: So in this case with NextEra,
10 since they will have a solar plant generating power and
11 they will interconnect with TEP lines at Cisne or south
12 of Cisne, will there be an interconnection agreement
13 between NextEra and TEP for that stage?

14 MR. BECK: Yes, there will.

15 CHMN. CHENAL: But because TEP will be the sole
16 recipient of all the power, it will not need to enter
17 into a transmission service agreement because it's using
18 all the power itself. Is that --

19 MR. BECK: Correct. It's our toll road, and
20 we're going to use our toll road without a specific
21 agreement giving us service over that toll road.

22 CHMN. CHENAL: Okay.

23 Member Woodall.

24 MEMBER WOODALL: So you're taking delivery at
25 the Cisne Switchyard; is that correct?

1 MR. BECK: That is correct.

2 MEMBER WOODALL: And if we wanted to find
3 out -- to see a copy of the System Impact Study you
4 referenced "on our website," what website were you
5 talking about?

6 MR. BECK: So it's the TEP Open Access
7 Same-time Information System website, which we utilize
8 the services of an entity called OATI. They provide this
9 posting information for multiple utilities throughout the
10 West -- or throughout the country, actually. So ours
11 specifically, it's www.OATI.westtrans -- and I think it's
12 .net. But if you go in TEP OASIS and put that in a
13 search, it will -- you'll get to it.

14 MEMBER WOODALL: So it's not on your main page
15 for Tucson Electric Power; it's on a separate page that's
16 monitored. And if we wanted to, we could find out what
17 are the System Impact Studies for multiple projects on
18 that website?

19 MR. BECK: Correct. You can find -- under the
20 TEP banner, you can find all the TEP interconnections;
21 likewise, for APS, for Salt River.

22 We went through an effort when there was an
23 attempt to go to retail access to have a common OASIS
24 site throughout the West. And so a group called
25 WestTrans, Western Transmission Owners, got together and

1 said, Let's have this common site. We worked with this
2 OATI company to develop it.

3 And so you go to the OATI webpage, and then a
4 subwebpage on theirs is for WestTrans. And that is
5 almost all of the utilities in the Western Electricity
6 Coordinating Council system. So everything west of the
7 Rockies, for the most part, posts all of their
8 information on that site relative to transmission.

9 MEMBER WOODALL: Are the interconnection
10 agreements themselves posted?

11 MR. BECK: Yes, they are.

12 MEMBER WOODALL: On the same site?

13 MR. BECK: Yes.

14 MEMBER WOODALL: Thank you, sir.

15 CHMN. CHENAL: So the interconnection agreement
16 that will be entered into between NextEra and TEP for
17 this project will be posted on a site that's available
18 for Corporation Commission Staff?

19 MR. BECK: Yes.

20 CHMN. CHENAL: Okay.

21 Any further questions on this topic?

22 (No response.)

23 CHMN. CHENAL: I have another question which is
24 going to deal with an issue I know we're going to get
25 into, and that is what we're going to be looking for as

1 an attachment to any CEC. And that may generate a little
2 discussion.

3 So maybe -- I suggest we take our morning
4 recess at this point, come back, and finish up with
5 Mr. Beck on that issue. We'll have a few questions -- I
6 will on that -- to make sure we understand what were the
7 legal descriptions, and I'd like to have a little better
8 understanding of that. And then we'll turn it over to
9 Mr. Schmaltz for his witness.

10 MEMBER WOODALL: Mr. Chairman, may I request
11 that the applicant provide written copies of your draft
12 CEC which you emailed to us this morning?

13 CHMN. CHENAL: Certainly.

14 MEMBER WOODALL: Would you be so kind, TEP,
15 corporate entity?

16 MR. DERSTINE: Yes.

17 MEMBER WOODALL: Thank you.

18 CHMN. CHENAL: Okay. Let's take a 15-minute
19 break.

20 (A recess was taken from 10:27 a.m. to
21 10:52 a.m.)

22 CHMN. CHENAL: All right. This is the time set
23 to resume the morning portion of the hearing.

24 I believe when we left, we had asked a few
25 questions of Mr. Beck, and I actually had one more

1 question that I wanted to get into.

2 And that relates to the attachment that we will
3 have to the CEC. We've talked about corridor widths and
4 legal descriptions, and we've talked about some revisions
5 even to that based upon conversations between the
6 applicant and Mr. Robertson.

7 What is it that the applicant is proposing to
8 provide in the form of an attachment to define this
9 route?

10 MR. BECK: Mr. Chairman, what we are working on
11 right now is a revised legal description, and the intent
12 would be, assuming the preferred -- TEP preferred
13 alignments are chosen --

14 CHMN. CHENAL: Yes. Let's assume that for now.

15 MR. BECK: -- that we would have a
16 1,000-foot-wide corridor request along all of Northern 2,
17 defined by a legal description for that path.

18 Similarly, on Southern 1, we would have the
19 legal description all the way down to where we cross over
20 Swan Road. We would be asking for the 500-foot-wide
21 corridor there.

22 And then our language would be a 250-foot-wide
23 corridor with the eastern edge of that corridor being
24 defined as the centerline of Swan Road down until we hit
25 the Wilmot Energy Center property, at which point we

1 would go back onto the legal description and ask for the
2 500-foot-wide corridor centered on that legal
3 description.

4 CHMN. CHENAL: Member Noland.

5 MEMBER NOLAND: Thank you.

6 And, Mr. Beck, I believe you have a map that
7 corresponds with that legal description. Will you then
8 change that portion that's the 250 feet from the
9 centerline of Swan Road?

10 MR. BECK: Yes, we will adjust that
11 accordingly, also.

12 MEMBER NOLAND: Thank you.

13 MR. BECK: We hope to have that by noon today.

14 MEMBER WOODALL: Mr. Beck, in TEP Exhibit 12,
15 you have a proposed form of CEC, and there's a legal and
16 a map there. So it's generally going to look like that?

17 MR. BECK: Generally, yes.

18 MEMBER WOODALL: They've changed the wording to
19 reflect the commitments that you've made?

20 MR. BECK: Correct. It will be very similar to
21 that. And I think what we're also going to suggest is
22 that within the body of the CEC, we put some language to
23 spell out the corridor issuance. It's a paragraph of
24 language that we will be proposing.

25 MEMBER WOODALL: Thank you.

1 MR. BECK: Mr. Chairman, if I may, two other
2 questions that had been raised yesterday, and I did
3 finally get answers to them.

4 I believe one of the questions was where is TEP
5 at relative to our percent of renewables today?

6 And as of the end of last year, we had reached
7 13 percent. So 13 percent, where the ACC target is
8 15 percent by 2025. And we're at 13 percent relative to
9 our 30 percent by '30 target.

10 And relative to the other question, batteries
11 do not count toward renewables.

12 MEMBER WOODALL: That's the current rules;
13 correct?

14 MR. BECK: Correct. The way the rules are
15 written today.

16 MEMBER WOODALL: There's a lot of discussion
17 about us revising our rules. There's a lot of initiatives
18 underway.

19 So, anyway, thank you for making that very
20 clear in the record, Mr. Beck.

21 CHMN. CHENAL: Okay. Very good.

22 Any further questions of Mr. Beck on that topic
23 or any other matter?

24 (No response.)

25 CHMN. CHENAL: I don't think, Mr. Beck, we have

1 any further questions of you at this time.

2 I'll turn it back to Mr. Derstine and
3 Ms. DeCorse if they have anything further to add before
4 they rest their case in chief.

5 MR. DERSTINE: We have nothing further, and we
6 will rest our case. Thank you.

7 CHMN. CHENAL: As we have in the past, if
8 Committee members or if the parties have additional
9 questions of Mr. Beck after the testimony that will be
10 presented on behalf of the Tucson Airport Authority, I
11 think we can make allowances to clear up any further
12 questions.

13 MR. DERSTINE: And, for the record, the company
14 is certainly in agreement with recognizing that its
15 entire panel of witnesses will remain under oath. And if
16 they're called back or need to respond to questions as
17 we're working through the CEC or if there are questions
18 that come up after TAA's witness, we're happy to have
19 them respond to those again under oath as witnesses for
20 the Committee.

21 CHMN. CHENAL: Thank you.

22 All right. Mr. Robertson, do you have any
23 witnesses or evidence you would like to present at this
24 time?

25 MR. ROBERTSON: Mr. Chairman, thank you.

1 If I recall correctly, yesterday, Exhibit SW-1
2 was received into evidence. As I believe I indicated at
3 that time, South Wilmot does not anticipate a need to
4 call any witnesses. Thus, I have none to present today,
5 and I have no further exhibits that South Wilmot itself
6 would be sponsoring.

7 In my closing comments, I will refer to some of
8 the company's exhibits and perhaps SW-1, but that's all.

9 CHMN. CHENAL: We may have moved that into
10 evidence yesterday. Is that your recollection?

11 MR. ROBERTSON: That was my recollection. I
12 recall moving it, and I believe it was accepted. But
13 if -- to be sure and fully complete the record, I would
14 move it again out of an abundance of caution.

15 As I indicated then, I had broached at last
16 week's prehearing conference the idea of it being
17 admitted on the basis of stipulation, and both the
18 company and the Tucson Airport Authority indicated they
19 would have no objection.

20 CHMN. CHENAL: I believe we did admit that, but
21 my notes don't reflect it. They do reflect all the other
22 exhibits.

23 So without objection, just to be -- make
24 certain that Southwest 1 is admitted.

25 MR. ROBERTSON: Thank you, Mr. Chairman.

1 CHMN. CHENAL: Anything further, Mr. Robertson?

2 MR. ROBERTSON: Other than my closing statement
3 or perhaps participating as appropriate in the
4 deliberations, no.

5 CHMN. CHENAL: Okay. Thank you.

6 Mr. Schmaltz, we turn it over to you. I
7 believe you have a witness. And if you would like me to
8 swear your witness in, I'm happy to do that.

9 MR. SCHMALTZ: Thank you, Mr. Chairman. Yes,
10 please.

11 CHMN. CHENAL: Sir, would you provide your
12 name.

13 MR. SMEJKAL: My name is Michael Smejkal.

14 CHMN. CHENAL: Thank you.

15 Would you prefer an oath or affirmation, sir?

16 MR. SMEJKAL: Oath is fine.

17 (Michael Smejkal was sworn by the Chairman)

18 CHMN. CHENAL: Mr. Schmaltz.

19 MR. SCHMALTZ: Thank you, Mr. Chair, Members of
20 the Committee.

21

22

23

24

25

1 MICHAEL SMEJKAL,
2 called as a witness on behalf of Intervenor TAA, having
3 been previously sworn by the Chairman to speak the truth
4 and nothing but the truth, was examined and testified as
5 follows:

6

7

DIRECT EXAMINATION

8

BY MR. SCHMALTZ:

9

Q. Good morning, Mike. How are you?

10

A. Good. Thank you.

11

Q. You're under oath.

12

 Please state your name and spell your last name
13 for the record again, please.

14

A. Michael James Smejkal. S-m-e-j-k-a-l.

15

Q. Thank you.

16

 Can you, for the Committee, talk about your
17 education and professional background.

18

A. Sure.

19

 I have a master's and a bachelor's degree in
20 civil engineering from the University of Illinois. I've
21 been in the industry for 19-plus years. First 13 or so
22 was with an engineering consulting firm in the Midwest
23 doing primarily airfield engineering but also just
24 general development as well. And then, for the last six
25 years, I've been working with the Airport Authority in

1 our planning and engineering group.

2 Q. For the Committee, can you tell us what your
3 current position at the Tucson Airport Authority is.

4 A. Currently, I am serving as the vice president
5 of planning and engineering, so I oversee that entire
6 division.

7 Q. Can you describe for us sort of what your roles
8 and responsibilities in that role for the airport is.

9 A. So our planning and engineering division
10 oversees three basic functions:

11 The airport planning component, which deals
12 with airfield specific planning as it relates to
13 aeronautical uses, as well as we do a lot of coordination
14 with the City, County, and other jurisdictions, just from
15 a general land use planning perspective.

16 We also oversee the environmental rules and
17 regulations for the airport, both NEPA/EIS type
18 environmental, as well as kind of your regulatory
19 permits, spill plans, those sorts of things.

20 And then, finally, oversee really the design
21 and the construction of the -- both -- all the airfield,
22 Airport Authority's properties, both civil runways,
23 taxiways, as well as buildings and terminals and whatnot.

24 Q. More particularly, can you talk about -- your
25 roles and responsibilities cover not just aeronautical

1 uses, but also the land that we hold that is
2 characterized as nonaeronautical as well and the planning
3 that goes into nonaeronautical property?

4 A. That is correct. Planning consists of all
5 property owned by TAA.

6 Q. Could you, for us, approximate sort of how much
7 land that is and what the mix is, nonaeronautical and
8 aeronautical?

9 A. I believe the -- so Tucson Airport Authority
10 manages two airports, Tucson International and Ryan
11 Field.

12 Tucson International Airport, which is shown up
13 on the screen, is, I believe, approximately 8,400 acres
14 of property. It is roughly -- half of it is currently
15 aeronautical use. The other half is what we deem
16 nonaeronautical use. And the Airport Authority has
17 bought that over numerous years, primarily as a noise
18 buffer, to ensure that there's compatible land use.

19 As an airport, our primary concern is not
20 having residential or certain high-density type of
21 churches, schools, that sort of thing, within the
22 approach corridors that airplanes use. So that's the
23 reason we bought those over the years.

24 But from a nonaeronautical perspective, there
25 is certainly the ability to develop those properties in a

1 compatible use, which is generally industrial/commercial
2 type of development.

3 Q. Thank you.

4 You're familiar with and you had a chance to
5 review the summary of witness testimony that we prepared
6 and submitted before the prehearing conference to the
7 Committee last week?

8 A. Yes.

9 Q. And attached to that was a document that was
10 excerpts from TAA's master plan; is that right?

11 A. That is correct.

12 Q. And you have before you today a document that's
13 been marked as Exhibit TAA-1. It includes the excerpts
14 from the TAA master plan as well as the map that is up on
15 the left screen as well. Is that document that's marked
16 as TAA-1 the same document that was submitted as part of
17 the witness summary?

18 A. Yes, it is.

19 Q. So can you talk about -- let's talk about the
20 TAA master plan. What it is, how it's prepared, the
21 process that we go through in order to put that together.

22 A. So the master plan is a Federal Aviation
23 Authority, FAA, dictated 20-year plan, essentially. And
24 we identify both -- all airfield specific need, whether
25 it's, again, runways, taxiways, terminals, size, parking,

1 all those sort of airfield specific things; but we also
2 look at the nonaeronautical uses both for airport-owned
3 property as well as just adjacent owners again for that
4 compatible land use.

5 So it's meant to provide that 20-year planning
6 horizon that we will then develop capital plans on and
7 just do our general project development.

8 Q. Internally, we have planners on staff that
9 are -- that work for us that are within your department,
10 and they work on sort of the long-term planning effort
11 for uses -- for both aeronautical and nonaeronautical
12 uses that are reflected on this map; is that right?

13 A. That's correct.

14 Q. So how is that developed internally? And do we
15 then coordinate with external jurisdictions in terms of
16 what is reflected ultimately on our master land use plan?

17 A. Yes. Typically, and as part of this process,
18 we will use both in-house planners, we hire consultants
19 to help us with the master planning process.

20 But we have a stakeholder working group as part
21 of that process, and that includes, you know, various
22 jurisdictions, County, City, PAG, as well as others, you
23 know, aeronautical users on the airfield. And that group
24 provides input to the airport and our consultant as we
25 make sure that we're identifying that potential future

1 development and get their thoughts.

2 And, again, a lot of it goes back to that
3 compatible land use and make sure that we're -- the
4 County and the City and the other jurisdictions are all
5 in agreement with that.

6 Q. We have lots of regulations that we have to
7 comply with under the FAA. One of them is a requirement
8 for self-sustainability; is that right?

9 A. Yes, that is correct.

10 Q. And can you talk -- can you explain and talk
11 about sort of what that means from an FAA standpoint and
12 from an organizational standpoint, what
13 self-sustainability is.

14 A. So we receive a lot of grant funding from the
15 FAA to do a lot of our capital infrastructure.

16 And one of the requirements as we sign those
17 federal grants, there's a lot of what we call grant
18 assurances. And one of those grant assurances is that
19 the airport makes every effort to be a self-sustaining
20 entity, which means that we are -- the intent is to have
21 revenue, develop revenue through numerous means and
22 reinvest that within the airport.

23 TAA is fortunate enough that we are
24 self-sustaining and do not take tax dollars, use tax
25 dollars for any operational or capital projects or -- I

1 mean, many other airports aren't as fortunate. They do
2 take local tax dollars to support the operations. But
3 that's the intent of that grant assurance.

4 Q. I skipped over a question. I apologize.
5 What type of entity is the Tucson Airport
6 Authority?

7 A. So the Airport Authority is a non-profit
8 authority that's chartered under state statute to operate
9 the airport, both Tucson International and Ryan Field.

10 Q. I think you're aware of this, but you don't
11 have to answer if you don't know. Do we have taxing
12 authority? What is our ability to raise revenue?

13 A. We do not have taxing authority.

14 Q. So what is our mix of revenue at the airport
15 for the Airport Authority?

16 A. Generally, our airport revenue comes through
17 leases on the airfield with -- could be tenant leases for
18 private hangars. With a lot of commercial airlines, they
19 lease space from us in the terminal building. We have
20 revenue from concessions, and that could be revenue from
21 the restaurants. We get a percentage of the revenue.
22 Parking fees are airport authority fees. So there's a
23 number of revenue streams that we get. But in addition
24 is hand leases on that nonaeronautical development.

25 Q. I was just going to ask you that. So part of

1 our revenue includes revenue nonaeronautical properties
2 that are either developed or to be developed?

3 A. Correct.

4 Q. So let's talk about sort of the role, then,
5 that the master plan plays in our requirement to be
6 self-sustaining. How do we go about doing that? How
7 much does the master plan govern sort of how we develop
8 and how we seek out entities to lease and develop our
9 property, both aeronautical and nonaeronautical?

10 A. Well, the master plans are really our
11 blueprint. And one component of the master plan is
12 what's called an airport layout plan, and that's one of
13 the items that the FAA specifically approves. And any
14 development, whether it's aeronautical or
15 nonaeronautical, needs to be consistent with that airport
16 layout plan. And anytime we do development on the
17 airfield, we have to coordinate with the FAA on that
18 aspect.

19 So by -- the master plan, again, does, you
20 know, lays out and the FAA approves the nonaeronautical
21 uses of developments that we can use on those parcels
22 that are not part of the aeronautical airfield.

23 Q. Technically, does the map that's reflected up
24 on the left screen in front of us, is that something that
25 the FAA approves, or do they acknowledge that that is our

1 plan and it's part of the approval of our overall layout
2 plan that really goes toward compliance with the grant
3 assurances?

4 A. Yes. So the FAA, they only approve it -- as
5 part of the master plan, there's a couple of very
6 specific items they approve. This exhibit is not one of
7 those. They receive it, acknowledge it, but they do not
8 approve this master plan -- or this exhibit within the
9 master plan.

10 Q. So looking at the map that's on the left screen
11 that is included as part of what's been marked as TAA-1,
12 can you identify on that screen the location of the
13 properties that are involved in the proposed substation
14 as well as the lines from the substation?

15 A. Sure.

16 It's -- essentially, it's in this bottom right
17 corner. So all of the colored shade areas are
18 airport-owned parcels, I guess to point that out
19 initially.

20 But this is the corner of Swan and Old Vail.
21 So the transmission line will run through this purple
22 area as well as then the lease for the actual substation
23 is essentially in this orange area. And then the
24 southern route then passes through that.

25 The green area there is kind of that there in

1 the reserved area for development, which I think you've
2 seen on previous exhibits from TEP.

3 CHMN. CHENAL: Excuse me. What is the land use
4 designation for the area below the Swan-Vail purple area
5 that's kind of the green and the orange? What is that?

6 MR. SMEJKAL: So we've identified the purple as
7 the industrial, large-scale industrial, and then the
8 orange is identified as employment. So that could be
9 either office or industrial.

10 CHMN. CHENAL: And then the green?

11 MR. SMEJKAL: That's identified as kind of
12 natural corridor mitigation.

13 CHMN. CHENAL: And why haven't you -- I could
14 ask the question, high-speed rail station, what's that?
15 Is there a discussion about a high-speed rail connection?

16 MR. SMEJKAL: There is. ADOT has currently --
17 or they've done a high-speed rail corridor study, and
18 Tucson Airport is the southern terminus of that study.

19 CHMN. CHENAL: And the north is where?

20 MR. SMEJKAL: I do not know. It goes up
21 through Phoenix. I don't remember the exact terminus
22 point.

23 CHMN. CHENAL: I was curious.

24 Member Hamway.

25 MEMBER HAMWAY: So is the Sonoran Corridor

1 highlighted on here? I mean, I see existing or proposed
2 roads. Is that the Sonoran Corridor?

3 MR. SMEJKAL: Well, this study was generally
4 completed in the 2012 to 2015 timeframe. So the Sonoran
5 Corridor was not a -- necessarily identified at that
6 time. It's generally consistent with the -- we show
7 these routes, you know, along Old Vail and we show
8 Aerospace Parkway, which has now been constructed. So I
9 would say the Sonoran Corridor is generally consistent
10 with this, but it was not specifically identified at that
11 time. It had not come into planning purposes from ADOT.

12 MEMBER HAMWAY: I have one other question. So
13 does the TAA purchase land nonaeronautical use beyond
14 what is necessary for buffering for investment purposes
15 to be self-sustaining? Or are you kind of landlocked? I
16 mean, you've purchased the necessary land for buffering,
17 so once you lease that or sell that, you -- I'm just
18 curious if you have an investment arm that goes out and
19 buys land that has nothing to do with the airport.

20 MR. SMEJKAL: No. Generally, we buy property
21 specifically for future development for aeronautical
22 purposes and that land buffering, noise buffer purposes
23 only.

24 CHMN. CHENAL: Member Woodall.

25 MEMBER WOODALL: Sir, this might be another

1 mischievous question for me, but when do you anticipate
2 whole buildout of this conceptual plan would be?

3 MR. SMEJKAL: Well, we have numerous
4 different -- are you talking nonaeronautical development?

5 MEMBER WOODALL: Yes.

6 MR. SMEJKAL: I think that's going to be
7 dependent a lot on a lot of outside factors, just the
8 general economy. Obviously, one of the things and why
9 TAA is supportive of the TEP's -- utility infrastructure
10 has been one of the lacking pieces is to make this land
11 developable. And there's been a concerted effort in the
12 last a couple years with the Sonoran Corridor with some
13 of the County and City water and sewer efforts to -- not
14 just with TAA parcels, but a lot of vacant parcels down
15 here.

16 And the community and the regions have
17 identified that this is a growth area of business,
18 commercial, and industrial development, and having
19 utility access is one of those things in order to make
20 that happen.

