

1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on to be heard before the Arizona
3 Power Plant and Transmission Line Siting Committee, at
4 the Attorney General's Office, 15 South 15th Avenue,
5 Fourth Floor, Phoenix, Arizona, commencing at 11:14 a.m.
6 on the 13th of September, 2019.

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BEFORE: THOMAS K. CHENAL, Chairman

9

10 APPEARANCES:

11 For the Applicant:

12 SNELL & WILMER, L.L.P.
13 By Mr. Matthew Derstine
14 One Arizona Center
15 400 East Van Buren, Suite 1900
16 Phoenix, Arizona 85004

17 and

18 PINNACLE WEST CAPITAL CORPORATION
19 Law Department
20 By Ms. Linda Benally, Senior Attorney
21 400 North Fifth Street
22 Phoenix, Arizona 85004

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For the Arizona Corporation Commission Staff:

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25 Mr. Stephen Emedi
Staff Attorney, Legal Division
1200 West Washington Street
Phoenix, Arizona 85007

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1 ALSO PRESENT:

2 Mr. Jason Spitzkoff, APS, Manager, Transmission
3 Planning, Interconnections & Siting

4 Mr. Brad Larsen, PE, APS, Senior Siting Consultant,
5 Transmission & Facility Siting

6 Mr. Devin Petry, EPG, Project Manager

7 Ms. Aileen De Los Angeles, APS, Paralegal

8 Mr. Antonio Arias, Commission Staff, Paralegal

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1 CHMN. CHENAL: This is the time set for the
2 prehearing conference in the, what we call the APS --
3 let me get this right -- application of APS Wildcat and
4 Cyclone transmission line siting application 183.

5 May we have appearances, please.

6 MR. DERSTINE: Matt Derstine from Snell &
7 Wilmer, outside counsel for APS.

8 MS. BENALLY: Linda Benally, APS attorney.

9 MR. LARSEN: Brad Larsen, project manager for
10 APS.

11 MR. SPITZKOFF: Jason Spitzkoff, transmission
12 engineer manager for APS.

13 MS. DE LOS ANGELES: Aileen De Los Angeles,
14 paralegal, APS.

15 MR. EMEDI: Stephen Emedi, Staff attorney on
16 behalf of the Arizona Corporation Commission.

17 MR. ARIAS: Antonio Arias, paralegal, Arizona
18 Corporation Commission.

19 MR. PETRY: Devin Petry, environmental project
20 manager with Environmental Planning Group.

21 CHMN. CHENAL: All right. Well, welcome,
22 everybody. We have met a number of times I believe on
23 this, or at least at a prefiling conference, but once
24 before that. So I am familiar with the project. We are
25 looking forward to the hearing. It has obviously

1 garnered some interest at the Corporation Commission
2 since there has been a notice of intervention.

3 So I have a standard checklist, and we will just
4 kind of go through generally items that we will need to
5 cover, as I do in every case.

6 And first of all, I would like to confirm the
7 lodging arrangements for the Committee members. I
8 believe that has been satisfactorily -- Committee
9 members are making their own reservations.

10 MR. DERSTINE: I think so. Last check there
11 weren't too many Committee members who had reserved
12 rooms, but I did circle back, contacted Marie just to
13 confirm that they had all the information. So I assume
14 whoever wants to stay or needs to stay has made the
15 arrangements.

16 CHMN. CHENAL: All right. Very good. Very
17 good.

18 By the way, Marie is not here today. She is on
19 leave, annual leave, in a nice place. I think it is
20 called Hawaii. But she will be back next week.

21 MR. DERSTINE: Okay.

22 CHMN. CHENAL: All right. Next, the parties.
23 We have the applicant. We have the Corporation
24 Commission.

25 Mr. Emedi, just for full disclosure, Mr. Emedi

1 and I worked together for a number of years. We were in
2 other positions prior to the ones we are in now. So I
3 have the utmost respect for Mr. Emedi.

4 And so the Committee gets -- I mean the
5 Corporation Commission can intervene by notice under the
6 statute, and that has happened.

7 Is there, is there a reason that you would like
8 to just provide as to why the Commission is intervening
9 in this case?

10 MR. EMEDI: Sure. Thank you, Mr. Chairman.

11 It was Utilities Division Staff wanted to
12 intervene. We have had an engineer review the company's
13 application. Upon that review, there aren't any
14 particular issues that have popped up for the
15 Commission.

16 So the reason, one of the reasons why we didn't
17 file any testimony or brief summary of testimony
18 yesterday was because at this point we don't intend on
19 presenting a witness. But we did want to be available
20 at the hearing, potentially do some cross-examination of
21 witnesses that are put on, and also just be available.
22 Our engineer will be available, who is going to review
23 all the materials and did request some studies from APS
24 and has reviewed those. So Staff will be available.
25 But at this point in time, we just have a very limited

1 role in the proceedings.