21 MEMBER WOODALL: So development is not
22 imminent?

23 MR. SMEJKAL: Correct.

24 MEMBER WOODALL: But if you build the
25 transmission lines, then it will come.

1 MR. SMEJKAL: It will certainly make it more --
2 more valuable or more likely to occur.

3 MEMBER WOODALL: That's kind of what I thought
4 you were saying. Thank you very much, sir. Appreciate
5 your answers.

6 CHMN. CHENAL: Following up on Member Woodall's
7 questions, you talked about the nonaeronautical property.
8 When do you expect buildout for the aeronautical side of
9 the property?

10 MR. SMEJKAL: Again, difficult to say exactly.
11 One thing I'll point out here is we have a special
12 planning area that you can kind of see. This is
13 currently the gray -- the dark gray area is the current
14 airfield proper.

15 This special planning area is kind of a
16 long-term plan for a future far parallel runway. The
17 master plan has not -- I mean, that's -- in planning
18 purposes, that's beyond the near or midterm planning
19 horizon. So we've always said that's in the 25- to
20 30-plus years before that would be required.

21 So why we've identified it as special planning
22 area, if there's a particular development that had that
23 kind of lifespan, 20 to 30 years, we would entertain
24 development on that. And, you know, that large-scale
25 solar is one of those kind of items that we've identified

1 on that plan that potentially could fit within that 20-
2 to 30-year timeframe.

3 CHMN. CHENAL: Thank you.

4 Member Haenichen.

5 MEMBER HAENICHEN: Sir, where is the second
6 airport that you mentioned, that satellite?

7 MR. SMEJKAL: Ryan Airfield is on the west side
8 of town. It's basically at Valencia and Ajo Highway. I
9 think it's roughly 10-13 miles due west of Tucson
10 International.

11 MEMBER HAENICHEN: What's the nature and use of
12 that airport?

13 MR. SMEJKAL: That is what we call a general
14 aviation or reliever airport in FAA terms. So it's meant
15 for private pilots, businesses, private business jets.
16 And its function or its designation as a reliever from
17 the FAA's perspective is it alleviates that kind of
18 traffic from using Tucson International so that Tucson
19 International can be less busy and can be reserved for --
20 I mean, we still have general aviation at Tucson
21 International, but the intent there is to lessen the
22 capacity issues at Tucson International.

23 MEMBER HAENICHEN: Would it be fair to say that
24 the runways there are not large enough to accommodate
25 commercial flights?

1 MR. SMEJKAL: Yes, that is true.

2 MEMBER HAENICHEN: Thank you.

3 Q. BY MR. SCHMALTZ: So, Mr. Smejkal, could you
4 talk about your role in the discussions with TEP as it
5 relates to the proposed Sonoran Substation as well as the
6 discussions that we've had with them related to the
7 proposed routes for the lines.

8 A. I believe TEP approached us about a year ago to
9 start discussions on this project. And so, during that
10 time, we've kind of been going back and forth with TEP on
11 exact siting and optimum siting locations for both the
12 substation itself and those routes.

13 It's been an iterative process, which I think
14 TEP attested to over the last couple of days, about the
15 numerous routes that have been looked at to ultimately
16 come to what we agreed to as the preferred alignment and
17 for the transmission lines as well as for the substation
18 siting.

19 Q. You talk about sort of in general -- I think
20 you touched on this in general how our perspective on --
21 TAA's perspective with regard to the proposed
22 infrastructure and how it benefits all of our land to the
23 south, and then we'll get -- in particular, we'll talk
24 about the specific set of properties. But can you talk
25 in general about the infrastructure and how it's going to

1 benefit the development south of the airport.

2 A. Again, the main constraint and why this area
3 hasn't been developed in the past is that lack of utility
4 infrastructure. So, you know, electric being one of
5 those, certainly manning the substation -- and I don't
6 pretend to be an electrical engineer and state exactly
7 how much is lacking, but knowing that generally there is
8 a need down here for additional electrical transmission
9 lines to support any development, both current or
10 existing, planned, but also that future development that
11 could be happening on our parcels.

12 Q. So, as a follow-up to Member Woodall's question
13 or statement as it relates to sort of the imminence of
14 development, why, then -- through the master plan and
15 discussion, how did we arrive at what we believe is the
16 preferred route or what is the preferred route as
17 reflected in the application for the northern lines?

18 A. So the Airport Authority took into account a
19 number of the issues, both developmentwise and -- you
20 know, from TAA's perspective, the Northern 2 is the
21 preferred route.

22 Due to the size of that route with the three
23 transmission lines, the ultimately 300-foot-wide
24 right-of-way or easement that would be required, it was
25 our opinion and our perspective that ultimately wanting

1 to develop that entire area for this industrial/
2 commercial large-scale development, we did not want the
3 300-foot easement to be directly on Swan Road. We did
4 not think that was the highest and best use for that
5 frontage along Swan.

6 So that's why, based on those discussions, we
7 believed that moving that back to roughly the mid-section
8 line is preferable to the Airport Authority.

9 Q. Did you look at sort of what the planned use
10 might be and then of the process sort of the impacts that
11 that ultimate 300-foot easement and the limitations that
12 would be on development associated with the 300-foot
13 right-of-way that would be associated with that northern
14 line and assess the impacts that would have on the
15 proposed development at that location?

16 A. Yes, we did.

17 Q. Okay. Let's talk about -- briefly about the
18 Sonoran Corridor. There's been a question about the
19 Sonoran Corridor and where in the process the Sonoran
20 Corridor is.

21 Help us to understand -- I think the Committee
22 has seen some exhibits that indicate what the Pima
23 County-preferred route is. Can you talk about sort of
24 where exactly they are, ADOT and the Federal Highway
25 Administration is in that process.

1 A. So my -- generally, right now, they're doing
2 their Tier 1 EIS right now, which identifies roughly that
3 2,000-foot corridor.

4 Right now -- actually, there's a public meeting
5 tonight by ADOT to get to a point -- what they need to do
6 is get to the point where there's somewhere in the
7 neighborhood of eight to ten corridors that they can then
8 run what they call a corridor selection report on that
9 will then kind of refine that down to maybe three to five
10 corridors so they can do their full-blown environmental
11 analysis to. So right now, they're in that -- and,
12 again, I think the intent of tonight's meeting is to get
13 some further public comment on what should be included in
14 that corridor selection report.

15 And from what we've seen, we certainly
16 understand that the Alvernon-Old Vail alignment will
17 likely be one of those corridors that will be studied
18 further as part of that corridor selection report.

19 Q. I think in the discussions that we've had with
20 TEP and as part of the meetings with the County, they've
21 talked about TEP committing to pay for the movement of
22 that segment of the line along the northern edge that
23 travels east to west for Northern 2.

24 Are we comfortable with that sort of commitment
25 on TEP's part -- if that would come to fruition, those

1 lines would be moved onto additional or new TAA property,
2 are we comfortable with that commitment on TEP's part?
3 And does that affect in any way our support for Northern
4 2?

5 A. I think we are comfortable with that, and I do
6 not think it affects our support for Northern 2.

7 Q. Do you have anything else that you want to add
8 in terms of your testimony today summing up? And if you
9 could, just sum up again TAA's perspective and why
10 Northern 2 is the preferred route for that northern
11 segment.

12 A. Sure.

13 So TAA generally supports this project. I
14 could start there. Obviously, there's a benefit to us
15 and the region in general for additional utility
16 infrastructure that's needed down there.

17 The Northern 2 alignment, in our opinion, is a
18 better use in order to comply with our FAA grant
19 assurances to be self-sustaining; that utilizing that
20 Northern 2 route will allow us in the future to develop
21 the other parcels in this area to a higher and better
22 use. So that's why we prefer that Northern 2 alignment.

23 MR. SCHMALTZ: Thank you.

24 Mr. Chair, that's all I have.

25 CHMN. CHENAL: A couple questions.

1 The Northern 2 route -- and it's on the screen
2 on the left. I think the area we're talking about is
3 there. So the property to the north of the Sonoran
4 Corridor is not TAA property; is that correct?

5 MR. SMEJKAL: That is correct, yeah. This
6 white rectangle area is not TAA property.

7 CHMN. CHENAL: Now, when we took a tour
8 yesterday of the area of North Old Vail Road, there's a
9 lot of gravel pits. There's a lot of activity that's
10 going on along that route.

11 If those lines -- first question: The line --
12 the Northern 2 line is projected to be constructed on TAA
13 property.

14 MR. SMEJKAL: Correct.

15 CHMN. CHENAL: Now, if, in the future, that
16 Sonoran Corridor comes into being and those poles need to
17 be moved -- we've been talking about them being moved to
18 the north. But, I mean, I think it's also possible that
19 they could be moved to the south on TAA property. I
20 mean, just because of -- at least what we saw yesterday.

21 Has that been part of the discussions with TAA,
22 that if those poles have to be removed because of the
23 corridor, that they could actually be moved into the TAA
24 property? Have you had those discussions with TEP?

25 MR. SMEJKAL: I think we haven't got very

1 specific in those discussions, you know, the Sonoran
2 Corridor right now being kind of just in that such
3 preliminary planning and that 2,000-foot corridor.

4 I do think I can say that generally, we would
5 be supportive of that because all of those pieces in the
6 Sonoran Corridor would obviously be a benefit to the
7 airport. So, you know, we certainly wouldn't want to put
8 up any impediments to that corridor being constructed.
9 So if that line means get relocated on TAA property, you
10 know, we would be supportive of that as well.

11 CHMN. CHENAL: We talked about it being removed
12 to the north, but there seemed to be an awful lot of
13 activity there north of Vail Road when we took the tour.
14 And I think it's possible that the more efficient
15 re-placement of the poles would be to the south, which
16 then begs my next question.

17 Now you've got poles along the north side of
18 the TAA property and running down the east side versus
19 the Northern 1 route, which goes right along Swan Road.
20 And I guess I'm still -- I guess I have a question, why
21 is -- with the Sonoran Corridor coming in and the poles
22 possibly being placed along the perimeter of TAA
23 property, why is that deemed better than the Northern 1
24 route along an arterial road, Swan Road?

25 MR. SMEJKAL: I guess, in our opinion, if the

1 Sonoran Corridor were to go in that area, Swan Road would
2 become a much busier road, and the value of that property
3 would increase. And so having a 300-foot-wide easement
4 right along the frontage of that road, while it wouldn't
5 restrict development, it would certainly -- it would
6 devalue -- the frontage is the more developable,
7 higher-value property. And so having a 300-foot-wide
8 setback to start with is, in our opinion, why we don't
9 like Northern 1.

10 CHMN. CHENAL: That makes sense.

11 So there's a condition that's being proposed by
12 the applicant Pima County regarding cost of removing the
13 poles in the event the Sonoran Corridor comes through.

14 Have you had any discussions -- I guess you've
15 answered this. You've had very preliminary discussions
16 with the applicant in terms of if those poles have to be
17 removed to the south. I guess you just have to work
18 through an easement of some sort or somehow work through
19 the cost that would be associated with that?

20 MR. SMEJKAL: That is correct. And I think
21 that goes to, really, either route. If the Sonoran
22 Corridor comes through, there's going to be a whole lot
23 of utility relocations that have to occur, both existing
24 and proposed. And, again, we will have to work through
25 that.

1 CHMN. CHENAL: Member Haenichen.

2 Thanks.

3 MEMBER HAENICHEN: To build upon that
4 discussion, if the poles would have to be moved at some
5 point, it suggests to me that there is a place they can
6 be that wouldn't have any controversy. What's precluding
7 TEP from putting the poles where they would have to be
8 moved now?

9 MR. SMEJKAL: I think the main -- the problem
10 right now is the Sonoran Corridor is a 1,000-foot
11 corridor. If we knew where the 300- or 400-foot
12 right-of-way ultimately would be, we would plan around
13 that. But currently, the Tier 1 EIS only identifies this
14 2,000-foot corridor. So it could fall anywhere within
15 that.

16 That is one reason we specifically moved the
17 substation so far south. I think during the initial
18 discussions, TEP would have liked to have had it farther
19 north on that property. But the substation is a very
20 significant cost, and we don't want to have to relocate
21 that in the future. So that's why we moved it much
22 farther south than probably initially planned to make
23 sure and avoid that entire corridor potential.

24 But for the transmission lines, ADOT is just
25 not far enough along in that process to know exactly

1 where that -- those lines could go. And so we could take
2 a guess right now and put them in a different location,
3 and they could still be in the way ultimately because
4 it's just too preliminary at this point.

5 MEMBER HAENICHEN: Thank you.

6 CHMN. CHENAL: Member Woodall.

7 MEMBER WOODALL: Sir, could you describe
8 generally how easy or difficult it was to work with TEP
9 involving this project. We know that the utilities go
10 out and they deal with large landowners, and I'd like to
11 know, what was your experience with them as it relates to
12 this project?

13 MR. SMEJKAL: It's generally been a very good
14 experience.

15 MEMBER WOODALL: Thank you.

16 CHMN. CHENAL: So you like the user name for
17 the email that we saw earlier, TEP Rules?

18 MR. SMEJKAL: That would be a great email. It
19 wasn't mine.

20 CHMN. CHENAL: Mr. Schmaltz, do you have any
21 follow-up questions?

22 MR. SCHMALTZ: I do.

23 Q. BY MR. SCHMALTZ: I just want to follow-up
24 on -- you said -- as it relates to the Sonoran Corridor,
25 just to clarify, you said a couple times a 2,000-foot

1 corridor, and there are multiple potential 2,000-foot
2 corridors; right? The Tier 1 process identifies multiple
3 potential 2,000-foot corridors, which then get narrowed
4 down to what might be ultimate right-of-way?

5 A. That's correct.

6 Q. And so there are lots of variables that go into
7 sort of identifying those 2,000-foot corridors, and those
8 variables include terminus locations, interchange
9 locations at the west end as well as the east end, and
10 also sort of multiple pathways through the land that's
11 south of the airport; is that right?

12 A. Yes, that's correct.

13 Q. And so we -- the County may have a preferred
14 corridor, we may have a preferred corridor, but this
15 process currently only identifies, like you said, I think
16 four or five, maybe up to eight, potential 2,000-foot
17 corridors to connect I-10 and I-19?

18 A. I don't know the current -- I think the current
19 routes they have is somewhere in that eight to 12 range.
20 But what they want to do at this next -- including
21 tonight and this public process over the next 30 days is
22 kind of maybe refine that down to the eight or ten
23 corridors that will ultimately, then, go through --
24 probably be further refined to three to five corridors
25 that gets the full environmental analysis and cost

1 analysis to select the preferred corridor ultimately.

2 Q. So I ask this in order to highlight, sir.

3 What's the time horizon for the Tier 1 and then the
4 ultimate -- the Tier 2 will further refine that corridor,
5 and what's the time horizon for all of that?

6 A. I believe the Tier 1 is about halfway through
7 their three- to four-year process, essentially. So I
8 think they would anticipate wrapping that up in 2020 --
9 late 2020 or 2021 timeframe. And at that point, they
10 would have that one 2,000-foot corridor that then would
11 go into the Tier 2. And their Tier 2 is, again, a
12 multi-year process that would then refine that 2,000-foot
13 corridor down to the 300- to 400-foot right-of-way needed
14 to construct the road.

15 Q. So part of our assessment of TEP's proposed
16 routes really included in it -- I think they as well
17 included the uncertainties associated with the Sonoran
18 Corridor and faced with the imminent need for the Sonoran
19 Substation as well as these lines?

20 A. Yes.

21 MR. SCHMALTZ: Thank you.

22 CHMN. CHENAL: Just one follow-up question.

23 When we talk about potentially moving Northern
24 Route 2 to the north, I believe we had testimony
25 yesterday that that would not implicate the approach

1 requirements for Tucson Airport Authority because of the
2 height of the structure. Because I think the testimony
3 was something like this, that the poles would be lower
4 than the existing poles so that the planned poles would
5 not implicate, you know, a piercing through the -- I
6 guess the plane. So could you just confirm that based on
7 your knowledge of that aspect of it?

8 MR. SMEJKAL: Yeah. I mean, generally, yes,
9 that is an accurate statement. I will caveat that the
10 FAA is the one that actually makes that approach. They
11 do the formal analysis to determine if it's a -- if it
12 impacts airspace and navigation. But based on all the
13 general guidance and what we've done planning purposes in
14 our master plan, we do not anticipate that to be an
15 issue.

16 But it's ultimately the FAA's call, and TEP has
17 to go through a process to submit it. We call it 7460
18 based on the old paper form number that it used to be,
19 but they have to submit it for those poles, and the FAA
20 will officially make a determination.

21 CHMN. CHENAL: Member Noland.

22 MEMBER NOLAND: Thank you, Mr. Chairman.

23 I'm glad you put this map up because you
24 referred to this not being a preference, Northern 1,
25 because of its location along Swan Road, that future

1 development might be impacted by it.

2 I had thought that maybe it had something to do
3 with how much it encroached in your -- I don't know what
4 you would call it -- the approach area and the height
5 restrictions; whereas, the Northern 2 really got outside
6 of any of those height restrictions.

7 Was that another aspect that you looked at?

8 MR. SMEJKAL: Not really, because the key here
9 is the closest point to the runway, which is right at the
10 intersection. Either way, Northern 1 and Northern 2 tied
11 in at that point. So that's going to be the most
12 critical aspect from the airport's perspective.

13 So, you know, both Northern 1 and Northern 2
14 hit that most critical point, if you will.

15 MEMBER NOLAND: But isn't there more
16 involvement in Northern 1 within the approach area than
17 there is in Northern 2?

18 MR. SMEJKAL: Not necessarily. I mean, as you
19 go farther away from the end of the runway, the slope
20 continues to go up, if you will. So, I mean, in both
21 directions, you're still -- you're kind of going away
22 from the runway. So -- I believe this came from the
23 County or the City's planning exhibits.

24 But in theory, the FAA continues to look out
25 much, much farther than that. It's just generally, once

1 you get to a certain distance off, you're far enough away
2 that it's really not an issue.

3 MEMBER NOLAND: Thank you.

4 CHMN. CHENAL: Okay. Any further questions by
5 the Committee?

6 (No response.)

7 CHMN. CHENAL: Mr. Robertson, do you have any
8 questions?

9 MR. SCHMALTZ: Just to clear up the record, I
10 just want to make sure that I don't forget that -- to
11 move the submittal of TAA Exhibit 1 into the record.

12 CHMN. CHENAL: All right. TAA-1 has been moved
13 for admission.

14 Any objection?

15 (No response.)

16 CHMN. CHENAL: There being none, TAA-1 is
17 admitted.

18 (Exhibit TAA-1 was admitted.)

19 CHMN. CHENAL: Anything further, Mr. Schmaltz?
20 I need to ask Mr. Robertson and the applicant
21 if they have any questions.

22 So, Mr. Robertson, any questions of
23 Mr. Smejkal?

24 MR. ROBERTSON: I do, Mr. Chairman.

25

1 CROSS-EXAMINATION

2 BY MR. ROBERTSON:

3 Q. Mr. Smejkal, good morning.

4 A. Good morning.

5 Q. You and I met very briefly this morning before
6 the hearing began, but let me introduce myself and my
7 interest in the proceeding. My name is Larry Robertson,
8 and I'm here on behalf of South Wilmot Land Investors, a
9 landowner in the area. And I think you are familiar with
10 their property.

11 So I don't forget it, I'd like to go to a
12 question that Member Hamway asked you a few moments ago,
13 making use of TAA-1, which is also up on the left screen.
14 And she had asked you about the location of the Sonoran
15 Corridor.

16 Let me focus specifically on Pima County's
17 proposed Sonoran Corridor version because you referred to
18 that in your testimony. And if I understood you
19 correctly, you anticipate at tonight's meeting, the Pima
20 County proposal will be one of the ones that will
21 probably move forward in the Tier 1 process; is that
22 correct?

23 A. I know it's going to be one of the proposed
24 that's shown -- or my understanding is it will be one of
25 the ones that will be proposed tonight for further

1 comment.

2 Q. Okay. Now, using the Future Development Plan
3 which is shown on the left-hand screen and with your
4 laser, could you point out where Alvernon Road is?

5 You indicated the Pima County Sonoran Corridor
6 would proceed up Alvernon Road and then turn east
7 following the Old Vail Connection Road. So could you
8 indicate that on the map in response to Member Hamway's
9 question?

10 A. Certainly.

11 This is Alvernon Road here, and it would turn,
12 essentially, on that Old Vail alignment, which is here,
13 and head east.

14 Q. Okay. Very good.

15 Now, again, referring to the left-hand screen
16 but also your hard copy of Exhibit TAA-1, in this area
17 here, we see what appears to be a residential area.

18 Directing your attention to the right-hand
19 screen and the residential area shown in the center at
20 that particular map, are they one and the same area?

21 A. Yes.

22 Q. Okay. So the land to the west of that
23 residential area or across what would be Swan Road, which
24 would be over here, is part of the South Wilmot Land
25 Investors' property or the Verano project property;

1 correct?

2 A. That is my understanding.

3 Q. Okay.

4 Now, what is the -- just refresh my
5 recollection. The anticipated use in this purple area
6 here, was that the industrial?

7 A. Industrial/commercial, yes.

8 Q. And then below that, in the green and brown,
9 the brown, according to the legend on Exhibit TAA-1 is --
10 and I'm looking for it now in the legend. That says
11 Employment (Office and Industrial); is that correct?

12 A. Correct.

13 Q. So that's the area immediately north of this
14 residential area here; correct?

15 A. Correct.

16 Q. Okay.

17 And the anticipated development here, sir,
18 would be?

19 A. That's also commercial/industrial development.

20 Q. That's also commercial/industrial. Okay.

21 Let me see if I have anything else as it
22 relates to your testimony.

23 And I believe you indicated that one of the
24 reasons development has not occurred thus far in this
25 area is because of the lack of infrastructure, including

1 electrical service infrastructure; correct?

2 A. Correct.

3 MR. ROBERTSON: Okay. I believe that's all I
4 have. Thank you.

5 CHMN. CHENAL: Does the applicant have any
6 questions of the witness?

7 MR. DERSTINE: I told Mr. Schmaltz that I had
8 prepared two hours of aggressive cross-examination of the
9 witness, but I think they've dealt with all my questions,
10 so no cross.

11 CHMN. CHENAL: Mr. Schmaltz, any follow-up
12 redirect?

13 MR. SCHMALTZ: I had prepared two hours of
14 redirect in response to the cross, but, no, I don't have
15 any redirect. Thank you.

16 CHMN. CHENAL: All right. Does the Committee
17 have any further questions?

18 (No response.)

19 CHMN. CHENAL: Okay. Mr. Smejkal, thank you
20 very much for your testimony. It was very helpful.

21 MR. SMEJKAL: Thank you.

22 CHMN. CHENAL: And we appreciate it very much.

23 All right. We're at 11:45. So, anything
24 further, Mr. Schmaltz, on behalf of Tucson Airport
25 Authority?

1 MR. SCHMALTZ: No, sir.

2 CHMN. CHENAL: Mr. Robertson, anything further
3 on behalf of your client, South Wilmot?

4 MR. ROBERTSON: No, Mr. Chairman.

5 CHMN. CHENAL: Okay. The applicant, anything
6 further? This makes attorneys nervous when they're asked
7 to finally commit and say We're finished and we completed
8 our case and then say, Oh, my God, I forgot something.

9 We'll take a little pressure off you because
10 even if you tell me that you're finished, you know, we'll
11 give you the opportunity to present anything further if
12 something comes up that you forgot.

13 MR. DERSTINE: The only remaining item -- and
14 we hadn't forgot it, and we were just working to get it
15 together -- was, Mr. Chairman, your good suggestion and
16 ask that we capture the slides that were on the left
17 screen and used by Mr. Beck. I think it was during his
18 fly-through presentation and/or his direct testimony.

19 And I think Mr. Raatz may have also had a
20 couple slides that were not part of their hearing
21 presentations which have already been marked.

22 We've since captured what was on the left
23 screen in addition to their marked and admitted
24 PowerPoint presentations. And with your permission, I
25 would -- I think those would be TEP -- well, I can

1 collectively mark them as TEP-18 -- 19.

2 CHMN. CHENAL: 19, right. I think we have 18.

3 MR. DERSTINE: So this would be 19. And I've
4 got a copy for the court reporter to mark and a copy to
5 hand to you at this time. And we'll also get them filed
6 in the docket and get them distributed to the members of
7 the Committee.

8 CHMN. CHENAL: Let's do that now. And I
9 believe the one slide that will not be shown was the one
10 that Ms. Darling spoke about that had the redacted
11 archeological sites. I believe that one, we want to keep
12 redacted or not include.

13 MR. DERSTINE: I'm told that it was not
14 included.

15 So in Ms. Darling's filed PowerPoint
16 presentation, it's marked as "map redacted," and it was
17 not filed with the Commission.

18 CHMN. CHENAL: Okay. And it's not part,
19 obviously, of the collective documents that were
20 screenshots you were just talking about?

21 MR. DERSTINE: Correct.

22 CHMN. CHENAL: Okay. So that will be TEP-19.

23 I think I'd just like to see a copy of it
24 before we accept it into evidence.

25 Is there a --

1 MR. DERSTINE: I did not -- I should have and
2 failed to give a copy -- or make a copy for Mr. Robertson
3 or Mr. Schmaltz. We'll do that at the break, and I'll
4 make sure they have it just to see if they have any
5 concerns with it. I think it's hard for them to speak to
6 it if they haven't seen it.

7 CHMN. CHENAL: We'll have it just marked as
8 TEP-19, and let's give the parties' counsel an
9 opportunity to look at the document. And if you have
10 copies for the Committee, that would be helpful too, if
11 possible. I know it's all color shots.

12 MR. ROBERTSON: Mr. Chairman.

13 CHMN. CHENAL: Mr. Robertson.

14 MR. ROBERTSON: I can't resist. With
15 Mr. Derstine's acknowledged remissiveness, I'd like to
16 have two hours to cross-examine him on Exhibit 19.

17 (Laughter.)

18 MR. DERSTINE: That's what happens with these
19 things. They become very contentious in the last day.

20 CHMN. CHENAL: That's what happens, and we're
21 not even to the deliberations.

22 All right. These look fine to me, Exhibit 19.
23 And before we move it into evidence, I think it's more
24 appropriate that counsel have a chance to look at it as
25 well as the Committee.

1 MR. DERSTINE: Agreed.

2 CHMN. CHENAL: So, Ms. DeCorse, I don't know if
3 you want this back or -- okay. So we have that.

4 We also have what you passed out,
5 Mr. Derstine -- thank you -- is the -- what we call the
6 Chairman's Proposed CEC for discussion.

7 MR. DERSTINE: Yes. So what will be
8 distributed was -- as you correctly identified, it's what
9 we received from Ms. Cobb of your office that was the
10 Chairman's proposed changes to the proposed CEC that we
11 filed as a marked exhibit in this case.

12 What is not included in what you have and the
13 members of the Committee have will be the proposed
14 language to address Mr. Robertson's concerns and the
15 agreement we put on the record concerning the
16 right-of-way. That will be modified on the southern
17 piece along the South Wilmot Land Investors' property.

18 And then we're still finalizing and should have
19 shortly the Exhibit A, which will be the legal
20 description for both the northern and the southern
21 routes.

22 CHMN. CHENAL: Okay. When we go through the
23 deliberations, I think we'll have -- as we've done in
24 previous cases, I think this will be a little easier this
25 time, but we'll have Chairman's Proposed CEC. And,

1 again, I'm not necessarily proposing this language. I'm
2 proposing this language for discussion. I readily admit
3 some of these aren't applicable based on the testimony of
4 Mr. Beck.

5 But I'd like to give that an exhibit number.
6 And we can either do a Chair 1 or we can give it a TEP
7 number just for identification. Because as we go through
8 it, I think the record needs to reflect, you know, what
9 we're looking at as we're referring to what's on the
10 screen.

11 One, I suggest, would be mine, which will have
12 an exhibit number. The other will be a work in process,
13 which will start out as the -- will become the most
14 recent version that you're going to propose. And I don't
15 think we have that yet; is that correct? Because you're
16 going to have additional language to add to it?

17 MR. DERSTINE: So we've drafted the proposed
18 corridor provision and conditions as a separate -- as
19 just suggested language. But what we can do is just
20 incorporate that into the working version, the
21 Committee's working version, of the CEC that we'll screen
22 on the right. You can consider it there, or it can be a
23 paper -- I think Ms. DeCorse just handed out the
24 language, and the Committee can look at it on paper and
25 like it or not or modify it.

1 CHMN. CHENAL: We can do it like that and edit
2 as we go.

3 But what will be the starting point for, not
4 mine, but on the other screen? Will the starting point
5 be a document that's already an exhibit?

6 MR. DERSTINE: Whatever your pleasure and the
7 pleasure of the Committee. We can screen yours on the
8 left and a duplicate on the right, or we can use what was
9 TEP's Proposed CEC which was marked and filed as TEP-12.

10 So TEP-12, I believe, is identical to
11 Chairman's CEC for discussion purposes, and we can screen
12 those both. And then the working, on-the-fly version, we
13 can copy over your conditions as the Committee votes and
14 considers them or considers and votes upon them. And
15 then we can build in and copy in also this proposed
16 language which we've handed out on paper. But whatever
17 your pleasure and whatever's easier.

18 This is always sometimes the difficult piece of
19 these cases, is managing the language and the documents,
20 but I think it's fairly straightforward in terms of -- as
21 I understand it, you have -- your proposed CEC for
22 discussion purposes is identical to what we have filed as
23 TEP-12 other than the new conditions that you would like
24 the Committee to consider and the parties to consider for
25 discussion as you move through.

1 CHMN. CHENAL: Let's do this, because I think
2 it will be easier. Let's take mine, and we'll make that
3 TEP-19. And on the right-hand screen, we'll have a
4 duplicate of mine, for lack of a better word. We'll work
5 through that, we'll add to it, we'll delete it, and what
6 we end up with, we will call TEP-20 for identification.

7 And then I think it will make it a lot easier
8 as we go through, because we'll just be talking about two
9 numbers, 19 or 20. And then, you know, we'll make the
10 changes. And at the end, I think it will be easier to
11 follow on the record.

12 So let's do that.

13 MR. ROBERTSON: Mr. Chairman.

14 CHMN. CHENAL: Yes, Mr. Robertson.

15 MR. ROBERTSON: The language that was handed
16 out by Ms. DeCorse that has two different parts to it,
17 the first part is entitled: Will be in the body of the
18 CEC. And the second part is: Proposed Condition.

19 That was actually worked on at the end of
20 yesterday's hearing by Ms. DeCorse, Mr. Beck, and me.
21 And at that point in time, and I apparently was mistaken
22 in my assumption, I had assumed that would be inserted in
23 a version of a proposed Certificate of Environmental
24 Compatibility that would be projected on the screen today
25 so that you and the other members of the Committee could

1 look at it, and we could all comment on it.

2 I don't have a problem with it being shown in
3 some way on a separate screen, but at some point I do
4 want to see it integrated so I can see both where it
5 appears within the CEC itself and also where it appears
6 in the conditions.

7 CHMN. CHENAL: Absolutely. And my intent would
8 be -- and it will be a typing exercise as we do it. But
9 my intent will be that when we get to this portion of the
10 CEC, the working version, the work in process, this
11 language will be added as we look at it on the screen so
12 that, at the end of the process, I want to have what will
13 become Exhibit TEP-20 will be the final version of the
14 CEC with all of the additions and deletions, including
15 this language.

16 MR. ROBERTSON: I think we have the same
17 objective in mind. Thank you.

18 CHMN. CHENAL: And that way, we'll just be
19 dealing with two numbers, 19 and 20. I think that will
20 make this a lot easier for somebody to go through it.

21 MR. DERSTINE: Mr. Chairman, I agree with
22 everything you said. The numbering is off a little bit
23 because we've just marked for identification, subject to
24 review by counsel, TEP-19, which are the screenshots,
25 so --

1 CHMN. CHENAL: 20 and 21?

2 MR. DERSTINE: Correct.

3 CHMN. CHENAL: And I think this will become
4 easy once we go through it. I think it sounds more
5 complicated than it is. So at the end of the day, I
6 think we'll make some changes to what I proposed. We'll
7 accept some; we won't accept others. We'll add some
8 language, and we'll have to wait while it's being typed
9 in, yes, to see what it looks like, to Mr. Robertson's
10 point.

11 But then I think at the end, it will be easy,
12 and we'll have a pretty clean version. And I think it's
13 helpful for the record because someone reading through it
14 can understand what we're doing.

15 Okay. So -- yes, Member Woodall.

16 MEMBER WOODALL: Just -- I want to make sure I
17 have the right copies here. I have the Chairman's
18 proposal, and I have the version that you identified as
19 Exhibit 12. And in the Chairman's proposal, there's a 7
20 about consultation with the State Historic Preservation
21 Office. Is that somewhere in Exhibit 12? I did a quick
22 scan, and I couldn't find it in there. So they're not
23 identical, I guess; is that correct?

24 CHMN. CHENAL: They aren't. And that's why --

25 MEMBER WOODALL: Okay. I just want to make

1 sure.

2 CHMN. CHENAL: That's why we're not going to
3 use 12. We're just going to take mine and put it on the
4 left screen, and the right screen will be a duplicate of
5 mine. And we will then use that to add and subtract
6 from. Because if we have a third one, I think it will be
7 too complicated.

8 MR. DERSTINE: Correct.

9 CHMN. CHENAL: So it's almost noon. I guess my
10 proposal would be is we break for lunch, we come back and
11 we do the final arguments, and then we begin the
12 deliberations. If there is additional testimony that
13 someone wants to supplement the record with, we can take
14 that. If there's any public comment, we can take that.

15 But I throw that out as a suggestion for the
16 Committee. Is the Committee okay with that?

17 It seems like they are.

18 Are the parties okay with that suggestion?

19 MR. DERSTINE: Yes, Mr. Chairman.

20 CHMN. CHENAL: Now, will you need any more
21 time? Do you want a little later start time in order to
22 get any of this in order for our deliberations?

23 The Committee is saying no, they want to go at
24 1:00. But if you want to start at 1:10 or 1:15 or
25 something, just if you had to get a projector lined up.

1 MR. DERSTINE: I'm told that we should have the
2 legal description ready when we reconvene, if you want to
3 reconvene at 1:00, and we don't need any additional time.

4 CHMN. CHENAL: Okay. 1:00 is fine, and we'll
5 reconvene at 1:00.

6 (A recess was taken from 11:59 a.m. to
7 1:15 p.m.)

8 CHMN. CHENAL: We'll resume the afternoon
9 portion of the hearing.

10 Is the applicant and the other parties ready to
11 proceed?

12 MR. DERSTINE: Yes, Mr. Chairman, Members of
13 the Committee. Yes, we're ready to proceed.

14 CHMN. CHENAL: Mr. Robertson?

15 MR. ROBERTSON: Yes, Mr. Chairman.

16 CHMN. CHENAL: Mr. Schmaltz?

17 MR. SCHMALTZ: Yes, Mr. Chairman.

18 CHMN. CHENAL: Anything to discuss before we
19 begin?

20 MR. DERSTINE: The one housekeeping item before
21 we broke for lunch was the -- we had marked for
22 identification TEP supplemental hearing exhibits that had
23 been screened on the left side during testimony of a
24 couple our different witnesses. I had not shared those
25 with the intervenors' counsel before the break. I think

1 they've had an opportunity to review them.

2 And so, subject to their objection, I'll move
3 the admission of TEP-19.

4 CHMN. CHENAL: All right. TEP-19, which is the
5 collection of basically screenshots that we've looked at
6 during the course of the hearing, has been moved into
7 evidence.

8 Any objection?

9 MR. ROBERTSON: Mr. Chairman, more a question.
10 We have two documents that were handed out. One was Ed
11 Beck Fly-Through Introduction and the second was Eric
12 Raatz. Are both of these TEP-19 or just the Fly-Through?

13 MR. DERSTINE: Mr. Chairman, Mr. Robertson,
14 they are collectively marked as TEP-19.

15 MR. ROBERTSON: No objection, Mr. Chairman.

16 CHMN. CHENAL: Mr. Schmaltz, any objection?

17 MR. SCHMALTZ: No.

18 CHMN. CHENAL: Member Noland.

19 MEMBER NOLAND: Mr. Chairman.

20 Mr. Robertson, you're going to have to talk
21 closer to that microphone. And I know it's hard because
22 you're sharing, but I can't hear you when you turn your
23 head away from it and barely hear you when you're talking
24 into it.

25 MR. ROBERTSON: I appreciate you mentioning

1 that. Thank you, Member Noland.

2 MEMBER NOLAND: Perfect.

3 MR. ROBERTSON: I will snuggle up to it.

4 MEMBER NOLAND: Thank you.

5 CHMN. CHENAL: Very good. Okay. So TEP-19 is
6 admitted.

7 (Exhibit TEP-19 was admitted)

8 CHMN. CHENAL: Any other housekeeping items?

9 MR. DERSTINE: No, Mr. Chairman.

10 CHMN. CHENAL: All right. We're going to go to
11 the final argument.

12 Then after that, just so the Committee is clear
13 what we'll have on the screens, we'll have -- what is
14 TEP-20 is my offered CEC with the changes for discussion,
15 and then the screen to the right of it will be TEP-21.
16 That will end up being the final version, and that will
17 be the work in progress as we go through the process.

18 And 21 will start out as an exact copy of 20
19 with the changes that I've proposed for discussion, but
20 those will be deleted and we'll add some conditions. And
21 so 21 will become the final that we'll vote on. So we'll
22 be referring to Exhibit 20, which is mine, or 21, which
23 will be the work in process.

24 Okay. So is there anything further before we
25 begin final arguments and deliberations?

1 (No response.)

2 CHMN. CHENAL: Doesn't look like any.

3 Mr. Derstine and Ms. DeCorse, are you ready to
4 provide your final arguments?

5 MR. DERSTINE: Yes, Mr. Chairman.

6 CHMN. CHENAL: Please proceed.

7 MR. DERSTINE: I want to start by simply saying
8 thank you. Thank you, Mr. Chairman. Thank you, Members
9 of the Committee.

10 The work that this Committee does is important.
11 It's important to the residents of the state of Arizona.
12 It's important to the applicant.

13 I know when you come to Tucson, we're taking
14 you away from your homes and your families and your
15 day-to-day lives, and we appreciate your time. We
16 appreciate your good work in reviewing our applications,
17 listening to our evidence, asking good and hard
18 questions. You make this process work. You make our
19 projects better. And thank you for your good work.

20 On behalf of TEP and Ms. DeCorse and myself, I
21 also want to thank the intervenors, Mr. Robertson and
22 Mr. Schmaltz. It's nice to work with good lawyers. It's
23 nice to -- I think important to have intervenors in these
24 cases when we can. I think they help us develop a better
25 record. They help us understand issues that we may not

1 have understood or anticipated. And we always encourage
2 intervenors, and we encourage stakeholders to
3 participate. And I think it makes this process, the line
4 siting process, better. And so I appreciate their
5 involvement.

6 I also want to thank our court reporter. She
7 always does an amazing job in keeping a good record. And
8 sometimes we overlook how important that record is. When
9 this goes up to the Arizona Corporation Commission, that
10 body sits and listens and decides on whatever decision
11 you make here based on the record developed here. And
12 it's limited to the record developed here, so it's
13 critical that we have a good record, and we always do.
14 So thank you.

15 And we always refer to these folks as the Men
16 in Black, but I think Member Noland mentioned how much
17 she appreciated being able to hear and see the testimony
18 and the witnesses. And that's all as a result of these
19 folks. And we've always called them the Men in Black,
20 but I thought I'd at least learn their names and mention
21 their names. It's Jay Strickling, James Bujarski, and
22 Andrew Schildberg. I hope I didn't butcher your names,
23 gentlemen. But they're with Arizona G&T Cooperative
24 Services. We've used them and we try to use them in
25 every case that we take to this Committee. They do a

1 fine job, and we appreciate their good work as well.

2 And, finally, I just want to thank Ms. Darling.
3 She's always been in charge of putting together the room
4 and the facilities and the setup for these hearings. It
5 isn't always easy to accommodate and decide what the best
6 afternoon snack is. Sometimes this Committee has a hard
7 time agreeing on a sign location or font size, and it's
8 really difficult sometimes to navigate what's the right
9 snack or lunch item to offer, but I think she's always
10 done a fine job. So we appreciate it.

11 So there's a lot going on in the state, kind of
12 this intersection of politics and energy right now on the
13 floor. This Prop 127 would direct utilities like TEP to
14 increase their use of renewables to serve their customers
15 up to 50 percent by 2030. There's also a couple seats on
16 the Arizona Corporation Commission that are open for the
17 current election. And so it's unclear in terms of what
18 will happen as we move forward in terms of energy policy
19 and the direction to utilities like Tucson Electric Power
20 Company.

21 But at the end of the day, TEP and the other
22 utilities in the state have an obligation to provide
23 adequate, economical, and reliable electric power to the
24 customers. And so this year, just in 2018, we've brought
25 three projects before this Committee. Case 177 was in

1 January of this year, Case 178 in June, and here we are
2 in October. And time seems to fly.

3 But I want to at least -- I touched on it in my
4 opening, but I want to remind you a little about how
5 these cases are connected and how they build upon one
6 another.

7 The first case was the -- I have to get my
8 glasses to see this slide. The first case was Case 177,
9 and that was the RICE -- what we've referred to as the
10 RICE case or the RICE project. It involved more than
11 generation. It also involved rerouting a transmission
12 line on the Irvington campus. And as part of that
13 project, there is an upgrade of the Irvington Substation,
14 which is also located on that Irvington campus.

15 That upgraded -- new upgraded Irvington
16 Substation, when completed, is the jumping-off point for
17 the second case we brought before you, which was the
18 Irvington to Kino Substation case to the north. And that
19 case involved stringing a 138kv line through a largely
20 urban setting of businesses and hospitals and residences
21 and figuring out the best route to get from the new
22 Irvington Substation to the Kino Substation, and that was
23 your June case.

24 And here we are in October, where the
25 jumping-off point again is the Irvington Substation here,

1 but now we're moving to the south. And as you've heard
2 in the testimony, there's these existing triple-circuit
3 138kV lines that are making their way down to the
4 proposed Sonoran Substation where they'll be cut and
5 dropped into the new substation and they'll be redirected
6 back out on their original path.

7 One of those lines heads to the west to Vail
8 Substation. Two of those lines go to the east. One is
9 to Robert Bills -- actually, this is South Substation to
10 the west and Robert Bills and Vail to the east.

11 So those are the three cases and kind of how
12 they're literally and figuratively connected. And I just
13 want to again give you a quick overview.

14 What was key about the RICE generation case was
15 it was new natural gas generation. And the opposition we
16 heard in that case from the Sierra Club as well as
17 residents in Pima County was: Why are you building more
18 natural gas generation when we have all of this great
19 available sun?

20 And the evidence that we presented and the
21 evidence that you heard was that in order to meet
22 whatever goals are set for us, the company's internal
23 goals of 30 percent by 2030 or if it's something
24 different by amendment of the Constitution or new
25 decisions on the Energy Modernization docket of the

1 Corporation Commission, that Tucson Electric Power was
2 going to need a fast-ramping, efficient generation
3 resource to counter the intermittency of expand of
4 renewables on the system, wind and solar, as well as
5 provide voltage regulation; that is, having a resource
6 generation in the load pocket in Tucson. And the right
7 place for that was the Irvington campus.

8 The other piece of that project was to upgrade
9 the Irvington Substation, which I mentioned previously,
10 to not only support the RICE but future developments like
11 the project to the north, Irvington to Kino, and this
12 project coming now to the south. The interconnection
13 with the Sonoran Substation would ultimately tie in with
14 the Wilmot Energy Center.

15 Again, that second case, Irvington to Kino, I
16 thought that was a -- going to be a simple, no-nothing
17 case, and it turned out that stringing a line from the
18 Irvington Substation to the proposed Kino Substation
19 across town, across, as I mentioned, businesses, streets,
20 took a lot of important thinking and consideration of
21 interests and stakeholders to come up with the right
22 route.

23 The Committee did come up with the right route,
24 but we spent a lot of time figuring out the right way to
25 string a line across town to improve and upgrade the 69kV

1 system that was serving that area and also support the
2 future growth at the Bridges development, which was this
3 mixed-use development of offices, residential, business
4 centers, retail that was planned for the area.

5 And this last case has been driven by the new
6 Wilmot Energy Center, 100 megawatts of new solar with
7 30 megawatts of battery storage. And it's really --
8 we've heard the testimony, and we presented it as kind of
9 two pieces or two portions, two segments.

10 In the north, the need there is to improve
11 system reliability to serve future growth through the
12 Sonoran Substation, and that involves reconfiguring those
13 existing lines that were coming down from the Irvington
14 Substation, tying them in to the new Sonoran Substation,
15 and sending them back out on their way.

16 And the southern piece is really just the
17 simple gen-tie piece, which is connecting the new Wilmot
18 Energy Center to the TEP system through the new Sonoran
19 Substation; and the interconnection with Wilmot will
20 occur at the Cisne Switchyard.

21 So, again, the project has these different
22 elements:

23 Rerouting the three 138kV lines to connect to
24 the new Sonoran Sub.

25 Constructing the Sonoran Substation, which

1 you've heard the testimony is happening through the
2 special exception land use process. That involves its
3 own notice and permitting and environmental study work,
4 etc.

5 And then the southern piece, constructing the
6 gen-tie line to connect the southern to the Sonoran
7 Substation to the Cisne Switchyard through a single 138kV
8 line and then the approval of the switchyard itself.

9 We've presented testimony through I think all
10 of our witnesses showing the efforts that were undertaken
11 to try to accommodate stakeholder interests, to
12 accommodate the existing land use, the planned and
13 proposed land use, whether it's Sonoran Corridor or
14 whether it's TAA's development plans, whether it's South
15 Wilmot's development plans.

16 It was not a simple matter of getting from A to
17 B. It was trying to figure out what their interests
18 were. Could we accommodate them? How could we
19 accommodate them? And trying to, as always, avoid
20 impacting residences, which are in the priority of
21 sensitivities. One of the things we look at first and
22 foremost is trying to minimize the impact on homes and
23 houses and people.

24 Ms. Darling testified at some length about our
25 efforts and the project's efforts to minimize

1 environmental impacts on wildlife. She went through and
2 identified the various listed species or species that are
3 scheduled in some way for -- required special care,
4 sensitivity. She also testified at length on the
5 cultural resources in the area and how we're going to
6 minimize the impacts on those. Covered the visual
7 impacts. There were no recreational impacts.