2 CHMN. CHENAL: Okay. Very good.

3 The Commission has submitted a letter, I
4 believe. I believe they have, or maybe they haven't. I
5 have sent a letter but I did not receive a letter back,
6 actually. I am confusing it with another case. I'm
7 sorry. I have three backed up right now.

8 MR. EMEDI: That's correct.

9 CHMN. CHENAL: Does the Commission intend to
10 provide written comments on this, with respect to this
11 application?

12 MR. EMEDI: I have to circle back with my team.
13 So obviously we just got the supplemental packet in
14 yesterday. I have dropped a copy off to our engineer.
15 So Antonio and I were going to circle back with him
16 early next week and then figure out exactly what we will
17 file, if anything.

18 If, I wanted to ask you, if the Committee would
19 have a preference, even if we don't take any issue with
20 anything in the supplemental packet -- like I said, we
21 haven't taken issue with anything that we have seen up
22 to this point -- even if that remains the case, would it
23 be the Committee's preference that we still file a
24 letter to that effect?

25 CHMN. CHENAL: I think that would be the

1 Committee's preference.

2 MR. EMEDI: Okay.

3 CHMN. CHENAL: Because, otherwise, it might be
4 stated somewhere by counsel, it might be in the record,
5 the transcript, somewhere, but if there is a piece of
6 paper that sets forth an official position of the
7 Commission, or at least the Staff, I think that's just
8 easier to, when we go back and when the Commission looks
9 and the Staff looks back, it is probably just easier to
10 see in one place.

11 MR. EMEDI: Okay, great. I will circle back
12 with my team and let everyone know that. And so we
13 will -- I know you guys are busy and have a hearing up
14 in Flagstaff next week. So I will try to get everything
15 in order as soon as possible.

16 CHMN. CHENAL: And that other case I think
17 will -- I always add a day to what the attorneys say.
18 So I am expecting we will be back in town on Friday of
19 next week. And this hearing starts Tuesday the
20 following week. So, you know, I think there will be a
21 little time for catch-up there.

22 All right. Mr. Derstine, has any other party,
23 interested party, made any -- there hasn't been any
24 other motions or notices of intervention, but any
25 written statements, any interest in attending the

1 hearing in some fashion?

2 MR. DERSTINE: No indications of intervention or
3 kind of a limited appearance. However, as you know,
4 this project is being constructed for two data centers.
5 We have been in communication with both Microsoft and
6 Stream about whether or not they want to file something
7 with -- in the docket that we would present to the
8 Committee. Stream has done that. I think we are still
9 waiting on some sort of a written submission from
10 Microsoft; although, I do also understand that, I think,
11 that Microsoft plans to be there for public comment.

12 So those two customers obviously have a
13 significant interest in proceeding with the projects,
14 support the projects. One has submitted a written
15 letter. We are anticipating another one from Microsoft.
16 And one or both may be present for public comment. But
17 other than that, I am not aware of anything.

18 CHMN. CHENAL: Okay. And do you intend to make
19 those letters of support exhibits to the case?

20 MR. DERSTINE: So the Stream line has already
21 been marked and is in our APS filing.

22 MS. BENALLY: APS-18.

23 CHMN. CHENAL: I think I have seen those. Okay,
24 sure.

25 MR. DERSTINE: We will do the same, we will mark

1 and file in the docket anything else that comes from
2 Microsoft or any other stakeholder.

3 CHMN. CHENAL: Thank you.

4 MR. DERSTINE: And Goodyear, and sounds like the
5 City of -- Devin is reminding me that the City of
6 Goodyear submitted a letter, I think, on the day that we
7 were finalizing our exhibit set. So we will also mark
8 that, mark it as an exhibit and present it at the time
9 of the hearing.

10 CHMN. CHENAL: Very good. Notice to affected
11 jurisdictions, I see that that has been filed.

12 MR. DERSTINE: Yes.

13 CHMN. CHENAL: And --

14 MR. DERSTINE: Docket issued or mailed out the
15 notices to the affected jurisdictions. And proof of
16 mailing cards are in the docket, so...

17 CHMN. CHENAL: All right. Very good. And those
18 affected jurisdictions are the Arizona State Land
19 Department, the Bureau of Land Management, Cities of
20 Avondale, Goodyear, Phoenix, Maricopa County, Phoenix
21 Goodyear Airport, is that correct?

22 MR. DERSTINE: Correct.

23 MS. BENALLY: That's correct.

24 CHMN. CHENAL: All right. And on the Notice of
25 Hearing, let's discuss for a moment posting and

1 publishing. And I know you will have some testimony and
2 exhibits on that.