8 And so through the planning and, again, work
9 with the stakeholders and the various agencies, we think
10 this project minimizes the environmental impacts.

11 So we're getting to the good stuff, the thing
12 where we screen the CECs and work through the language.

13 But in the CEC, what we will be asking for on
14 the northern piece is our preferred route, Northern 2.
15 It's a 300-foot right-of-way, again, to accommodate the
16 three structures, three double-circuit 138kV structures,
17 and the lines and a 1,000-foot corridor. And that
18 1,000-foot corridor is what we're requesting in order to
19 accommodate the planning and working around the planned
20 development for the Southline and the other developments
21 in the area. Again, it's three double-circuit cabled
22 structures carrying 138kV lines, again, on
23 self-weathering steel monopoles.

24 The southern piece in the CEC would be our
25 preferred route as Southern 1. And, again, you've heard

1 extensive testimony over why Southern 1 is preferred. It
2 accommodates the needs of South Wilmot. And we've made
3 adjustments to the right-of-way and the corridor. But in
4 general, we'll be asking for a 100-foot right-of-way and
5 a 500-foot corridor except along the South Wilmot land
6 section. We're working with Mr. Robertson to develop
7 specific land, which calls up how we will narrow the
8 corridor down and ensure that the line is built on the
9 west side of the road, again, in the 100-foot corridor.
10 Again, here, it's a single circuit, but we're asking for
11 authority to build it on a double-circuit-capable
12 structure.

13 If we ever decide to string another line, we
14 would need to come back for another CEC; but we're asking
15 for authorization for a single-circuit, one 38kv line and
16 a double-circuit cable structure.

17 And then we're asking that you also approve the
18 Cisne Switchyard.

19 CHMN. CHENAL: Let me ask you a question. I
20 know it's kind of common, but my notes reflected that on
21 the corridor of the South Wilmot property on the west
22 side of Swan, so as it comes from the east side and
23 switches over to the west side and then the corridor, the
24 discussion was for a 200-foot corridor within -- and I
25 believe 150 or 200. And I think you just said 100. So I

1 just want to make sure we're clear.

2 MR. DERSTINE: And my slide probably created
3 that confusion.

4 In general, from top to bottom of the southern
5 piece, that is, the Sonoran Substation to Cisne, we're
6 asking for a 100-foot right-of-way and a 500-foot
7 corridor except along that piece of road that you
8 identified, Mr. Chairman. And in that section, we have
9 specific language that we worked out.

10 But, in general, my understanding is that it's
11 a 250-foot corridor that begins at the centerline of Swan
12 Road and extends to the west. And that within that 250
13 from center to west corridor, we're asking for a 100-foot
14 right-of-way.

15 CHMN. CHENAL: Okay.

16 Mr. Robertson.

17 MR. ROBERTSON: If I might offer a comment
18 here, Mr. Chairman.

19 Member Noland, can you hear me?

20 MEMBER NOLAND: I can.

21 MR. ROBERTSON: Okay. If you look at the
22 placemat or if you were looking at Exhibit TEP-14, slide
23 16, you'll see that the South Wilmot property occupies a
24 major part, in fact, the predominant part, of the
25 Southern 1 route as you move from the Sonoran Substation

1 down to where the Wilmot Energy Center property begins.

2 And I think when Mr. Beck was testifying
3 earlier today, he indicated the 250-foot corridor would
4 begin where the line crossed over from the east side of
5 Swan Road to the west side down to the Wilmot Energy
6 Center property.

7 So both Mr. Beck is correct and Mr. Derstine is
8 correct, but you need to look at the map to realize that
9 the South Wilmot property and that 250-foot corridor will
10 occupy most or will dominate on most of the Southern 1
11 route.

12 CHMN. CHENAL: Thank you.

13 MR. DERSTINE: Mr. Robertson, so there again,
14 using the map, there is a piece to the north as it comes
15 out of Sonoran until it jogs, comes cross and angles
16 across Swan Road. That first run or leg of that southern
17 route will be on the 100-foot right-of-way -- that says a
18 500-foot -- yeah, 500-foot corridor and 100-foot
19 right-of-way. And then we're pinching it down along the
20 lines, as I just described, and then that will revert
21 back at the end of South Wilmot's land to the requested
22 corridor and right-of-way size as we move away from South
23 Wilmot's land.

24 And with that, unless you have any more
25 questions, that's all I have for my closing again. Thank

1 you for your time, attention, and your good work.

2 CHMN. CHENAL: Will all of the corridors be
3 measured from the centerline of either Swan or Old Vail
4 Road?

5 MR. DERSTINE: Maybe using the placemat map or
6 this map on the left screen as a point of reference,
7 there are areas which are not being collocated along a
8 road or a section line. And so, as to those, we're using
9 a legal.

10 CHMN. CHENAL: But where there's a road, the --
11 for example, coming down Swan Road and where it comes
12 back out to Swan Road, that that's going to be measured
13 from centerline. And then on the northern route along
14 Old Vail Road, that's also from the centerline of Old
15 Vail Road? Is that --

16 MR. DERSTINE: I'm going to ask Mr. Beck to
17 respond to your question, Mr. Chairman.

18 MR. BECK: Mr. Chairman, the way that TEP is
19 drafting the legal description and we're -- I've got Eric
20 out double-checking on one piece of the language. Our
21 intent would be to have a defined centerline, which was
22 the alignment that we identified as our proposed
23 alignment. That centerline defines the corridor for all
24 of Northern 2 and all of Southern 1 but for the piece
25 adjacent to South Wilmot, LLC, land, which will be tied

1 directly to the centerline of Swan Road.

2 CHMN. CHENAL: Okay. So along -- after the
3 line on the Preferred South 1 jogs from the east to the
4 west side of Swan Road, that portion of the corridor will
5 be measured from the centerline of Swan Road and will be
6 a 250-foot corridor measured from the centerline.

7 MR. BECK: That is correct.

8 CHMN. CHENAL: That's correct.

9 And so where there is no road, the centerline
10 is just going to be determined based upon the legal
11 description?

12 MR. BECK: Correct.

13 CHMN. CHENAL: That's also correct.

14 Now, what about the northern part of Northern 2
15 where it heads from west to east, which we discussed as
16 being along Old Vail Road? Is that also going to be
17 measured from the centerline of Old Vail Road, or is
18 there going to be some other way to define the
19 centerline?

20 MR. BECK: That one also is based on the
21 centerline of the proposed alignment of TEP, which is not
22 directly tied to the centerline of the road. Ultimately,
23 because it's a survey, you can tie it to there. But
24 we're describing a centerline of our proposed alignment
25 and saying we have -- we're requesting a 1,000-foot

1 right-of-way, 500-foot either side of that centerline.

2 CHMN. CHENAL: So that one is not being tied --
3 the centerline of the proposed alignment for the
4 northern -- the east-west portion of the northern route
5 is not tied to any centerline of Old Vail Road. It's
6 simply a point in space that's being determined as the
7 centerline?

8 MR. BECK: That is correct. We've got the
9 description of that centerline; but, ultimately, that
10 centerline ties back to the centerlines of the roads
11 through the survey process. But our description is for a
12 centerline out in that open space land, not directly
13 related -- we don't directly relate it back to the
14 centerline of the roadways.

15 CHMN. CHENAL: So other than Swan -- the
16 southern portion of where the corridor will involve South
17 Wilmot land, which is measured from the centerline of
18 Swan Road, everywhere else, it's not going to be measured
19 by any road. It's going to be measured just where the
20 legal -- where you've determined you'd like the
21 centerline to be?

22 MR. BECK: Right. Correct.

23 CHMN. CHENAL: Member Noland and then Member
24 Woodall.

25 MEMBER NOLAND: Thank you, Mr. Chairman.

1 In the legal description of the preferred
2 routes that you had just passed out that goes with the
3 map -- I know it's a term of art, but in at least four
4 places -- five places, it says a 1,000-foot-wide "strip
5 of land."

6 I would prefer -- or it's my preference that
7 you would put in parenthesis "corridor" after that "strip
8 of land." Now, I know it's a legal description, but
9 we're talking corridor. And I want to tie that in to the
10 legal description by at least adding that.

11 MR. BECK: Member Noland, I don't think we
12 would object to that.

13 Just for clarity, we do have insertion language
14 that we're going to put in the body of the CEC
15 specifically saying we're asking for 1,000-foot and a
16 500-foot corridor and generally explaining that. And I
17 think we passed that out also before lunch. That will be
18 in the body of the CEC.

19 And then in the exhibit, if you feel strongly
20 that we need to add "corridor," I think we can
21 accommodate that.

22 MEMBER NOLAND: I do. And I know that's in the
23 body and that ties it to the exhibit. But if we're going
24 to -- we went through a new iteration of "corridor" in
25 our last case that was a little contentious. And I just

1 like to be sure that somebody that's seeing "corridor"
2 here in the CEC sees and it says the same thing,
3 "corridor." Still allows "strip of land," which I do
4 think is a surveyor term for the legal description. I'm
5 not going to fall on my sword over this, but it's just
6 kind of a little picky thing that I think ties it
7 together for people.

8 MR. ROBERTSON: Mr. Chairman.

9 CHMN. CHENAL: Yes, Mr. Robertson.

10 MR. ROBERTSON: May I inquire through you,
11 Member Noland, with respect to your suggestion, on the
12 middle of page 2 of 4 of the legal description handout,
13 there is a reference also to a 250-foot-wide strip of
14 land.

15 May I correctly assume that your "corridor"
16 suggestion would be inserted there as well?

17 MEMBER NOLAND: Yes. And, Mr. Chairman, that's
18 why I said in five different places. Wherever it says
19 "strip of land," after that would be followed with a
20 paren, "corridor," end paren.

21 MR. ROBERTSON: And I posed my question only
22 because you had used 500-foot as an example, and I want
23 to be sure it covered the 250 as well.

24 MEMBER NOLAND: You're a good representative,
25 Mr. Robertson.

1 MR. ROBERTSON: Thank you, ma'am.

2 CHMN. CHENAL: Member Woodall.

3 MEMBER WOODALL: Mr. Beck, I'm looking at the
4 legal description, and I'm also looking at the language
5 included in the body of the CEC. Can you tell me where
6 in the legal description the accommodation that you're
7 making for Mr. Robertson's client would be reflected?

8 MR. BECK: It is on page 2 of 4. Halfway down
9 the page, it says "together with," and that's where
10 there's a reference to a 250-foot-wide strip of land.

11 We're checking with our surveyor to make sure
12 that, in fact, he's correct because I'm not sure that
13 description is correct.

14 MEMBER WOODALL: Well, that's why I was asking.
15 So the centerline that you're referring -- I mean,
16 there's really no reference to -- it's the centerline of
17 what?

18 MR. BECK: Right.

19 MEMBER WOODALL: We know it was intended to be
20 Swan Road, but we're not sure that the legal description
21 actually makes that clear.

22 MR. BECK: Matches that.

23 MEMBER WOODALL: Okay. I just wanted to be
24 sure.

25 MR. BECK: Yes.

1 MEMBER WOODALL: Thank you.

2 MR. BECK: And the only additional comment I
3 would make relative to the legal description, I have no
4 problem adding the word "corridor." But because this is
5 a stamped drawing by our surveyor, I just need to verify
6 that he wouldn't have an objection. I doubt he would.
7 But, again, it's a term of art relative to the survey,
8 writing the survey descriptions.

9 MR. SCHMALTZ: Mr. Chairman.

10 CHMN. CHENAL: Yes, Mr. Schmaltz.

11 MR. SCHMALTZ: Thank you.

12 Just for clarity, with regard to the segment of
13 Southern 1 that is on the east side of Swan that's on TAA
14 property, my understanding is, is that is not tied to the
15 centerline of Swan currently as described. Is that
16 right, or will it be tied to the centerline of Swan?

17 MR. BECK: Mr. Schmaltz, it is not tied to the
18 centerline of Swan. Indirectly, it is, because the
19 survey is tied to the Gila Basin Meridian ultimate survey
20 monuments, which tie back to the centerlines, but we're
21 not directly tying it in the legal.

22 MR. SCHMALTZ: And I probably should have asked
23 this earlier, but is that just for flexibility for
24 purposes of locating the Southern 1 line at or near Swan
25 along that route on TAA property?

1 MR. BECK: Yes. It's just for the ease that we
2 already had what we identified as an alignment. We have
3 to survey that for our purposes anyway. Rather than then
4 do all of the map to tie it to the centerline of the
5 roads, it was just easier to use that as the centerline
6 for the strip of land.

7 MR. SCHMALTZ: Okay. Thank you.

8 CHMN. CHENAL: All right. I don't know if it's
9 a cardinal rule not to interrupt an attorney during a
10 final argument, but I broke it anyway. And that's just
11 the way we do it.

12 MEMBER NOLAND: That's the way we roll.

13 CHMN. CHENAL: That's the way we do it and the
14 way we roll. Committee rules.

15 Okay. Mr. Robertson, if you are ready, we
16 would appreciate hearing from you final arguments on
17 behalf of your client.

18 MR. ROBERTSON: Thank you, Mr. Chairman, and I
19 am ready.

20 I, like Mr. Derstine, would like to begin by
21 expressing the appreciation of my client, South Wilmot
22 Land Investors, Inc., and myself to the members of the
23 Committee for your attentiveness throughout the hearing.

24 And also express our appreciation to the
25 parties, specifically Tucson Electric Power Company and

1 its representatives and the Tucson Airport Authority. It
2 has been, once again, a privilege and a pleasure to work
3 with them as well.

4 And then, on a lighter note, but since
5 Mr. Derstine mentioned it, I would like to thank the Men
6 in Black, not only for the terrific acoustics and video
7 assistance, but I happen to be a baseball hat guy. And
8 about a year ago, I went to a solar facility dedication
9 down at the AEPCO property and I was given a G&T
10 Cooperative baseball cap, which I wear a lot. I just
11 didn't happen to wear it to the hearing. So my thanks to
12 their organization as well.

13 Now, moving more to the case before you, I'm
14 going to briefly focus on three different topics in my
15 closing remarks.

16 The first one is "project." And as I use that
17 term, that's not only the project facilities that are
18 before you in this proceeding, but it also includes the
19 contemplated Wilmot Energy Center project because that is
20 a source of new generation for TEP.

21 I'm secondly going to focus on "route," and I'm
22 finally going to focus on "corridor." And, as I said,
23 I'll try and be very brief.

24 I think it's very clear from the exhibits that
25 are before you. And Exhibit SW-1, up on the right

1 screen, is a good example, along with the map up on the
2 left screen, that the South Wilmot property for the
3 Verano project is located in an area that is extremely
4 well positioned for future growth in terms of not only
5 its proximity to the existing Aerospace Parkway where
6 development has already begun to occur south of the
7 airport but also in connection with the contemplated
8 Sonoran Corridor. Whether that proves to be the Pima
9 County preference, which would go along the western
10 boundary of the Verano project, or somewhere else, the
11 project's acreage is extremely well positioned for future
12 development.

13 And as both Mr. Beck and Mr. Raatz indicated in
14 their previous testimony and as the gentlemen from Tucson
15 Airport Authority testified earlier today, development in
16 this area has been stymied in part by the lack of
17 infrastructure, including electric infrastructure. And
18 that's what this project brings to the table or to the
19 game of development moving forward.

20 So South Wilmot is very supportive of the
21 project as a whole. That was what occasioned them to
22 intervene in the proceeding in support of it and to work
23 with Tucson Electric Power Company throughout.

24 And in that regard, I would like to echo
25 Mr. Derstine's comments from our side of the coin. South

1 Wilmot found working with TEP was a very productive
2 interrelationship between the two leading up to the
3 hearing.

4 As you will recall, I discovered on the first
5 day, as did my client, that the company was thinking
6 about a 500-foot corridor on our property. We expressed
7 our concern. And overnight, interacting with the
8 company, we were able to work that out. And I think
9 that's a very good example of the meet-and-confer
10 principle that is built into the procedural orders that
11 relate to Siting Committee proceedings.

12 So let me move now to the topic of "route." As
13 you can easily see from the two maps that are up on the
14 screen, South Wilmot is the largest private landowner of
15 property south of the Sonoran Substation, and it would be
16 impacted by either of the two alternative routes that TEP
17 proposed proceeding south of the Sonoran Substation down
18 to the Cisne Switchyard.

19 As I have indicated on behalf of my client
20 throughout, we strongly favor the Southern 1 Preferred
21 route proposed by TEP, which would proceed down Swan
22 Road; and we are strongly opposed to the Southern 2
23 route, which TEP proposed as another alternative.

24 And in that regard, I'd like to note, and the
25 Committee members may recall, that during the public

1 comment you had on Monday evening, there was only one
2 individual who showed up, and that was Mr. Sharkey, who
3 lives in the residential area that would be located on
4 the screen to the right, right down here in the
5 southeastern part of that area. And he expressed his
6 concern if the Southern 1 route were to be adopted.

7 I think that's important because it's been
8 noted during the course of Ms. Rucker's testimony today,
9 there hasn't been much public involvement. This was the
10 only individual who came. He drove some distance to get
11 here to the hearing, and he did speak against Southern 2
12 and, by inference, would be supportive of Southern 1.

13 From the standpoint of my client, we favor
14 Southern 1 because it would have less impact upon our
15 acreage. In that regard, it's shorter and it's also less
16 expensive. And from the standpoint of TEP's actual use
17 of the right-of-way it ultimately negotiates and obtains,
18 it would have easy access off of Swan Road, so there
19 would be less disturbance to our acreage.

20 With regard to the corridor itself, which would
21 be a part of that right-of-way and a part of the route,
22 we have been able to negotiate a modification of the
23 company's original proposal from 500 feet down to 250
24 feet for your consideration.

25 And, as I mentioned a moment ago, I think

1 that's an excellent example of a successful use of the
2 meet-and-confer principal. And we believe a corridor
3 that length is appropriate because it gives the company
4 that flexibility that Mr. Beck testified to that
5 underlies them generally seeking a 500-foot corridor.
6 But in this particular instance, if you take the specific
7 circumstances of the South Wilmot acreage into account,
8 they still have that flexibility.

9 As Mr. Beck testified and as Ms. Darling
10 further testified yesterday, the terrain on the south
11 side of South Swan Road for the South Wilmot property is
12 basically flat. It's low-level vegetation. It's
13 creosote, it's cholla cactus, a little bit of mesquite.
14 There are no known cultural sites in that area that might
15 occasion a need to have a water corridor within which to
16 locate the right-of-way.

17 And, as I mentioned a moment ago, there's easy
18 access from Swan Road for the company in terms of
19 constructing, operating, and maintaining the facilities
20 that would be located there. So, not surprisingly, we
21 strongly support and urge your favorable consideration of
22 the 255-foot -- 250-foot corridor.

23 So for all of those reasons, in conclusion, we
24 are supportive of the project, we are supportive of the
25 Southern 1 Preferred route alternative, and we are

1 supportive of the 250-foot corridor.

2 Thank you.

3 CHMN. CHENAL: Very good. Thank you,
4 Mr. Robertson.

5 Mr. Schmaltz.

6 MR. SCHMALTZ: Thank you, Mr. Chair and Members
7 of the Committee.

8 I certainly echo the thanks to you all for your
9 service and the very important role that you play and the
10 service that you provide to the people of Arizona. It's
11 very important what you do, and I appreciate it very
12 much.

13 Also, I want to echo the thanks of the
14 representatives for both TEP and South Wilmot as well as
15 thank all of the TEP witnesses and their clarity in terms
16 of their presentation and helping me understand exactly
17 what's happening.

18 As you heard earlier and as you've heard sort
19 of from our witness as well as what we've presented, we
20 are the landowner that is most impacted by the proposed
21 either route Northern 1 or Northern 2.

22 As you heard, based upon our master plan,
23 long-term planning for this area, we are certainly
24 supportive of the project. We wouldn't be engaged in
25 negotiations over the lease, over the substation, and

1 having conversations with them with regard to the
2 proposed line to the north if we weren't. And so we are
3 definitely supportive of TEP's plans in this regard.

4 We're also very appreciative of TEP's
5 perspective and willingness to work with us with regard
6 to the Preferred Route Northern 2. We don't have any
7 objection and have not had any comment and you haven't
8 heard any comment from us with regard to Southern 1. I
9 think, in large part, because we understand it's a
10 narrower corridor. There needs to be a southern route.
11 The impact to our frontage along Swan on the east side of
12 Swan is minimized by that narrower corridor. And it's
13 also balanced by the willingness of TEP to work with us
14 to identify Northern 2 as the preferred route.

15 I think you heard testimony earlier today from
16 Mr. Smejkal, our VP, that Northern 2 is the preferred
17 route because of the farthest impact that it would have
18 on our long-term future development plans for this
19 property. Northern 1 certainly would create a much
20 bigger impediment for planning and development for this
21 property, and Northern 2 accommodates those plans and is
22 the route that we certainly prefer. And TEP has
23 expressed a willingness, and we're appreciative of that,
24 that that would be the preferred route for the route
25 going to the north along our property.

1 The uncertainties as it relates to the Sonoran
2 Corridor and the location of that, I think we talked
3 about briefly. Mr. Smejkal talked about that briefly in
4 terms of TAA's preference to have that corridor as close
5 to the airport as possible because the benefits to the
6 airport are huge if that main transportation corridor is
7 close to the airport. But we don't think that it
8 presents an impediment to the location of Northern 2.
9 And because of the nature of the conditions that will be
10 added here discussed as part of the CEC, we think that
11 those issues can be accommodated in the near term.

12 So with that, I certainly want to, again,
13 express my appreciation and thanks to all of you and
14 indicate that we certainly prefer -- TAA prefers the
15 Northern 2 route, and we would hope that you adopt a CEC
16 that reflects that.

17 Thank you.

18 CHMN. CHENAL: Any comments from the Committee?

19 (No response.)

20 CHMN. CHENAL: All right. I'm going to beg the
21 Committee's indulgence for a short three-minute break, a
22 really quick break. And then we'll come back, and then
23 we will begin deliberations with the CEC.

24 (A recess was taken from 2:01 p.m. to
25 2:18 p.m.)

1 CHMN. CHENAL: All right. This is the time set
2 to resume the hearing.

3 Now we're going to move to the deliberative
4 phase. We have up on the screen, if my understanding is
5 correct, on the left screen, that is TEP-20, which is the
6 CEC that I picked up the version offered by the applicant
7 and made some changes, suggestive changes, to it for
8 discussion. And that should be marked in red so when we
9 come to the changes that I've suggested, they'll be in
10 red.

11 On the right-hand screen is that same version
12 with everything accepted. So, basically, it's a clean
13 version, which will become Exhibit 21.

14 And when we're finished, what will be on the
15 right-hand screen, Exhibit 21, will be what will become
16 the final, is the final, but we'll, you know, accept
17 changes, clean it up. And that will be the one that will
18 be filed with -- so when we approve it, will be filed
19 with the Corporation Commission.

20 So unless anyone has any comments ...

21 Member Noland.

22 MEMBER NOLAND: Mr. Chairman, before we get
23 into the body of the CEC, I would move that during the
24 CEC, we choose Northern Route 2 and Southern Route 1 as
25 our referred routes.

1 CHMN. CHENAL: Okay. We have a motion for
2 what's been described as Northern Route 2 and Southern
3 Route 1.

4 May I have a second?

5 MEMBER HAENICHEN: Second.

6 CHMN. CHENAL: We have a motion and second.

7 Any further discussion?

8 (No response.)

9 CHMN. CHENAL: All in favor say "aye."

10 (A chorus of ayes.)

11 CHMN. CHENAL: Okay. Very good. And as we go
12 through this, just so we're clear on the record, we're
13 not approving the CEC. We're simply approving the form
14 of a document of a CEC that we will vote on when we're
15 finished. So we're not actually approving the CEC.
16 We're just approving the form of it as we go through.

17 So, as in prior cases, let's -- if the -- to
18 make sure the record is clear, someone says "left
19 screen," that's going to be Exhibit 20; "right screen"
20 will be Exhibit 21. So either "left" or "right" or "20"
21 or "21" as we refer to it as we go forward.

22 So, on the left screen, let us review the
23 caption and make sure that there are no changes to be
24 made to the caption.

25 And we'll take our time to read these. We're

1 not just going to rush through them. We're going to read
2 the words.

3 So is there any discussion regarding the
4 caption?

5 (No response.)

6 CHMN. CHENAL: May I have a motion to approve
7 the caption?

8 MEMBER JONES: I'll move the caption.

9 MEMBER NOLAND: Second.

10 CHMN. CHENAL: We have a motion and a second.
11 Any discussion?

12 (No response.)

13 CHMN. CHENAL: All in favor say "aye."

14 (A chorus of ayes.)

15 MEMBER WOODALL: Pass.

16 CHMN. CHENAL: Let's see if we can scroll down.
17 Page 1, lines 14 through -- okay. On the
18 left-hand screen -- yeah. Okay, good. Lines 12 through
19 22, I think we need to change the date to the 26th on
20 line 16 there. Yes. Very good. You'll be making
21 changes on the right-hand screen.

22 And then on line 18, again, the reference
23 should be to September 26th instead of 27th.

24 MR. BECK: Mr. Chairman, we had left out the
25 word "Company" after Tucson Electric Power.

1 CHMN. CHENAL: Which line?

2 MR. BECK: On line 18.

3 CHMN. CHENAL: Yes. Very good.

4 All right. So -- yes, Member Noland.

5 MEMBER NOLAND: Mr. Chairman, I move that we
6 adopt lines -- well, I'm not going to do lines. This
7 particular paragraph with the modifications of date and
8 adding "Company."

9 MEMBER WOODALL: Second.

10 CHMN. CHENAL: All right. It's the body of the
11 language on page 1, which -- let's just say lines 12
12 through 22.

13 MEMBER NOLAND: Okay.

14 CHMN. CHENAL: We have a motion and a second.

15 Any further discussion?

16 (No response.)

17 CHMN. CHENAL: All in favor say "aye."

18 (A chorus of ayes.)

19 CHMN. CHENAL: Member Woodall.

20 MEMBER WOODALL: May I move that the Committee
21 authorize the Chairman to make technical and conforming
22 language changes, so syntax and any similar type of what
23 I'm going to call scrivener's issues.

24 I don't know if anyone wants to second that.

25 (Multiple simultaneous voices.)

1 MEMBER HAMWAY: Second.

2 CHMN. CHENAL: All right. We have a motion and
3 multiple seconds. Can't wait to second that.

4 All in favor say "aye."

5 (A chorus of ayes.)

6 MR. BECK: Mr. Chairman, if I may, our intent
7 would be that we're going to leave the markup as it is.
8 We're not accepting as we go.

9 CHMN. CHENAL: That's correct. Because at the
10 end, what will be Exhibit 21 will show these changes as
11 track changes. And then you'll provide me with a clean
12 version of it after you've carefully reviewed it with
13 counsel to make sure there's no -- you know, that all the
14 scrivener's errors are caught. Then I'll go over it
15 carefully.

16 So let's go to page 2. Let's see if we can
17 get -- yes, lines 1 through 11. Obviously, one change is
18 that the last member listed, Mr. Villegas, was not here
19 for this hearing.

20 So page 2, lines 1 through 13.

21 Member Haenichen.

22 MEMBER HAENICHEN: Why is my name underlined?
23 Am I special?

24 MEMBER HAMWAY: Mine too. We're both special.

25 MR. BECK: I believe the reason is we didn't

1 save it to the dictionary. So I think now it's okay. So
2 now you are defined in our dictionary.

3 MEMBER HAENICHEN: Forever.

4 MEMBER HAMWAY: We're still special.

5 CHMN. CHENAL: All right. I wonder if, at this
6 point -- let's talk about this language, lines 1 through
7 13 on page 2.

8 With the changes indicated, may I have a motion
9 to approve?

10 MEMBER PALMER: So moved.

11 MEMBER JONES: Second.

12 CHMN. CHENAL: We have a motion and a second.

13 All in favor say "aye."

14 (A chorus of ayes.)

15 CHMN. CHENAL: Is this a logical point to
16 insert a discussion of the intervenors? Because we have
17 to include the intervenors. And so I don't have any
18 offered prepared language for that, but --

19 MR. BECK: Mr. Chairman, I believe we have some
20 language.

21 CHMN. CHENAL: Okay. Why don't we put that up
22 on the screen, and we can talk about it.

23 MR. BECK: Is that language legible to
24 everyone? It's a light blue, so ...

25 CHMN. CHENAL: So we have language offered by

1 the applicant addressing intervention and counsel,
2 intervention by parties by counsel.

3 So, basically, as we're looking at the screen,
4 it would be lines 12 through 23. And, obviously, it
5 addresses how we vote, and so we'll come back to that.

6 But leaving aside the highlighted yellow
7 portion, may I have a motion to approve?

8 MEMBER PALMER: So moved.

9 MEMBER HAENICHEN: Second.

10 CHMN. CHENAL: We have a motion and a second.
11 Any further discussion?

12 (No response.)

13 CHMN. CHENAL: All in favor of approving
14 language on page 2, lines 12 through 23, say "aye."

15 (A chorus of ayes.)

16 CHMN. CHENAL: Now, scroll down to Overview of
17 the Project.

18 And as we go through this, obviously, we're
19 going to have to -- we're going to be referring to the
20 right screen, which will be Exhibit 21, because, as we
21 make these changes and additions, the pagination is going
22 to completely change. So we'll have to refer to the
23 right screen so the record is clear.

24 What's now the top of page 3 on line -- on
25 Exhibit 21, description of the overview of the project,

1 what we're looking at is lines 1 through 11.

2 MR. BECK: Mr. Chairman, just a conforming
3 change on the 100 megawatt, we would put quotes around
4 the "megawatts."

5 CHMN. CHENAL: Sure.

6 And would you put the same on line 2 around
7 Wilmot Energy Center or not? Is that how you're defining
8 the project?

9 MR. BECK: We're defining it as "WEC"
10 elsewhere, down below.

11 CHMN. CHENAL: Okay.

12 Okay. So we've had an opportunity to read the
13 language on page 3, lines 1 through 11.

14 May I have a motion to approve that language?

15 MEMBER JONES: So moved.

16 MEMBER HAMWAY: Second.

17 CHMN. CHENAL: There's been a motion and
18 second.

19 All in favor say "aye" -- excuse me. Member
20 Haenichen.

21 MEMBER HAENICHEN: Should we define the
22 structures better than just saying "structures"?

23 CHMN. CHENAL: In which line, Member Haenichen?

24 MEMBER HAMWAY: 8.

25 MEMBER JONES: There's one "structures" on 7

1 also.

2 MEMBER HAMWAY: 6.

3 MEMBER JONES: And it's all the way throughout.

4 MR. BECK: Mr. Chairman, on the next paragraph
5 down, there's a little bit more description regarding
6 monopole weathering steel structures.

7 CHMN. CHENAL: Let's scroll back up there,
8 Patrick, if you don't mind, on that.

9 I have to confess something, and I think
10 there's a couple of Committee members that are in the
11 same situation as I.

12 It wasn't absolutely clear to me in the
13 application that the Cisne Switchyard was part of the
14 application. It was absolutely clear to me that the
15 transmission lines were part of the application. And the
16 information provided on the cost of the project referred
17 not to the substation -- or to the switchyard, but only
18 to the lines, the towers, the lines, transmission lines.

19 And I reread that after the testimony, and it
20 just wasn't absolutely clear. I think this is where we
21 make it clear because not everyone, I think, who are
22 applicants have the same legal view. And we don't have
23 to decide that question today as to whether a substation
24 is within the jurisdiction of the Corporation Commission
25 or a switchyard or both.

1 But I think we should make it clear as to what
2 this project consists of. It consists of lines and the
3 Cisne Switchyard. And I just think we should make that
4 absolutely clear.

5 MR. BECK: So, Mr. Chairman, just as a -- as we
6 get to the end of this paragraph, into the next
7 paragraph, we have suggested changes that we've discussed
8 with Mr. Robertson regarding language for the
9 alternatives, and we're bringing the four alternatives
10 in. Maybe that would be a place to also add the Cisne
11 Switchyard in there to make it clear.

12 CHMN. CHENAL: That's fine. I just want to
13 make sure that somewhere in here we're clear that the
14 project consists of the approved routes as well as the
15 Cisne Switchyard.

16 MR. BECK: We appreciate that, yes.

17 CHMN. CHENAL: So we approved the language on
18 lines 1 through 11.

19 MEMBER NOLAND: No, we haven't voted.

20 CHMN. CHENAL: Oh, we haven't voted yet. Okay.
21 So we have a motion and a second.

22 Any further discussion?

23 (No response.)

24 CHMN. CHENAL: All in favor say "aye."

25 (A chorus of ayes.)

1 CHMN. CHENAL: Thank you.

2 Yes, Member Noland.

3 MEMBER NOLAND: On the next language -- and I
4 know that there may be some changes from TEP, but I also
5 had some proposed language that we would say: The
6 Company proposed two alternative routes for both the
7 Northern and Southern portions of the project.

8 And then I would strike "depending on the" and
9 put: The routes selected are Northern Route 2 and
10 Southern Route 1. And then end that sentence right
11 there.

12 MR. BECK: So, Mr. Chairman, maybe if we bring
13 up the alternative language that we proposed and see how
14 close it comes to Member Noland's comments.

15 CHMN. CHENAL: Sure.

16 MR. BECK: We're going to propose taking a
17 couple of sentences out. I think maybe if we look at the
18 other language, and that will put it in context with the
19 rest of it.

20 CHMN. CHENAL: Sure. Yes.

21 MR. BECK: So this is the language we're
22 proposing as inserting. These were designated as -- so
23 it goes along the lines of what Member Noland said. And
24 then these were designated as Northern 1 and Northern 2
25 Preferred for the northern portion, and Southern 1

1 Preferred and Southern 2 for the southern portion. As a
2 result of its deliberations, the Committee approved
3 Northern 2 Preferred and Southern 1 Preferred.

4 Northern 2 Preferred is approximately 1.42
5 miles in length, and Southern 1 Preferred is
6 approximately 1.86 miles in length. And I think if we
7 add a sentence in about the Cisne Switchyard also.

8 MEMBER NOLAND: Mr. Chairman, that language
9 would be fine. I just felt we needed to get that in the
10 body of the conditions.

11 MR. BECK: So along with what Member Noland
12 said, it would start out with "The Company had proposed."
13 And we're actually -- I think it's a continuation of the
14 previous paragraph, so we would drop the separation. But
15 for ease of reading it, we would probably leave it
16 momentarily.

17 So "The Company proposed," as opposed to --
18 rather than "proposes" -- "two alternative routes for the
19 northern and the southern portions." And then have the
20 description that we had. And if we can work in the Cisne
21 Switchyard.

22 CHMN. CHENAL: Yes. We need a sentence there
23 too.

24 MEMBER NOLAND: Mr. Chairman, why wouldn't you
25 include that after the end of the first sentence: The

1 Company proposed two alternative routes for both the
2 northern and southern portions of the project as well as
3 the Cisne Switchyard.

4 It gives the overview of what we were looking
5 at.

6 CHMN. CHENAL: Sure. I think that clarifies
7 it. Maybe the applicant and Mr. Robertson are
8 conferring. Maybe they have something else to --

9 MEMBER NOLAND: Mine's too simple.

10 MEMBER HAENICHEN: And then probably at the end
11 of the blue stuff there, we have to put we not only
12 approve the two different route segments, but we approve
13 the switchyard as well.

14 MR. BECK: So a suggestion that -- go to
15 Mr. Robertson. He said that right before that last
16 sentence where it says "the project," right there, we
17 would insert: "In addition" -- I'm not sure of the
18 language, but -- "In addition, TEP proposed the Cisne
19 Switchyard as part of the project."

20 And then that last sentence will refer to the
21 overall total project.

22 MEMBER NOLAND: Mr. Chairman, I think that's at
23 the wrong place. You're getting into the poles and this
24 and that. I think you need to --

25 CHMN. CHENAL: I like the language, but up

1 where Member Noland proposed her language on line 13
2 there maybe as a separate sentence.

3 Maybe take out the language "as well as the
4 Cisne Switchyard" and add that sentence there.

5 MEMBER JONES: "In addition," comma.

6 CHMN. CHENAL: Thank you, Member Noland.

7 And then, I believe, to Member Haenichen's
8 comment on line 17, where we say: As a result of its
9 deliberations, the Committee approved Northern 2
10 Preferred and Southern 1 Preferred as well as the Cisne
11 Switchyard.

12 Is that your point?

13 MEMBER HAENICHEN: Yes. Thank you.

14 MR. BECK: And, Mr. Chairman, we will have --
15 right before the last sentence of this overall paragraph,
16 we have a change that we would propose. But I don't know
17 if you want to vote on the first portion, and then --

18 CHMN. CHENAL: We can do that.

19 Well, where would the change be?

20 MR. BECK: It's right before that last
21 sentence, where it says, "the map of," we'll have an
22 insertion in there to talk about "corridor." The
23 corridor is the 500 and 1,000. And it's --

24 CHMN. CHENAL: Let's do that now because,
25 otherwise, we're going to be approving this language and

1 then coming back and modifying it. So let's just take
2 care of the changes, and we'll discuss it.

3 MR. BECK: So the part that says "will be in
4 the body of the CEC," those three paragraphs would be
5 inserted. And that's talking about the 1,000-foot
6 corridor on the northern portion, the 500 on the southern
7 portion, as well as changing the 250 and going back to
8 500.

9 CHMN. CHENAL: Okay. Insert all of that.

10 MR. BECK: We can paste that in, and then you
11 can read through it.

12 CHMN. CHENAL: Let's paste that in and then
13 kind of look at it. We might have to take it in stages.

14 I'm questioning out loud whether it should be a
15 new paragraph versus --

16 MR. BECK: Actually, yeah, we did intend to
17 have it as another paragraph.

18 CHMN. CHENAL: Member Haenichen.

19 MEMBER HAENICHEN: I think the language "the
20 expected centerline for the project" is vague, because
21 then the applicant could put that anywhere.

22 MR. BECK: We could put "the centerline as
23 defined in the attached Exhibit A, legal description."

24 CHMN. CHENAL: Okay. So let's -- we'll come
25 back and approve the language, but is there any

1 discussion on what's listed as page 3, lines 22 through
2 24, dealing with the --

3 (Cellphone rings.)

4 CHMN. CHENAL: I'm not going to apologize for
5 that, especially since Notre Dame plays Stanford this
6 weekend.

7 So we'll come back and we'll review all the
8 language, but let's look at lines 22 through 24 and see
9 if we have any further discussion on that particular
10 language.

11 MEMBER NOLAND: Mr. Chairman, I move that we
12 adopt the language on lines 12 through 24 as modified.

13 MEMBER HAENICHEN: Second.

14 CHMN. CHENAL: All right. I'm fine with it.
15 This is just a question on how we're going to --
16 capitalization. On line 23, we talk about the northern
17 portion of the project. I want to make sure we're
18 consistent as to whether that's capitalized or not
19 capitalized. I think that should be the way it is and
20 not be changed because I think "Northern 2 Preferred" is
21 more of a proper name and "northern portion" is not. So
22 I believe that's okay. I just want to make sure.

23 So we have a motion to approve lines 12 through
24 24.

25 May I have a second?

1 MEMBER HAMWAY: Second.

2 CHMN. CHENAL: We have a motion and a second.
3 Any further discussion?

4 (No response.)

5 CHMN. CHENAL: All in favor say "aye."

6 (A chorus of ayes.)

7 CHMN. CHENAL: Thank you.

8 Now we'll go to page 4. Basically, the
9 language at lines 1 through 11, the last line before the
10 conditions. And I can see already, we have a reference
11 on line 3 to "expected centerline." Maybe we need to
12 make the same change there as we did above.

13 MEMBER JONES: Also on line 10.

14 CHMN. CHENAL: And on line 7, we refer to the
15 "expected centerline."

16 MR. BECK: So that last sentence was actually
17 referring just to the exhibit -- to Exhibit A versus --

18 MR. ROBERTSON: Mr. Chairman.

19 CHMN. CHENAL: Yes, Mr. Robertson.

20 MR. ROBERTSON: I have one suggestion. In this
21 language, there's a reference to Swan Road in several
22 different places. In the record throughout most of the
23 time, we've been referring to the South Swan Road. So it
24 might be appropriate to add the word "South" before Swan
25 on line 2, on line 4.

1 CHMN. CHENAL: Line 4 as well?

2 MR. ROBERTSON: Yes. "Swan" is the last word
3 on line 4 as well.

4 CHMN. CHENAL: And then on line 5?

5 MR. ROBERTSON: Yes. I missed that.

6 MR. SCHMALTZ: Mr. Chair.

7 CHMN. CHENAL: Yes.

8 MR. SCHMALTZ: I would hesitate to chime in,
9 but South Swan Road is not a proper name. "South"
10 shouldn't be capitalized, I believe. And so that would
11 confuse -- it's Swan Road. South is the -- referring to
12 whether it's south of the property or -- it's positional.
13 It's not the proper name of the roadway. So I would
14 hesitate to capitalize "South."

15 CHMN. CHENAL: Mr. Robertson?

16 MR. ROBERTSON: I have no disagreement with
17 what was just suggested. He's much more familiar with
18 that area than I am.

19 CHMN. CHENAL: Mic's off.

20 MR. ROBERTSON: I have no disagreement with
21 what I understand to be the suggestion, which is to make
22 "South" the lower case.

23 CHMN. CHENAL: On line 9, the sentence says: A
24 location map is attached as Exhibit A.

25 I think the words "is attached as Exhibit A"

1 should be removed and should read: A location map of the
2 project is attached as Exhibit A along with a legal
3 description for the centerline.

4 Does that sentence make sense the way it's
5 written? It seems awkward to me.

6 MR. BECK: I think after the word "centerline,"
7 it may just need a period there. Delete the rest.

8 Maybe we just need to delete line 9 and the
9 little piece of 10 because it's in already, saying that
10 in the next sentence.

11 CHMN. CHENAL: Yes.

12 Now, let's go back up to line 2, and "South
13 Swan Road," maybe "south" should be lower case on line 2
14 and on line 4 and on line 5.

15 All right. Looking at -- I'm not sure what
16 page this is -- page 4. Again, these pages change as we
17 go through this. But lines 1 through 9.

18 May I have a motion to approve the language?

19 MEMBER HAMWAY: So moved.

20 MEMBER JONES: Second.

21 CHMN. CHENAL: We have a motion and a second.

22 Any further discussion?

23 (No response.)

24 CHMN. CHENAL: All in favor say "aye."

25 (A chorus of ayes.)

1 CHMN. CHENAL: Thank you.

2 Now, as we go through the conditions, just as a
3 standard point, any reference to a previous CEC, we'll
4 just assume that will be struck.

5 MR. BECK: Which we did do -- on the right-hand
6 screen, we've taken it out, that assumption.

7 CHMN. CHENAL: Okay. Except for the one that
8 was there.

9 MR. BECK: We intended to take that out.

10 CHMN. CHENAL: All right. In these, I think we
11 can possibly do it by condition number, and we won't
12 refer to lines and pages.

13 So let's look at Condition No. 1.

14 First question I have for the Committee is this
15 is a request for seven years. I know we've gone back and
16 forth on how long we, you know, do these for. Some
17 projects, it's more years, and I don't know that we have
18 any hard-and-fast rule.

19 The applicant has requested seven. I'm fine
20 with it, but I guess we should at least address that
21 because if I'm asked by the Corporation Commission, was
22 any thought given to seven years versus another number, I
23 might be able to say, Yeah, we considered it on the
24 record.

25 MEMBER WOODALL: Mr. Chairman, I would agree it

1 would be nice to hear a rationale for seven when the
2 project is supposed to be in place a lot earlier than
3 that.

4 MR. BECK: Mr. Chairman, Member Woodall, TEP is
5 just trying to set a standard that we will always try and
6 request seven years. Granted, in this case, we have the
7 in-service date in 2020. So, likely, we don't need seven
8 years. But there is always the concern that, for
9 whatever reason, we can't build the project in a timely
10 fashion.

11 And if there's some other type of permit, a
12 small city or county permit that we need to actually move
13 forward and we can't get that and it's delayed, it just
14 makes it easier than having to go back for an extension.
15 We've done extensions and, yeah, we've gotten them, but
16 it's a process you have to go through.

17 MEMBER WOODALL: Mr. Beck, does your PPA have a
18 required delivery date?

19 MR. BECK: Yes, it does.

20 MEMBER WOODALL: And what is that date?

21 MR. BECK: 2020.

22 MEMBER WOODALL: So if you don't get it built
23 by then, what happens to your PPA?

24 MR. BECK: I believe the terms of the PPA,
25 we're going to pay for the energy whether we're taking it

1 or not. So if we don't have the facility in place, we're
2 going to be incurring costs and not getting any benefit
3 of it.

4 MEMBER WOODALL: Too bad for your next rate
5 case, eh, Mr. Beck?

6 MR. BECK: Exactly.

7 MEMBER WOODALL: Okay. Thank you, Mr. Beck.

8 CHMN. CHENAL: I'm looking at my document from
9 another case. And it looks as though in Case 178,
10 Irvington to Kino, we granted a five-year certificate.
11 And this request is for seven years.

12 So I believe I'm correct in that, and I just
13 ask the Committee, do we want to make it five? The
14 in-service date is going to be two years, right, or
15 three?

16 MR. BECK: Yeah. The applicant has no issue if
17 this case is five years. Again, we would like to try and
18 standardize on seven years for cases, but this one is
19 imminent, so ...

20 MEMBER NOLAND: Mr. Chairman.

21 CHMN. CHENAL: Yes, Member Noland.

22 MEMBER NOLAND: I move that we make Condition 1
23 five years. I believe that this is a project that's
24 planned to be in service by 2020. It's not as large a
25 project as the Irvington to Kino and not as complicated

1 as the Irvington to Kino route. So I move that we adopt
2 Condition 1 using five years.

3 MEMBER JONES: Second.

4 CHMN. CHENAL: Motion and a second.

5 Any further discussion?

6 (No response.)

7 CHMN. CHENAL: All in favor say "aye."

8 (A chorus of ayes.)

9 CHMN. CHENAL: Okay. Let's go to Condition
10 No. 2. Thank you.

11 MR. BECK: This one spans two pages -- or goes
12 onto the second page.

13 CHMN. CHENAL: Can you scroll on the right-hand
14 screen just so we can see the rest of the language for
15 the condition. Okay.

16 So Condition 2 deals with notice in the
17 event --

18 MEMBER HAENICHEN: I move Condition 2 as
19 written.

20 MEMBER HAMWAY: Second.

21 CHMN. CHENAL: We have a motion and a second.

22 Any further discussion with respect to
23 Condition No. 2?

24 (No response.)

25 CHMN. CHENAL: All in favor say "aye."

1 (A chorus of ayes.)

2 CHMN. CHENAL: Thank you. Let's go to
3 Condition No. 3.

4 And I believe the Committee has a paper copy of
5 this. So instead of necessarily scrolling, we can take a
6 look at this in its entirety with the copy provided by
7 the applicant.

8 MEMBER NOLAND: Mr. Chairman, I move that we
9 adopt Condition 3 as written.

10 MEMBER JONES: Second.

11 CHMN. CHENAL: We have a motion --
12 Member Palmer --

13 MR. BECK: Mr. Chairman, one thing I did
14 notice, and I forgot to mention this, you added back the
15 City of South Tucson, and I think that came from the
16 previous case.

17 MEMBER PALMER: That was going to be my
18 question.

19 MR. BECK: And they are not a jurisdiction in
20 this instance.

21 CHMN. CHENAL: Here's where that came about. I
22 did add that in because my recollection was that in a
23 condition that you had initially offered that you had
24 South Tucson listed. And I don't know if it was affected
25 jurisdictions or what, but -- and I'm struggling to find

1 out where that was. But I only added that in because I
2 had seen it, I thought, in one of your conditions earlier
3 proposed. But it doesn't look like this impacts the City
4 of South Tucson.

5 MR. BECK: No, it does not. So we might want
6 to do a search after to make sure we don't have it
7 elsewhere.

8 MEMBER NOLAND: So, Mr. Chairman, I modify my
9 motion to adopt Condition 3 with the "City of South
10 Tucson" deleted.

11 CHMN. CHENAL: Fine.

12 MEMBER JONES: I modify my second.

13 CHMN. CHENAL: So we have a motion and a second
14 to adopt Condition 3 but excluding the reference to the
15 City of South Tucson.

16 Any further discussion?

17 (No response.)

18 CHMN. CHENAL: All in favor say "aye."

19 (A chorus of ayes.)

20 MEMBER JONES: Mr. Chairman, could we just move
21 that the remainder of the language conform to
22 Condition -- is it 4? So that the "South Tucson" can be
23 just eliminated from all of them rather than go through
24 it one by one?

25 CHMN. CHENAL: Sure. And I don't think there's

1 but one more after this where South Tucson is included.

2 Let me interrupt the proceeding for just a
3 moment. Member Hamway has to leave, and I told her that
4 we would give her the opportunity to express her views on
5 this before she has to leave. I know she doesn't want
6 to, but she's overbooked.

7 MEMBER HAMWAY: I just wanted to thank the
8 applicant and the intervenors, and it was very well
9 presented. And I -- if I were staying, I would be voting
10 to recommend the CEC for consideration by the Corporation
11 Commission.

12 So thank you, and I'm sorry I'm going to miss
13 that ice cream. Thank you so much, and my apologies for
14 leaving early.

15 CHMN. CHENAL: Thank you, Member Hamway, for
16 attending the hearing.

17 So let's continue with Condition 4.

18 Has there been a motion yet to approve
19 Condition 4 with the taking out the reference to the City
20 of South Tucson?

21 MEMBER PALMER: I will so move.

22 MEMBER JONES: Second.

23 CHMN. CHENAL: Any further discussion?

24 (No response.)

25 CHMN. CHENAL: All in favor say "aye."

1 (A chorus of ayes.)

2 CHMN. CHENAL: Thank you.

3 Let's look at Condition No. 5.

4 MEMBER NOLAND: Mr. Chairman, I move that we
5 adopt Condition 5 as written.

6 MEMBER PALMER: Second.

7 CHMN. CHENAL: We have a motion and a second.
8 Any further discussion?

9 (No response.)

10 CHMN. CHENAL: All in favor say "aye."

11 (A chorus of ayes.)

12 CHMN. CHENAL: All right. Let's move to No. 6.
13 Let's take a moment to read it.

14 All right. This was -- 6 is a similar
15 condition in the Irvington to Kino case.

16 MEMBER HAENICHEN: I move 6.

17 MEMBER JONES: Second.

18 CHMN. CHENAL: We have a motion and a second
19 for approving Condition 6.

20 All in favor say "aye."

21 (A chorus of ayes.)

22 CHMN. CHENAL: All right. No. 7.

23 Now, here's a question I have: On the
24 left-hand screen, I thought that that would reflect my
25 additions. And this is one that I am suggesting for

1 consideration, but it's showing as an accepted change, so
2 I'm a little confused because this is one that, according
3 to my -- what we had forwarded to the Committee and to
4 the applicant and the parties --

5 MR. BECK: I think we may have had it on the
6 wrong view.

7 CHMN. CHENAL: Yeah. That's fine. So 7 that
8 you're looking at the screen on the left is one that I am
9 proposing simply for consideration. We don't know before
10 the hearing starts how many cultural centers, for
11 example, or sites are going to be impacted by the
12 project. And this is one that we have used in previous
13 cases.

14 So let's take a moment to look at it and see if
15 this is something that we think is appropriate for this
16 case or not.

17 MEMBER NOLAND: Mr. Chairman, can I ask a
18 question?

19 CHMN. CHENAL: Certainly.

20 MEMBER NOLAND: Did we change this in our last
21 CEC? I thought we did, and you're not showing that
22 language. You're showing previous language.

23 CHMN. CHENAL: Member Noland, you may be
24 correct. I don't have that in front of me. What I've --
25 this language was taken from CEC 176 and CEC 173 and

1 could have been modified. And I just can't remember how
2 we modified it from the last case that we did. And I'm
3 not sure we included this in the last case or not, but I
4 believe you're correct.

5 MEMBER NOLAND: My recollection is that we took
6 much of this language out to say that they were going to
7 follow the SHPO rules, regulations, and stated the
8 Arizona Revised Statutes that they would follow, but I
9 don't have it with me either.

10 CHMN. CHENAL: Let's see if we can modify this,
11 if it's the Committee's preference, to include some of
12 this but not all of it.

13 One possibility is to include the language only
14 down to the reference to the statute A.R.S. Section
15 41-844, indicating that the TEP will consult with SHPO.
16 And if any historic sites or significant objects that are
17 at least 50 years old are discovered, will promptly
18 report the discovery to the State Museum and take
19 reasonable steps to secure and maintain the discovery.

20 MEMBER NOLAND: I remember stating what if they
21 change from 50 to 75 or to 40 or whatever. It seemed
22 like putting that 50 years in, it could change by
23 statute. And that was my suggestion the last time, that
24 we modify it and not do that. That we follow the
25 statute, so that whatever modifications are made by the

1 legislature or whatever, that would automatically apply
2 to any project.

3 CHMN. CHENAL: Are we able to pull up the
4 language from our last CEC? I wonder if we could take a
5 quick look at that.

6 MR. BECK: Mr. Chairman, which -- would it be
7 SRP's case?

8 CHMN. CHENAL: Yes.

9 MR. BECK: We do have a copy of it.

10 CHMN. CHENAL: Is there language --

11 MR. BECK: I tried to find SHPO, but I didn't
12 see SHPO.

13 CHMN. CHENAL: Anything relating to cultural
14 sites? Because I'm not sure we --

15 MEMBER RIGGINS: I believe we struck everything
16 but the first sentence. So we had to just consult -- I
17 think it was "to consult with SHPO."

18 MR. BECK: So, technically, in this case -- I
19 can have Ms. Darling address it, but we're governed by
20 the City of Tucson, who has a Memorandum of Understanding
21 with SHPO. So we deal with City of Tucson, who deals
22 with SHPO generally.

23 CHMN. CHENAL: So maybe we could just take the
24 first sentence and just add: The City of Tucson -- shall
25 consult with the City of Tucson with respect to cultural

1 resources.

2 MR. BECK: We can do that. We also don't
3 object to this language. I mean, it's not technically
4 applicable, but it has been used in other cases. Except
5 that we would strike, I think, from "such steps" down.
6 We would suggest that be deleted.

7 MEMBER NOLAND: I still don't think we should
8 put the 50 years in. I just think --

9 CHMN. CHENAL: I agree. So we can strike the
10 reference to "at least 50 years old." It makes me a
11 little nervous anyway saying that that's a historic site.

12 MR. BECK: Mr. Chairman, the language that was
13 in the SRP case states: The Applicant shall consult with
14 the State Historic Preservation Office and consult with
15 tribes with respect to cultural resources. If human
16 remains and/or funerary objects are encountered on
17 private land during the course of any ground-disturbing
18 activities related to the construction of the
19 transmission line project, the Applicant shall cease work
20 on the affected area of the transmission line project and
21 notify the director of the Arizona State Museum as
22 required by A.R.S. 41-865.

23 CHMN. CHENAL: My preference is uniformity, so
24 I -- would the Committee be opposed to using basically
25 the same language as we used in our last case on this

1 topic?

2 MEMBER WOODALL: I would. I think I've
3 consistently expressed a preference that we not have what
4 are, in my view, unnecessary ornamentations of our CEC.
5 And since the applicant already -- the statute requires
6 that they comply with all applicable ordinances,
7 statutes, and regulations, I don't think this is
8 necessary. But I'm not going to fall on my sword on it.

9 CHMN. CHENAL: Well, I don't disagree, but on
10 the other hand, why did we include it in the last CEC and
11 many other CECs? I mean, a lot of these are, in a sense,
12 recitations of statutory obligation, but ...

13 MEMBER HAENICHEN: We're improving as we go
14 along.

15 MR. BECK: Mr. Chairman, would you like us to
16 type that in, and you can take a look at it?

17 CHMN. CHENAL: Let's do that.

18 MR. BECK: As Ms. DeCorse is typing, the ice
19 cream bar is open.

20 MEMBER HAENICHEN: That's all you have to say?

21 CHMN. CHENAL: Let's go off the record for just
22 a couple minutes.

23 (A recess was taken from 3:07 p.m. to
24 3:17 p.m.)

25 CHMN. CHENAL: All right, folks, let's get back

1 to the deliberations and working through the language.

2 Ms. DeCorse, are you ready to blaze through
3 this?

4 MS. DECORSE: Yes.

5 CHMN. CHENAL: I asked you to kind of go back
6 to the language we had in a previous case.

7 The language that was used in a prior case
8 combined two concepts, cultural and funerary objects.

9 The applicant has proposed a separate condition
10 below -- we haven't gotten to it yet -- on the funerary
11 objects. So to keep apples and apples and oranges and
12 oranges, let's just keep 7 the way it is with the
13 deletions.

14 Well, I'm suggesting that we make the
15 modifications that you see on the screen on the right for
16 paragraph 7. It takes away a lot of the language and it
17 addresses Member Noland's issue with the 50 years
18 limitation, but I think it reflects language we've used
19 in many previous conditions in many previous cases.

20 And then the funerary aspect of it, you know,
21 the remains, is addressed in another condition below.

22 MEMBER JONES: Can I go ahead and make a motion
23 to adopt 7 as modified?

24 CHMN. CHENAL: Yes.

25 So we have a motion.

1 Do we have a second?

2 MEMBER PALMER: Second.

3 CHMN. CHENAL: So we have a motion and a
4 second.

5 Any further discussion?

6 MEMBER WOODALL: Yes. You still have the
7 director of the Arizona State Museum in there. Is that
8 what you wanted?

9 CHMN. CHENAL: Yes, I think so.
10 So we have a motion and a second.

11 Any further discovery?

12 MEMBER NOLAND: Discussion.

13 CHMN. CHENAL: Discussion. What did I say,
14 "discovery?"

15 MEMBER NOLAND: Discovery.

16 CHMN. CHENAL: It's the ice cream. Lawyers
17 know that discovery is when you just beat down the other
18 side, and that's what's happening, so that was a Freudian
19 slip.

20 All in favor say "aye."

21 (A chorus of ayes.)

22 MEMBER WOODALL: Pass.

23 CHMN. CHENAL: Let's move on to the next one.

24 MR. BECK: Mr. Chairman, just to point out,
25 we've got a glitch in the numbering. Somehow we can't

1 get that changed. So that will be a conforming change, I
2 believe, at the end.

3 CHMN. CHENAL: Okay. So we'll again address
4 No. 7. There will be two 7s in 21.

5 Now, this is another one I added. The
6 applicant may -- I don't think the applicant has an
7 objection to it, but --

8 MR. BECK: We do not, Mr. Chairman.

9 CHMN. CHENAL: But I note that -- I mean, part
10 of our -- part of the hearing related to certain
11 native -- the pineapple cactus, so it might be
12 appropriate.

13 MEMBER NOLAND: Mr. Chairman, this is how these
14 should read, that they encompass the state law or
15 whatever law it is that oversees that particular subject.

16 So I would move that we adopt the language as
17 presented in Condition 7(b).

18 CHMN. CHENAL: Related to the notice of salvage
19 requirements.

20 MEMBER NOLAND: Yes.

21 CHMN. CHENAL: Okay. May we have a motion?

22 MEMBER PALMER: Motion.

23 CHMN. CHENAL: Do we have a second?

24 MEMBER JONES: Second.

25 CHMN. CHENAL: All in favor say "aye."

1 (A chorus of ayes.)

2 MEMBER WOODALL: Pass.

3 CHMN. CHENAL: Let's move down to Condition 8.

4 This relates to radio interference, television
5 interference.

6 I think this is one, again, we've used
7 routinely. This is taken from the Irvington-Kino case.

8 MEMBER HAENICHEN: I move we adopt this
9 condition.

10 CHMN. CHENAL: We have a motion.

11 Do we have a second?

12 MEMBER JONES: Second.

13 CHMN. CHENAL: Any further discussion?

14 (No response.)

15 CHMN. CHENAL: All in favor say "aye."

16 (A chorus of ayes.)

17 CHMN. CHENAL: Next, Condition 9, dealing with
18 human remains.

19 These are -- unless it's reflected as a change
20 on the left-hand screen, these are all conditions that
21 have been offered and recommended by the applicant,
22 so ...

23 MEMBER PALMER: Move to approve 9.

24 CHMN. CHENAL: We have a motion.

25 Do we have a second?

1 MEMBER NOLAND: Second.

2 CHMN. CHENAL: We have a motion and a second to
3 approve 9.

4 All in favor say "aye."

5 (A chorus of ayes.)

6 MEMBER WOODALL: Pass.

7 CHMN. CHENAL: Next, we have No. 10, dealing
8 with signage of the proposed line, the signage to show
9 where the proposed line is going to be located.

10 This, you will note, was taken from a previous
11 case where we reduced and truncated the amount of
12 information on the sign.

13 MEMBER JONES: I'll move now 11.

14 CHMN. CHENAL: 10, regarding signage.

15 MEMBER JONES: Yes, regarding signage.

16 MEMBER HAENICHEN: Second.

17 CHMN. CHENAL: We have a motion and a second.

18 Any further discussion?

19 (No response.)

20 CHMN. CHENAL: All in favor say "aye."

21 (A chorus of ayes.)

22 CHMN. CHENAL: No. 11.

23 You'll see a little language I've suggested,
24 and I believe that's taken from the condition in the
25 Irvington to Kino.

1 I'm more interested in -- it says: At least 90
2 days but not more than 365 days before construction
3 commences to provide notice to towns and developers.

4 That's language we used in previous cases. My
5 own thought is it's kind of important because if you
6 start giving notice too far in advance, it's not
7 effective. People forget about it. But I'll leave that
8 to the Committee.

9 MR. BECK: Mr. Chairman, we did have extensive
10 conversation in our last case about that specific issue,
11 and I'm not sure there's a lot of value in restricting us
12 to not more than 365 days.

13 Again, it is our position that we'll be out
14 talking with developers and others throughout the process
15 of developing a project, so we're not going to limit it
16 to one notice. So I'm not sure what the value of not
17 more than 365 -- because if we wanted to go talk to a
18 developer today, arguably, we would be in somewhat
19 violation of this condition. So we would be out there
20 many times often, you know.

21 CHMN. CHENAL: That makes sense. Again, this
22 is language from a previous case, so -- but that
23 certainly makes sense to me.

24 I'd like to hear what the Committee has to say
25 about it.

1 MEMBER HAENICHEN: I agree with Mr. Beck.

2 CHMN. CHENAL: Let's take out that language.

3 And I don't really care on line 14 on the left
4 screen. It talks about facilities being constructed
5 again. I think that was in a previous -- I think we can
6 delete that too. That's not something we really need to
7 include.

8 MEMBER NOLAND: Mr. Chairman, I move that we
9 adopt this condition as modified.

10 MEMBER JONES: Second.

11 CHMN. CHENAL: We have a motion and a second.
12 Any further discussion?

13 (No response.)

14 CHMN. CHENAL: All in favor say "aye."

15 (A chorus of ayes.)

16 CHMN. CHENAL: All right. Next, Condition 12
17 regarding nonspecular conductors, nonreflective surfaces.
18 This is a condition offered by the applicant.
19 May I have a motion?

20 MEMBER JONES: So moved.

21 CHMN. CHENAL: A second?

22 MEMBER PALMER: Second.

23 CHMN. CHENAL: We have a motion and a second.
24 Any further discussion?

25 MEMBER HAENICHEN: Mr. Chairman.

1 CHMN. CHENAL: Yes, Member Haenichen.

2 MEMBER HAENICHEN: The language that says:
3 Unless otherwise required by a landowner. That could be
4 a can of worms, I think.

5 MR. BECK: And I believe, Mr. Chairman, the
6 reason that was in there previously was specific to Pima
7 County. And since they didn't raise it in this case, we
8 have no problem taking it out. In fact, we'd be glad if
9 it was taken out.

10 CHMN. CHENAL: Good catch.

11 MEMBER PALMER: I would amend my motion to
12 delete that.

13 MEMBER JONES: Delete "unless otherwise
14 required by a landowner"?

15 CHMN. CHENAL: Yes. I think that's Member
16 Palmer's motion.

17 MEMBER JONES: I'll second it.

18 CHMN. CHENAL: We have a motion and a second.
19 Any further discussion?

20 (No response.)

21 CHMN. CHENAL: All in favor say "aye."

22 (A chorus of ayes.)

23 CHMN. CHENAL: Next, No. 13 regarding field
24 personnel training.

25 And this is one offered by the applicant.

1 MEMBER NOLAND: Mr. Chairman, I move that we
2 adopt the language in this condition.

3 MEMBER JONES: Second.

4 CHMN. CHENAL: We have a motion and a second.
5 Any further discussion?

6 (No response.)

7 CHMN. CHENAL: All in favor say "aye."

8 (A chorus of ayes.)

9 CHMN. CHENAL: Let's move to 14 regarding WECC,
10 NERC, and FERC, FAA standards.

11 MEMBER HAENICHEN: I move 14.

12 CHMN. CHENAL: We have a motion by Member
13 Haenichen.

14 Do we have a second?

15 MEMBER NOLAND: Second.

16 CHMN. CHENAL: We have a motion and a second.
17 Any further discussion?

18 (No response.)

19 CHMN. CHENAL: All in favor say "aye."

20 (A chorus of ayes.)

21 CHMN. CHENAL: Again, No. 15, proffered by the
22 applicant.

23 Do we have a motion?

24 MEMBER PALMER: Motion to approve.

25 MEMBER JONES: Second.

1 CHMN. CHENAL: We have a motion and a second.

2 All in favor say "aye."

3 (A chorus of ayes.)

4 CHMN. CHENAL: 16. And 16 is marking where the
5 lines are within 100 feet of gas or hazardous pipelines.

6 This is one that the Staff of the ACC
7 recommends. I have not, Mr. Beck, gone back and compared
8 the language that Staff recommended to the language here.

9 But I did add, under subparagraph (a), the
10 words "one hundred" before the numeric 100. So I think
11 it's consistent with how we've been doing it throughout,
12 so there won't be an issue there.

13 MR. BECK: No.

14 CHMN. CHENAL: Now, (b) on the left-hand
15 screen --

16 Patrick, if you would scroll down.

17 MR. BECK: So that one, Mr. Chairman, the --
18 did you strike the word "applicable"? It looks like.

19 CHMN. CHENAL: Well, I did just --

20 MR. BECK: Yeah, we have no problem with that.

21 CHMN. CHENAL: Yeah, because it's an applicable
22 project. This is the project, so we tried to make it
23 consistent with the way we referred to the project
24 previously.

25 So I don't think there's any other changes, are

1 there?

2 MEMBER WOODALL: Mr. Chairman.

3 CHMN. CHENAL: Yes.

4 MEMBER WOODALL: I believe that the Staff
5 letter indicates that -- it talks about ensuring that
6 measurements are taken during an outage simulation.

7 MR. BECK: So, Mr. Chairman, Member Woodall,
8 this is the issue that TEP has raised a couple times in
9 previous cases. We hashed out the language in Case 178.
10 We got -- we were very comfortable with that language.
11 That's what we proposed back in this case.

12 I don't think Staff has gotten word yet, and I
13 need to get with Staff to talk to them about that. I
14 thought they -- well, they changed Staff attorneys, and
15 that may be part of it. So I think they pulled the old
16 language that they had in their records.

17 And the issue we've had with that is that we
18 can't go out and take measurements unless we actually
19 cause the problem, blow something up. It makes no sense
20 to do measurements, so we wanted "modeling." So that was
21 the language we had.

22 MEMBER WOODALL: Mr. Chairman, Mr. Beck, I
23 agree that it makes more sense to use the language that
24 you propose. I just wanted the record to be clear that
25 that was not the language that Staff used. So I'm

1 supportive of your modified language.

2 MR. BECK: Yes.

3 MEMBER NOLAND: Mr. Chairman, I move this
4 language as modified.

5 MEMBER JONES: Second.

6 CHMN. CHENAL: We have a motion and a second
7 for 17 as modified.

8 Any further discussion?

9 MEMBER JONES: 16.

10 CHMN. CHENAL: 16. I'm sorry.

11 We have a motion and a second to approve 16
12 regarding the studies.

13 All in favor say "aye."

14 (A chorus of ayes.)

15 CHMN. CHENAL: Let's move to the next one.

16 This deals with the annual compliance certification
17 letter. Now, we need to pick a date. I'm not sure if
18 the applicant suggested --

19 MR. BECK: I think we had October 18th, but
20 September 1 will work for us also.

21 CHMN. CHENAL: And I don't care. I mean, it
22 could be October 1. I just think, you know, the middle
23 of the month -- let's make it the beginning of the month.
24 That was really -- your note at the bottom on the
25 left-hand screen is requested date for internal reporting

1 purposes.

2 MR. BECK: That is correct. So we're trying to
3 spread our compliance reporting throughout the year
4 rather than all in one month. So whether it's October or
5 September isn't really much of an issue. I think the
6 date we had -- we had actually looked at next year's
7 calendar, which probably doesn't make much sense, but
8 that was a Monday. It will change every year, so ...

9 MEMBER NOLAND: Mr. Chairman.

10 CHMN. CHENAL: Member Noland.

11 MEMBER NOLAND: I move that we adopt
12 Condition 17 using the date of October 1st, 2019.

13 MEMBER JONES: Second.

14 CHMN. CHENAL: We have a motion and a second
15 using the date October 1st.

16 I assume the applicant is not opposed to that
17 date?

18 MR. BECK: No, we're fine with that.

19 CHMN. CHENAL: Okay. Any further discussion?

20 (No response.)

21 CHMN. CHENAL: All in favor say "aye."

22 (A chorus of ayes.)

23 CHMN. CHENAL: Thank you.

24 The next condition.

25 MEMBER JONES: Mr. Chairman, on Condition 18,

1 we have the City of South Tucson in there again.

2 CHMN. CHENAL: That's struck on the right-hand
3 side.

4 MEMBER JONES: Then I do move Condition No. 18.

5 MEMBER NOLAND: Second.

6 MR. BECK: Mr. Chairman, just a question. And
7 we don't have a problem with doing it, but, typically,
8 those are jurisdictions, and we provide notice to the
9 jurisdictions.

10 Tucson Airport Authority is maybe
11 quasi-jurisdictional. Again, we don't have an issue
12 doing it, but they're part of the case, so they're going
13 to kind of get all of the information regardless.

14 MEMBER NOLAND: I stick with my motion to
15 approve it as written.

16 MR. BECK: And then, to that extent, should we
17 add South Wilmot for consistency?

18 MR. ROBERTSON: Yes.

19 CHMN. CHENAL: Yes.

20 MEMBER NOLAND: Yes.

21 We did this in our last case too. We added the
22 intervenor parties in our notification, if you remember.

23 MEMBER JONES: So we're going to modify the
24 motion and second to add the other intervenor, South
25 Wilmot?

1 MEMBER NOLAND: Yes.

2 MEMBER JONES: I concur.

3 CHMN. CHENAL: So we have a motion and a
4 second.

5 MR. ROBERTSON: Mr. Chairman.

6 CHMN. CHENAL: Yes.

7 MR. ROBERTSON: Could we add the words "Land
8 Investors, LLC," after "South Wilmot" since that's the
9 full name of the intervenor?

10 CHMN. CHENAL: Sure.

11 MR. BECK: I believe it was defined above as
12 "South Wilmot."

13 CHMN. CHENAL: Let's just make sure if it was
14 defined.

15 MR. ROBERTSON: If it was, yeah. So if it was
16 defined above, I withdraw my comment.

17 CHMN. CHENAL: Okay.

18 Yes, Member Woodall.

19 MEMBER WOODALL: I was just trying to go to
20 the -- you're making me seasick.

21 I'm just trying to look at -- immediately
22 before that, was there language about "such filing with
23 Docket Control shall be made"? Is that in there still?

24 CHMN. CHENAL: I believe the one we're talking
25 about is providing a copy of the CEC.

1 MEMBER JONES: Yeah. The notification says
2 filing with Docket Control shall be made public. That
3 was in 17.

4 MEMBER WOODALL: So we're considering the
5 notice as separate from the compliance? Is that what
6 we're saying here? I just don't understand why we have
7 both of them.

8 MEMBER NOLAND: It's separate from the CEC.
9 This is to provide a copy of the CEC.

10 MR. BECK: The previous was the compliance
11 letter.

12 MEMBER WOODALL: Oh, I'm further down. I'm
13 sorry.

14 CHMN. CHENAL: 17 on the right-hand screen
15 deals with the annual compliance letter, and we just
16 approved that language.

17 And a copy of it will be provided to Docket
18 Control. If you scroll down -- Patrick, scroll down --
19 line 1: Notification of such filing -- we're talking
20 about the compliance letter -- will go to Docket Control.

21 Stop. New concept. 18. That deals with the
22 Certificate of Environmental Compatibility being
23 provided, a copy of which is to be provided to certain
24 entities. So we're discussing whether the intervenors
25 should be provided a copy of the CEC, and the discussion

1 is being yes, they should. So we're going to include
2 Tucson Airport Authority and South Wilmot.

3 MEMBER WOODALL: Well, they're going to get a
4 copy of the CEC because they're on the distribution list.
5 But having said that and having -- I appreciate your
6 clarification very much. I have no further comments.

7 CHMN. CHENAL: So do we have a motion on 18?

8 MEMBER NOLAND: We had a motion and a second.

9 CHMN. CHENAL: Any further discussion?

10 (No response.)

11 CHMN. CHENAL: All in favor say "aye."

12 (A chorus of ayes.)

13 MEMBER WOODALL: Pass.

14 CHMN. CHENAL: Okay. 19, dealing with
15 transfers and assignments.

16 It's a standard condition, and it's been
17 offered by the applicant.

18 May I have a motion?

19 MEMBER JONES: So moved.

20 MEMBER PALMER: Second.

21 CHMN. CHENAL: We have a motion and a second.

22 Any further discussion?

23 (No response.)

24 CHMN. CHENAL: All in favor say "aye."

25 (A chorus of ayes.)

1 CHMN. CHENAL: No. 20, dealing with
2 modifications.

3 And I think this one is a standard condition
4 offered by the applicant.

5 May I have a motion?

6 MEMBER NOLAND: Mr. Chairman, I'll make the
7 motion that we adopt Condition 20 as written.

8 MEMBER JONES: Second.

9 CHMN. CHENAL: We have a motion and a second.
10 Any further discussion?

11 (No response.)

12 CHMN. CHENAL: All in favor say "aye."

13 (A chorus of ayes.)

14 CHMN. CHENAL: Condition 21.

15 I think it's important, and it's a standard
16 condition we've been using and has been offered by the
17 applicant.

18 May I have a motion?

19 MEMBER JONES: So moved.

20 CHMN. CHENAL: Second?

21 MEMBER NOLAND: Second.

22 CHMN. CHENAL: We have a motion and a second.
23 Any further discussion?

24 (No response.)

25 CHMN. CHENAL: All in favor say "aye."

1 (A chorus of ayes.)

2 CHMN. CHENAL: 22, dealing with communications,
3 efforts for communications with landowners.

4 MR. BECK: Mr. Chairman, this condition, we
5 have a proposed addition regarding our good faith efforts
6 to give the 100-foot adjacent to Swan Road. We worked
7 out some language with Mr. Robertson.

8 MR. ROBERTSON: Excuse me, Mr. Chairman.
9 Ed, I think we had agreed to put that in
10 Condition 24. Let me bring my copy down, and I'll show
11 you.

12 MR. BECK: You are correct. I'm looking at the
13 other document. I agree, Larry.

14 MR. ROBERTSON: Okay.

15 MR. BECK: Excuse me. Retract.

16 CHMN. CHENAL: Okay. So Condition 22 dealing
17 with efforts to commence discussions with landowners,
18 that was offered by the applicant.

19 May I have a motion to approve?

20 MEMBER JONES: So moved.

21 CHMN. CHENAL: Second?

22 MEMBER PALMER: Second.

23 CHMN. CHENAL: Any further discussion?

24 (No response.)

25 CHMN. CHENAL: All in favor say "aye."

1 (A chorus of ayes.)

2 CHMN. CHENAL: Next, No. 23.

3 Patrick, on the left-hand side, could you
4 scroll down.

5 All right. Now, I added some additional
6 language to what was offered by the applicant on this
7 one. The applicant basically had the first sentence, and
8 then I took language from previous cases. It happened to
9 be Case 176, I believe. But added to it.

10 And we've used this language in other cases. I
11 think we didn't use it in the last case because it was
12 maybe not as long of a line, and I think we just didn't
13 feel it was applicable. This is maybe a little longer if
14 we had it. We've had it in previous cases. And I think
15 there's some benefit to it, but I definitely think this
16 is something that, obviously, is for the Committee to
17 decide. I personally like the language, but I would like
18 to hear from the Committee.

19 Looks like Mr. Beck has a comment.

20 MR. BECK: Mr. Chairman, this is actually where
21 we intended to insert some language relative to the other
22 issue. Relative to this language, we don't have a real
23 issue with the language.

24 CHMN. CHENAL: Was there going to be additional
25 changes made to the language that I've offered, Mr. Beck,

1 or no?

2 MR. BECK: So, Mr. Chairman, the only thing, in
3 subpart (a), using existing roads for construction and
4 access where practical, we would add the word
5 "practical."

6 CHMN. CHENAL: Okay.

7 MEMBER JONES: Practicable.

8 MR. BECK: And then if you're ready for the
9 other language, we can show you that.

10 CHMN. CHENAL: Sure. This is language worked
11 out by the parties?

12 MR. BECK: Correct.

13 MEMBER NOLAND: Mr. Chairman, I think that this
14 almost goes along with some of the language you used in
15 the last case, too, where we were putting it along the
16 right-of-way, the edge of the road right-of-way.

17 So I move that we adopt Condition 23 with the
18 two modifications presented.

19 MEMBER JONES: Second.

20 CHMN. CHENAL: All right. We have a motion and
21 a second with respect to the language on the screen,
22 which includes language added by the parties and includes
23 language that I had added from a previous case addressing
24 right-of-ways.

25 Does the applicant have any -- the parties have

1 any comment on that? It looks like you're in discussion.

2 MR. BECK: I think, in general, we're okay with
3 that. The only concern was whether it would restrict us
4 on the north end where we're kind of touching Swan Road
5 as we cross over. I'm not sure it's an issue.

6 MEMBER NOLAND: If you're making a good faith
7 effort where you can, then I don't think you need to
8 worry about that.

9 MEMBER JONES: Give you a little bit of wiggle
10 room.

11 CHMN. CHENAL: Are you concerned about the
12 words where it's on the east side of Swan Road before it
13 crosses over, and this might tie your hands in some way?

14 MR. BECK: Well, I think there and also on the
15 very north end where the Northern 2 would cross over.
16 But I think to the point that Member Noland made, I think
17 we're fine.

18 CHMN. CHENAL: Mr. Robertson.

19 MR. ROBERTSON: I just wanted to make sure the
20 language was in there because that's what we previously
21 negotiated. So I'm comfortable with the motion as said.

22 MR. BECK: I guess I would suggest we could
23 add: Where adjacent to the South Wilmot, LLC, property.

24 MR. ROBERTSON: That's fine.

25 CHMN. CHENAL: Okay. I think that would

1 alleviate any concern you have that you've expressed, and
2 I certainly can understand why you would want that in
3 there.

4 MEMBER NOLAND: I have no problem including
5 that language in my motion.

6 MEMBER JONES: I'll modify the second
7 accordingly.

8 CHMN. CHENAL: Okay.

9 All right. We have a motion and second to
10 approve the language with the modifications discussed.

11 Any further discussion?

12 MEMBER WOODALL: Yes. I don't think we should
13 be dictating to the company what needs to go in its
14 right-of-way agreements. I can see us telling them what
15 they have to do, but I don't think that we should be
16 telling them what should be in their contractual
17 agreements. So that's my position.

18 I'm not -- I've stated it before, but having
19 said that, I will say no more.

20 CHMN. CHENAL: Any further discussion?

21 (No response.)

22 CHMN. CHENAL: All in favor say "aye."

23 (A chorus of ayes.)

24 MEMBER WOODALL: Pass.

25 CHMN. CHENAL: All right. Next, No. 25.

1 Condition 25, which I believe is the condition
2 that's been negotiated with Pima County, between Pima
3 County and the applicant.

4 MEMBER JONES: I'll move 25 -- actually, it's
5 24.

6 CHMN. CHENAL: I'm sorry. Excuse me. Forget
7 what I just said.

8 24, dealing with once a right-of-way is
9 established, a corridor will go away.

10 MEMBER NOLAND: I like this. This is my thing.

11 CHMN. CHENAL: Then you should move it.

12 MEMBER NOLAND: I'll move that we adopt 24 as
13 written.

14 MEMBER JONES: Second.

15 CHMN. CHENAL: We have a motion and a second.
16 Any further discussion?

17 MEMBER WOODALL: Yes. There was some
18 questioning from the Commission wing with respect to just
19 precisely what this meant. And since we already have a
20 legal analysis actually from TEP that there's no real
21 impact to property from having a right-of-way -- or
22 having a corridor, I think it's unnecessary. And since
23 it has raised some questions in the Commission wing, I
24 would just recommend its deletion.

25 Having said that, I will say no more.

1 MR. BECK: And the origin of the language, I
2 believe, was our case to Nogales where we had some very
3 involved property owners who wanted to be sure their
4 rights came back to them once we relocated the lines.

5 MEMBER NOLAND: And this may be superfluous,
6 but I think it makes it clear to people, and we do have
7 private property owners in the area. And I would like to
8 see it included. If the Commission doesn't like it, they
9 can strike it. But I move -- did move that we adopt
10 this.

11 CHMN. CHENAL: Has there been a second?

12 MEMBER JONES: Yes.

13 CHMN. CHENAL: There's been a motion and a
14 second.

15 Any further discussion?

16 Mr. Robertson.

17 MR. ROBERTSON: I wonder if I might pose a
18 question regarding the language. I have absolutely no
19 idea what the concept -- I agree with it. I wonder if
20 the word "not" should be -- should be put right before
21 "obtained" on the second line because it seems to me,
22 that's the part you're trying to have disappear once
23 they've got right-of-way.

24 MEMBER HAENICHEN: Exactly. I agree.

25 MR. ROBERTSON: "Has not been obtained will be

1 null and void."

2 CHMN. CHENAL: Yes, Member Noland.

3 MEMBER NOLAND: Mr. Chairman, I don't agree. I
4 think it involves both types, not and acquired. There's
5 a corridor on what you acquire as well as what you don't
6 acquire. And so how do we say that?

7 MR. ROBERTSON: I want to be sure I understand.
8 The question I raised -- I thought the intent was once
9 the right-of-way has been obtained, that's where they're
10 going to put the facility. The corridor was wider. They
11 no longer need the corridor once the right-of-way has
12 been obtained, and you want to remove the burden of the
13 corridor on the land that will not be used. That's what
14 I thought was trying to be addressed there. That may not
15 be the idea, but that was my thought process.

16 MEMBER HAENICHEN: Why can't we just say the
17 corridor disappears, the whole corridor?

18 CHMN. CHENAL: Yeah. So it would read: Once
19 right-of-way has been acquired, the corridor will be null
20 and void.

21 MEMBER NOLAND: How about: Once all
22 right-of-way has been acquired, it will be null and void?

23 I modify that.

24 CHMN. CHENAL: So after the word "corridor,"
25 strike it --

1 MEMBER JONES: Once all right-of-way has been
2 acquired --

3 CHMN. CHENAL: The corridor will be null and
4 void.

5 MEMBER NOLAND: Yeah.

6 CHMN. CHENAL: Mr. Schmaltz, you wanted to say
7 something?

8 MR. SCHMALTZ: Yes. And I concur with the last
9 suggestion. Maybe, because there are multiple corridors,
10 that the word "applicable" be placed before the word
11 "corridor," so that it reads: Once all right-of-way has
12 been acquired, the applicable corridor will be null and
13 void.

14 MEMBER NOLAND: I have no problem with that.

15 MR. SCHMALTZ: Because I understand and I
16 believe that there are -- and I agree with Member Noland,
17 there are two concepts here. One is the corridor, and
18 we're saddled with a 1,000-foot corridor on our property,
19 and that's defined by legal description. And we will
20 negotiate a right-of-way that is their right to use our
21 land. And because that corridor is defined by a legal
22 description, I want to see that go away on our property.
23 Because the right-of-way then is defined by a new legal
24 via an easement that's recorded on our property.

25 So I understand it can be redundant, but I

1 definitely would want to see that legal defining the
2 corridor go away.

3 CHMN. CHENAL: And your concern would be that
4 if right-of-way is negotiated with Tucson Airport
5 Authority but not with Wilmot -- South Wilmot, that
6 unless we include this "applicable corridor" language,
7 the corridor won't go away until all of the easement or
8 right-of-way are negotiated, and that may keep that
9 corridor on your property longer than would otherwise be
10 the case?

11 MR. SCHMALTZ: Correct.

12 CHMN. CHENAL: Okay.

13 Member Woodall.

14 MEMBER WOODALL: Mr. Beck, does the applicant
15 typically record its CECs with the County Recorder's
16 Office?

17 MR. BECK: We do not.

18 MEMBER WOODALL: Mr. Derstine, is it your
19 understanding that you can effectuate an interest in land
20 without recording it?

21 MR. DERSTINE: Member Woodall, it may be
22 possible to effect an interest in land without recording
23 it. But I think, based on our legal analysis, the
24 establishing of a corridor for purposes of a CEC does not
25 affect title to land per se.

1 And I think, as we've talked about, that TAA or
2 South Wilmot can continue to develop and do whatever they
3 please with their land up until the time that they've
4 granted us a right-of-way or we've condemned the land.

5 MEMBER WOODALL: Thank you very much. I just
6 wanted to get that on the record. I know we had
7 discussed that in a prior case.

8 Thank you.

9 MEMBER NOLAND: And, Mr. Chairman, I will say
10 again that that may be the understanding legally, but you
11 have people that do not have a legal background that this
12 may impact as private property owners, and this just
13 makes it a little more clear to them.

14 So my motion includes the "applicable" wording
15 put in before the "corridor."

16 CHMN. CHENAL: Very good.

17 Mr. Robertson.

18 MR. ROBERTSON: Mr. Chairman, two things:

19 First of all, I concur with Member Noland's
20 reasoning.

21 And, secondly, I think, for example, in what
22 was Member Noland's first case a number of years ago as a
23 member of this Siting Committee, we had expert witness
24 testimony on how the existence of a corridor in the form
25 of a CEC could affect the value placed on land.

1 So I don't believe it's redundant, and I do
2 concur with Member Noland's reasoning on that.

3 CHMN. CHENAL: And we have -- Member Woodall,
4 just a moment.

5 But we have -- right here, we have a test case
6 because we have two property owners whose land will be --
7 over which a corridor will be placed. And I know Tucson
8 Airport Authority's attorney has just said that he would
9 like to see the corridor removed. And I suspect if the
10 same question were asked of Mr. Robertson, his answer --
11 he would say the same.

12 MR. ROBERTSON: And I will answer your question
13 now. Yes, I agree.

14 CHMN. CHENAL: So to -- the extent the
15 encumbrance that a corridor creates in a CEC may be open
16 to a difference of legal opinion, but it's clear that
17 property owners would rather not have it than have it.
18 And so, to the extent we can make it clear in the CEC
19 that it goes away upon the occurrence of a specific
20 event, I think that just helps the landowner.

21 I don't know any other way to say it. I know
22 Member Noland agrees with me.

23 But, Member Woodall, you wanted to make a
24 comment?

25 MEMBER WOODALL: Mr. Robertson, in your

1 description of a prior case which involved Member Noland,
2 I assume that you were not suggesting that the Committee
3 take into account your comments as being part of the
4 evidentiary record and you're not asking us to take
5 administrative notice of any record, are you?

6 MR. ROBERTSON: I didn't have that in mind when
7 I made my comment, Member Woodall, but you had focused on
8 the legal aspects.

9 I was simply pointing out that in previous
10 cases, there has been testimony to the effect that even
11 if it doesn't affect a legal right to use the land, in
12 the opinion of certain expert witnesses, it did affect
13 the value.

14 MEMBER WOODALL: But there's no evidence in
15 this record regarding that. Would you agree with me,
16 sir?

17 MR. ROBERTSON: I would, yes.

18 That was not my purpose to --

19 MEMBER WOODALL: Thank you.

20 I just wanted to have the record be clear, so
21 thank you.

22 MEMBER NOLAND: Mr. Chairman.

23 CHMN. CHENAL: Member Noland.

24 MEMBER NOLAND: I think this discussion is good
25 to be on the record for the Corporation Commission to

1 understand why we have included that. And although we
2 did have a legal brief from Mr. Derstine, I believe, to
3 this question, I don't believe I've seen it tested again.
4 And it might be. You know, just because we have that
5 doesn't mean that it will stand up forever.

6 So I think this just makes it clear.

7 MR. DERSTINE: Mr. Chairman, Member Noland, I
8 would only note that the memo and colloquy that I had
9 with Member Woodall on the legal effect of a corridor I
10 don't think in any way you should misinterpret that as
11 the company's position that this language is
12 inappropriate. I think it's important that there is some
13 understanding in the record of what the purpose of this
14 language is and why it's there.

15 But in terms of the effect of a corridor for
16 planning purposes and how it's used in this case and that
17 once the right-of-way is acquired, that the corridor
18 should not be considered as any sort of an encumbrance or
19 affecting ownership or rights in any way, I think that
20 sort of effort to clarify things is fine.

21 For future cases, maybe that creates more
22 confusion. I don't know. But I think, to your point,
23 having this discussion and understanding the purpose of
24 this language is important.

25 CHMN. CHENAL: Member Woodall, do you have any

1 further comment?

2 MEMBER WOODALL: I would simply say that my
3 concern is by suggesting that there's something that
4 impacts the property and that we need to make sure that
5 that something disappears because if it becomes null and
6 void, there's an implication like why would you have a
7 condition like this in here if you didn't think that the
8 corridor was, in fact, a burden or did, in fact, affect
9 land rights?

10 That's where I'm coming from on all of this.
11 Now, having said all that -- you've expressed your
12 position. They prefer it. You don't have any objection
13 to it. I'm sure the record is clear on it now, and we
14 can move on as far as I'm concerned.

15 MR. DERSTINE: And the only thing I would add,
16 Mr. Chairman, Member Woodall, is I think the "something"
17 that you're referring to is a perception and belief by
18 landowners that in some way, this does something. I
19 think our position is clear that, as a legal matter, it
20 does nothing. But if -- given concerns of a landowner
21 that they'd rather not have it, we're not going to fight
22 over this language.

23 CHMN. CHENAL: Mr. Robertson.

24 MR. ROBERTSON: Just a very brief comment to
25 respond in part to Mr. Derstine.

1 Once the right-of-way has been obtained for a
2 specific project, it seems to me the purpose in having a
3 corridor has disappeared. And the thought here is simply
4 to remove the corridor at that point in time.

5 CHMN. CHENAL: I think the record is clear.
6 The lines are drawn. The boundary lines are drawn. And
7 we're now going to vote on this.

8 Mr. Beck.

9 MR. BECK: One comment, Mr. Chairman. We think
10 that it should be lower case C for "corridor."

11 CHMN. CHENAL: Yes. Let's not give that
12 corridor anything more than it deserves.

13 MEMBER NOLAND: Or else we'll change it to a
14 boundary.

15 CHMN. CHENAL: We have a motion and a second
16 and we've had discussion.

17 Any further discussion?

18 MEMBER WOODALL: I would just say that I wish I
19 could have a continuing objection to this language in our
20 future proceedings, but I know that I won't.

21 So thank you.

22 CHMN. CHENAL: Yeah, I think you're going to
23 have to bring it up every time.

24 MEMBER WOODALL: Well, you said that now, so
25 let everyone be warned.

1 CHMN. CHENAL: Okay.

2 All in favor say "aye."

3 (A chorus of ayes.)

4 MEMBER WOODALL: Pass.

5 CHMN. CHENAL: Next deals with the -- what I
6 would say was referred to earlier. I jumped the gun.
7 This is the Pima County condition regarding possibly
8 moving the facilities.

9 And we had testimony on it. I just -- to make
10 clear, though, Mr. Beck, this is language that has been
11 negotiated between the applicant and Pima County; is that
12 correct?

13 MR. BECK: Yes. We showed it to Pima County,
14 and they said that met their objective.

15 CHMN. CHENAL: So may I have a motion?

16 MEMBER JONES: So moved.

17 CHMN. CHENAL: Second?

18 MEMBER PALMER: Second.

19 CHMN. CHENAL: Any further discussion?

20 (No response.)

21 CHMN. CHENAL: All in favor say "aye."

22 (A chorus of ayes.)

23 CHMN. CHENAL: All right. Now --

24 MEMBER NOLAND: Mr. Chairman, I'm going to
25 move, based on our previous discussion, that we delete

1 this condition.

2 CHMN. CHENAL: 26?

3 MEMBER NOLAND: 26.

4 CHMN. CHENAL: Yes.

5 May I have a second?

6 MEMBER JONES: Second.

7 CHMN. CHENAL: We have a motion and a second.

8 Any further discussion?

9 (No response.)

10 CHMN. CHENAL: All in favor say "aye."

11 (A chorus of ayes.)

12 CHMN. CHENAL: And the last one dealt with an
13 interconnection agreement.

14 I believe, Mr. Beck, you said that any
15 interconnection agreement with respect to this project,
16 which would be with NextEra with respect to the
17 generation and then NextEra interconnecting to Cisne,
18 that would be in a public -- in a place where people
19 could access that agreement; is that correct?

20 MR. BECK: It should be available on our OASIS
21 site.

22 CHMN. CHENAL: On the OASIS site.

23 MEMBER WOODALL: And I believe you gave,
24 actually, a web address of OATI OASIS, and that would be
25 the Google search term that one would use to pull that

1 up; correct?

2 MR. BECK: Correct.

3 CHMN. CHENAL: We did have that condition in a
4 previous case. It was a merchant case.

5 Let me ask this question: Would a merchant
6 developer put an interconnection agreement on OASIS as
7 TEP would in this case?

8 MR. BECK: Generator interconnection agreements
9 are slightly different than transmission wires to wires.

10 This language specifically is an
11 interconnection with another transmission provider. So
12 it's a transmission provider to transmission provider or
13 what we call a wires to wires. They're treated a little
14 bit differently at FERC and don't have the same level of
15 visibility.

16 CHMN. CHENAL: So this is a transmission-to-
17 generator interconnection agreement? Because that's what
18 this case is. This is a generator-to-transmission
19 interconnection?

20 MR. BECK: Correct. If the Committee felt the
21 need to have this condition, then it should be specific
22 to a generator connection to TEP. Again, I'm not sure
23 there's value in that, but we're happy to share it or
24 docket it if that's what the Committee feels the need
25 for.

1 CHMN. CHENAL: I just appreciate now the
2 difference. This is a transmission interconnection.

3 But if this were -- well, the interconnection
4 agreement -- let me ask the question. Would the
5 interconnection agreement between NextEra and TEP be
6 placed on OASIS such that the public can access that
7 agreement?

8 MR. BECK: It should be available on the OASIS.

9 CHMN. CHENAL: So, just for future reference so
10 I don't have to keep bringing this one up in future
11 cases -- we obviously used it in a case. I think it was
12 in a merchant-developer situation. Why would we have
13 done that if it's always available on OASIS? Is it
14 because it's not always available if it's a private
15 merchant versus TEP?

16 MR. BECK: Well, again, wires to wires is a
17 little bit different. So that would have been a
18 wires-to-wires interconnection. Knowing, I believe, the
19 case that it came up in and the attorneys that were
20 involved, I'm not sure how much they pushed back on the
21 issue. So I think they just readily said, We'll put this
22 condition in.

23 MEMBER WOODALL: Mr. Beck, if Staff asked you
24 for it, would you give it to them?

25 MR. BECK: Absolutely.

1 MEMBER WOODALL: So maybe we should just wait
2 and see if Staff wants it, is my suggestion.

3 MR. BECK: There always is that avenue. So if
4 Staff asked for it, we would provide it to Staff anyway.

5 MEMBER NOLAND: Mr. Chairman, do you want to --
6 are you comfortable with deleting --

7 CHMN. CHENAL: Yes, I'm comfortable.

8 MEMBER NOLAND: All right. Then I move that we
9 delete it.

10 MEMBER JONES: Second.

11 CHMN. CHENAL: We have a motion and a second to
12 delete 26.

13 Any further discussion?

14 (No response.)

15 CHMN. CHENAL: All in favor say "aye."

16 (A chorus of ayes.)

17 CHMN. CHENAL: Okay. Let's go through the
18 Findings of Fact and Conclusions of Law. These are the
19 important ones.

20 Findings of Fact and Conclusions of Law, the
21 line 4 says: This Certificate incorporates the following
22 Findings of Fact and Conclusions of Law:

23 No. 1. The Project aids the state and the
24 southwest region in meeting the need for an adequate,
25 economical, and reliable supply of electric power.

1 May I have a motion?

2 MEMBER JONES: Motion.

3 MEMBER NOLAND: Second.

4 CHMN. CHENAL: We have a motion and a second.

5 Any further discussion?

6 (No response.)

7 CHMN. CHENAL: All in favor say "aye."

8 (A chorus of ayes.)

9 CHMN. CHENAL: No. 2: The Project aids the
10 state in preserving a safe and reliable electric
11 transmission system.

12 May I have a motion to approve?

13 MEMBER JONES: Motion.

14 MEMBER NOLAND: Second.

15 CHMN. CHENAL: We have a motion and a second.

16 Any further discussion?

17 (No response.)

18 CHMN. CHENAL: All in favor say "aye."

19 (A chorus of ayes.)

20 CHMN. CHENAL: No. 3: During the course of the
21 hearing, the Committee considered evidence on the
22 environmental compatibility on the Project as required by
23 A.R.S. Section 4-360, et seq.

24 MEMBER NOLAND: Mr. Chairman, I move that we
25 adopt Finding 3.

1 MEMBER JONES: Second.

2 CHMN. CHENAL: We have a motion and a second.
3 Any further discussion?

4 (No response.)

5 CHMN. CHENAL: All in favor say "aye."

6 (A chorus of ayes.)

7 CHMN. CHENAL: No. 4: The Project and the
8 conditions placed on the Project in this Certificate
9 effectively minimize the impact of the Project on the
10 environment and ecology of the state.

11 May I have a motion to approve No. 4?

12 MEMBER PALMER: Motion to approve.

13 CHMN. CHENAL: Second?

14 MEMBER HAENICHEN: Second.

15 CHMN. CHENAL: We have a motion and a second.
16 Any further discussion?

17 (No response.)

18 CHMN. CHENAL: All in favor say "aye."

19 (A chorus of ayes.)

20 CHMN. CHENAL: No. 5: The conditions placed on
21 the Project in this Certificate resolve matters
22 concerning balancing the need for the Project with its
23 impact on the environment and ecology of the state
24 arising during the course of the proceedings, and, as
25 such, serve as findings and conclusions on such matters.

1 May I have a motion to approve No. 5?

2 MEMBER NOLAND: So moved.

3 MEMBER JONES: Second.

4 CHMN. CHENAL: We have a motion and a second.

5 Any further discussion?

6 (No response.)

7 CHMN. CHENAL: All in favor say "aye."

8 (A chorus of ayes.)

9 CHMN. CHENAL: No. 6: The Project is in the
10 public interest because the Project's contribution to
11 meeting the need for an adequate, economical, and
12 reliable supply of electric power outweighs the minimized
13 impact of the Project on the environment and ecology of
14 the state.

15 MEMBER JONES: I'll move No. 6.

16 MEMBER PALMER: Second.

17 CHMN. CHENAL: We have a motion and a second.

18 Any further discussion?

19 (No response.)

20 CHMN. CHENAL: All in favor say "aye."

21 (A chorus of ayes.)

22 MEMBER WOODALL: Pass.

23 CHMN. CHENAL: Next, let's look at the
24 attachments.

25 Exhibit A. Let's make sure we're comfortable

1 with it.

2 And there may be a need to add some language.

3 And, I don't know, Mr. Beck, if previously we
4 discussed that Member Noland requested the addition of
5 the word "corridor." And I believe Mr. Robertson also
6 requested such word to be inserted after "rights-of-way".

7 MR. BECK: Yes, Mr. Chairman. We reached out
8 to the surveyor on that to add the word "corridor" in,
9 so ...

10 CHMN. CHENAL: "Strip of land" I think is
11 typical.

12 MR. BECK: I put "wide strip." And then there,
13 we'll put "corridor" in parentheses.

14 Because this is a PDF, we're having a little
15 problem, but we'll get that in there.

16 CHMN. CHENAL: Sure.

17 MEMBER NOLAND: It's in five places, and I
18 think it should go after "foot-wide strip of land
19 (corridor)."

20 MR. BECK: We will make sure that gets changed.

21 CHMN. CHENAL: So it would be ("corridor").

22 MEMBER NOLAND: Mr. Chairman, I'd make a
23 motion -- just to be clear, make a motion that we do add
24 "corridor" in those places on the legal description, and
25 then we adopt Exhibit A as part of the CEC.

1 MEMBER JONES: Second.

2 CHMN. CHENAL: Okay. We have a motion and a
3 second.

4 Let's make sure that we -- I mean, I'm not an
5 expert at reading these.

6 Mr. Beck, this, basically, is the corridor as
7 reflected on a map that will be attached to Exhibit A; is
8 that correct?

9 MR. BECK: That is correct. And we have that
10 attachment shown on the screen. So it's the centerline
11 of that dark black line is what is being described.

12 So, Patrick, can you scroll down just a little
13 bit on your map.

14 And, Megan, can you pull up where it starts
15 about the 250. A little bit more. Right there.

16 So where it says -- on the right-hand screen,
17 it says: Together with a 250-foot-wide strip of land on
18 a portion of the various sections, the centerline of
19 which is described as follows.

20 So that centerline is offset 125 foot from the
21 centerline of Swan Road. That's how legal descriptions
22 are generally done. They tie them to the survey
23 monuments versus putting in a roadway centerline.

24 So if you look at the language, that 125 foot
25 kicks it over from the Swan Road centerline. That's the

1 centerline describing the corridor. And that's 250 foot
2 wide centered on that alignment.

3 CHMN. CHENAL: And is the language with my
4 laser pointer, is that the 125 feet west language?

5 MR. BECK: Correct.

6 CHMN. CHENAL: But the 125 foot west in
7 parallel of the east line of what's described there will
8 provide a 250-foot-wide corridor; is that correct?

9 MR. BECK: The language above is the
10 250-foot-wide strip of land centered on -- and then the
11 description note below -- which is offset 125 feet.

12 So in this legal description, rather than tying
13 it to the eastern edge of -- the western edge of the Swan
14 Road -- no -- the eastern edge of the 250-foot strip to
15 the centerline of Swan, this one's tying it to a
16 centerline that was defined to be 125 foot west of Swan
17 Road centerline. That's how the legal description is
18 written.

19 I think that, along with the language we
20 actually have in the body of the CEC, which was
21 relatively clear that it's 250 foot west of and
22 adjacent -- west of the centerline to Swan Road
23 alignment.

24 CHMN. CHENAL: Okay. I just want to make sure
25 Mr. Robertson is agreeable.

1 I thought I heard something that would give me
2 pause from what you just said, Mr. Beck.

3 Mr. Robertson, what's your comment on that?

4 MR. ROBERTSON: Well, you intuited a pause
5 going through my mind. This legal description was
6 provided for the first time this morning. I've not had a
7 chance to share it with my client. Say we're in
8 agreement on the language "250 feet measured from the
9 centerline of Swan Road moving west." I don't know
10 whether this language would concur with their
11 understanding.

12 So what I would suggest -- I know in the past
13 when you've had CECs, if a party had any concern, they
14 could submit to you what their concern was. In fact, I
15 think the Procedural Order deals with that.

16 I'm not suggesting we will have a concern. I'm
17 not suggesting we won't. I'm saying sitting here this
18 afternoon, I can't tell you if my client would be
19 comfortable with that legal description that Mr. Beck
20 just described.

21 CHMN. CHENAL: Because my concern is, is that
22 we talk about a 200-foot strip of land. And the intent
23 is that that basically is 250 feet from west of the
24 centerline of Swan Road.

25 MR. ROBERTSON: That's correct.

1 CHMN. CHENAL: But what I thought I heard
2 Mr. Beck just say is, is that point C is 125 feet west of
3 the centerline. So now it's not 250. It's 250 plus 125.

4 MR. BECK: I believe point C is actually on the
5 centerline of Swan Road. And then you go from that
6 point C, you go south whatever distance of 150 foot to a
7 line 125 foot west of. So it's that offset of the Swan
8 Road centerline. So it's 125 foot over. That's the line
9 that's defined in the legal description, but it's
10 adjacent parallel to the centerline of Swan Road.

11 MEMBER WOODALL: May I ask a question?

12 Mr. Beck, is the legal description consistent
13 with the language in the body of the CEC that you worked
14 with Mr. Robertson regarding?

15 MR. BECK: That is our intent, and we believe
16 it is. And I understand Mr. Robertson wants to go back
17 and review that. We understand that.

18 MEMBER WOODALL: Thank you.

19 MR. BECK: And to the point if he were to
20 identify something, we would correct it if we have an
21 error. But we think it meets the intent of the language
22 in the body of the CEC.

23 MEMBER WOODALL: And you think they're
24 consistent?

25 MR. BECK: Yes.

1 MEMBER WOODALL: Thank you.

2 CHMN. CHENAL: Let me suggest that this is how
3 we proceed. We know the intent. The intent is that that
4 corridor along South Wilmot property, the 250-foot
5 corridor west of the centerline of Swan Road, we have a
6 legal description and a map. The map clearly defines
7 what the intent is. The legal description, Mr. Robertson
8 certainly would like his client to have an opportunity to
9 review it.

10 If it turns out that there is -- and I'm going
11 to say a de minimus error in the legal description such
12 that it's not absolutely consistent with that
13 understanding -- the understanding should be perfectly
14 clear on the record as to what the intent is, that that
15 was deemed to be the kind of error that I can correct.

16 And once the parties agree upon the correct
17 legal description, if this is not correct, if that's a
18 ministerial change, then I'm authorized to go ahead and
19 attach that to the final CEC.

20 I'd like the Committee to have a motion and
21 approve that specific issue.

22 MEMBER JONES: I so move, Mr. Chairman.

23 MEMBER WOODALL: I would second.

24 CHMN. CHENAL: We have a motion and a second.

25 Any further discussion?

1 MEMBER WOODALL: I have complete confidence in
2 you, Chairman.

3 CHMN. CHENAL: Well, thank you.

4 But I want to make sure Mr. Robertson and the
5 applicant are correct on the legal description.

6 But we have a motion and a second.

7 All in favor say "aye."

8 (A chorus of "ayes.")

9 CHMN. CHENAL: Thank you very much.

10 And, Mr. Robertson, I think when you and the
11 applicant confer and provide confirmation that this is
12 correct or a necessary change, I just need to provide it
13 with the correct legal description, if this is not
14 correct, and I'll then file the -- assuming that we vote
15 to approve it, file the CEC with the correct legal
16 description.

17 MR. ROBERTSON: Yes. I will confer with my
18 client, then confer with the applicant. And we think
19 your approach is certainly appropriate and acceptable.

20 MEMBER NOLAND: Mr. Chairman, I move that we
21 adopt the CEC as modified for Case No. 181.

22 CHMN. CHENAL: We'll come to that. And we're
23 going to vote in just a moment.

24 I just want to make sure that if there's any
25 issue with the map -- because I see that the parties are

1 looking at the map right now on the screen. I just want
2 to make sure that there's nothing that we need to discuss
3 before we move to a vote on the CEC.

4 Mr. Beck.

5 MR. BECK: Mr. Chairman, we understand it needs
6 to comply with the language in the body and the intent.

7 We've had our surveyors review this two
8 additional times today, and they've said it's absolutely
9 correct. We're kind of questioning whether that 250-foot
10 dimension, if the arrows are right. So we will reverify.

11 Mr. Robertson, we'll have that reviewed and
12 we'll come up with a common understanding.

13 CHMN. CHENAL: So if it's in the map or the
14 legal description or both that have to be modified, I
15 take it that that's within the motion that was just made
16 by the Committee to allow me to attach the correct map
17 and legal description to comply with the clear intent of
18 the parties.

19 MEMBER WOODALL: That would be my position,
20 Mr. Chairman.

21 CHMN. CHENAL: And I think we voted on that. I
22 don't think there's an issue with that. If anyone wants
23 to discuss it --

24 MEMBER NOLAND: Mr. Chairman.

25 CHMN. CHENAL: Member Noland.

1 MEMBER NOLAND: I looked at the map several
2 times. I think it is correct. I think it is showing
3 from the centerline of Swan Road, the 250 feet, if you
4 look at it and where the centerline is above and as it
5 comes down. But that would be up to people with more
6 expertise than me.

7 MR. BECK: One thing we may do is just change
8 the line style so that it's more obvious. I think that's
9 part of the issue, it's just hard to see.

10 And I believe Member Noland is right, but we
11 just want to be sure it's correct.

12 CHMN. CHENAL: The way I'm looking at that map,
13 it almost looks like the 250-foot corridor extends on
14 both sides of the centerline and not just to the west of
15 the centerline.

16 MR. BECK: At least one other attorney said the
17 same thing.

18 CHMN. CHENAL: I think we'll wait to have
19 confirmation.

20 And I'd like -- Mr. Schmaltz, do you want to be
21 part of the confirmation? Certainly, I'd like to have
22 confirmation from both the applicant and Mr. Robertson
23 that the map and the legal description are correct.

24 Do you want to be included to confirm that
25 information before I file it with the CEC?

1 MR. SCHMALTZ: I would appreciate being
2 included, yes.

3 CHMN. CHENAL: So we're going to vote. We're
4 going to up -- let's make an assumption that the CEC is
5 approved. I'm not going to do anything with it until I
6 have confirmation from the applicant, from Mr. Robertson,
7 and from Mr. Schmaltz that the two exhibits that will be
8 attached to the CEC, one being a legal description, one
9 being a map, are correct.

10 When I receive the confirmation from all three
11 that that accurately reflects the understanding as
12 enunciated today, discussed today, that I will file the
13 CEC, but I won't before then.

14 And I also understand that that is something
15 that's within the motion that was made to allow me to
16 make conforming ministerial changes to the CEC, is that
17 correct, on behalf of the --

18 MEMBER WOODALL: Yes. Any technical and
19 conforming language changes, I think you are empowered to
20 make.

21 CHMN. CHENAL: Mr. Robertson?

22 MR. ROBERTSON: I agree. That is my
23 understanding.

24 CHMN. CHENAL: Mr. Schmaltz?

25 MR. SCHMALTZ: I also agree.

1 CHMN. CHENAL: Mr. Derstine?

2 MR. DERSTINE: Yes.

3 CHMN. CHENAL: Okay. Fine.

4 And, Mr. Beck, did you have anything to add?

5 MR. BECK: No.

6 CHMN. CHENAL: So, is there any further
7 discussion before we go to a vote?

8 And we'll do a roll-call vote. Let me just set
9 it up.

10 We have -- on the right-hand screen, we have
11 what will become Exhibit 21, which will be a document
12 that will reflect all the changes that we discussed.

13 And we have one more to go back to. Thank you
14 for bringing up the -- on the vote on line 20, page 1, we
15 need to add the vote after we do it to grant or deny,
16 what the number is.

17 But that document will have the changes. And
18 so someone that can read the record can refer to it and
19 see the changes that we made, and those changes will be
20 accepted. Then I'll be provided with a final copy with
21 the attachments, and nothing will be filed until I get
22 confirmation from the attorneys.

23 So, with that as a background, we're ready for
24 a motion. And Member Noland has made a motion to approve
25 the CEC as reflected on Exhibit 21 with the changes that

1 we have discussed; is that correct?

2 MEMBER NOLAND: Yes.

3 MEMBER JONES: I second it.

4 CHMN. CHENAL: And we have a second.

5 So let's have a roll-call vote.

6 Let's start to the left. There's been a little
7 more commentary from the right-hand side today, so let's
8 start from the left-hand side.

9 Member Riggins.

10 MEMBER RIGGINS: So I'd like to compliment TEP
11 on working closely with the South Wilmot Land Investors
12 as well as the Tucson Airport Authority.

13 So for those reasons, I vote aye.

14 CHMN. CHENAL: Member Drago.

15 MEMBER DRAGO: I vote aye.

16 CHMN. CHENAL: Member Haenichen.

17 MEMBER HAENICHEN: I vote aye.

18 CHMN. CHENAL: Member Woodall.

19 MEMBER WOODALL: Aye.

20 CHMN. CHENAL: Member Palmer.

21 MEMBER PALMER: Aye.

22 CHMN. CHENAL: Member Noland.

23 MEMBER NOLAND: Aye.

24 CHMN. CHENAL: And I vote aye as well.

25 So congratulations. As soon as you get the CEC

1 to me in final form with the confirmation of the
2 exhibits, we will file it.

3 Is there anything further we need to discuss
4 before we adjourn?

5 (No response.)

6 CHMN. CHENAL: It's been a pleasure to work
7 with the applicant and the parties. Very professionally
8 presented by the attorneys and staff and the witnesses.
9 And this has, I think, gone very well.

10 So if there's no further comments, Mr. Beck
11 or --

12 MR. BECK: Just thank you to the Committee and
13 you, Mr. Chairman, for your efforts in this process.

14 CHMN. CHENAL: All right. Thank you.

15 Thanks, everybody, and we're adjourned.

16 (The hearing concluded at 4:20 p.m.)

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1 STATE OF ARIZONA)
2 COUNTY OF MARICOPA)

3 BE IT KNOWN that the foregoing proceedings were
4 taken before me; that the foregoing pages are a full,
5 true, and accurate record of the proceedings, all done to
6 the best of my skill and ability; that the proceedings
7 were taken down by me in shorthand and thereafter reduced
8 to print under my direction.

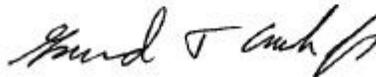
9 I CERTIFY that I am in no way related to any of
10 the parties hereto nor am I in any way interested in the
11 outcome hereof.

12 I CERTIFY that I have complied with the ethical
13 obligations set forth in ACJA 7-206(F)(3) and ACJA
14 7-206(J)(1)(g)(1) and (2). Dated at Phoenix, Arizona,
15 this 1st day of October, 2018.

16
17 

18 _____
19 CAROLYN T. SULLIVAN, RPR
20 Arizona Certified Reporter
21 No. 50528

22 I CERTIFY that COASH & COASH, INC., has complied
23 with the ethical obligations set forth in ACJA
24 7-206(J)(1)(g)(1) through (6).

25 

COASH & COASH, INC.
Arizona Registered Firm
No. R1036