3 MR. DERSTINE: We do. So the proof of posting
4 is APS-10, and the affidavits of publication and proof
5 of website posting are collected at 11 in our
6 supplemental filing. So they would be marked as APS
7 Exhibits 10 and 11. So we can look at those now, but we
8 can confirm that publications were made within the
9 10 days, as required, and that we have posted the signs
10 at the locations shown on the map and as you directed us
11 to at the time of our prefiling conference.

12 CHMN. CHENAL: All right. Very good. We don't
13 have to review that now. We can wait until the hearing
14 on that.

15 I filed an agenda. Are there any concerns or
16 issues with respect to the agenda that has been filed?

17 MR. DERSTINE: None here.

18 CHMN. CHENAL: All right. Mr. Emedi?

19 MR. EMEDI: None.

20 CHMN. CHENAL: See, I always thought it was
21 Emedi, but it was Emedi? Did I hear you say that this
22 morning?

23 MR. EMEDI: Emedi, yes.

24 CHMN. CHENAL: So I mispronounced your name for
25 years, or have you adopted a new pronunciation?

1 MR. EMEDI: I can. If the Committee has a
2 preference, I can.

3 CHMN. CHENAL: Well, that's the right answer,
4 but I will go with what you -- your preference.

5 MR. EMEDI: I appreciate that.

6 CHMN. CHENAL: All right. So the hearing is set
7 for, dates, the 24th through the 27th as reflected in
8 the Notice of Hearing.

9 What is your best guess, Mr. Derstine, of how
10 long the hearing will take?

11 MR. DERSTINE: Well, you are going to add a day
12 to whatever I say, but my best estimate is that we will
13 be finished on Thursday.

14 CHMN. CHENAL: Okay. I won't add a date to
15 that. All right. So Tuesday, Wednesday and Thursday.

16 Mr. Emedi, any other thoughts on that?

17 MR. EMEDI: No. As I said, at this point, I
18 think the Commission's role is going to be pretty
19 limited. As I said, we are not intending on calling our
20 own witness. So if, if the company thinks that by
21 Thursday things will be wrapped up, I see no reason to
22 add onto that estimate.

23 CHMN. CHENAL: Do you believe, Mr. Derstine,
24 that we will be finished with, you will be finished with
25 the case in chief by Thursday morning so that we would

1 begin deliberations Thursday afternoon, or even before
2 then?

3 MR. DERSTINE: Yes, that would be my best guess
4 at this point, is that we would be finishing our case
5 Thursday morning, short little closing summary, and then
6 certainly by the early afternoon be ready to deliberate,
7 go through conditions and take a vote from the
8 Committee.

9 CHMN. CHENAL: Okay. You heard me express in
10 the past, and I think this might be the exception, but
11 in the past, you know, I have always liked to have the
12 deliberations start in the morning of the day following
13 the hearing. But usually, just because the way things
14 have worked out, the hearings have generally concluded,
15 you know, midafternoon, later in the afternoon. And I
16 have always thought, where we have launched into the
17 deliberations, I have noticed the kind of human nature,
18 what it is, to try and hurry up to try and get through
19 and get it finished, and I have always thought it is
20 better to wait until the next day.

21 This does not seem like, you know, certainly a
22 contentious case. Though, there will be some
23 interesting testimony, I think, on the purpose for the
24 project. I think the Committee will be very interested
25 in hearing about that. I suspect that's one of the

1 reasons why the Commission Staff is involved with the
2 case. So we never know, there could be some questions
3 about the project that, you know, because of the -- I
4 mean it is kind of, for lack of a better word, cutting
5 edge in the sense of having, you know, transmission
6 lines for data centers. I mean we read about it, but
7 this is, you know, it is kind of new, I think, for the
8 Committee.

9 So that could extend the length. But I am
10 assuming we will finish by, you know, Thursday morning
11 or early, early afternoon. It seems to make sense to
12 just plow into it and finish it up Thursday.

13 MR. DERSTINE: We certainly have the rooms
14 reserved through Friday. So if my guesses are wrong or
15 we just end up spending more time, then we will
16 certainly be ready to take up the day on Friday, or
17 however much time we need.

18 CHMN. CHENAL: Sure. We want to do it right.
19 And we have the hearing commencing at 1:00 p.m.
20 on the 24th, September 24th. I think we will finish
21 Thursday. Worst case we have Friday.

22 And, as is the usual case, we like sign-in forms
23 for any public comment to include at least the name,
24 address, and phone number or email, because, you may
25 know, one of the conditions requires that if there is a

1 later, you know, if later there is an effort to continue
2 the length or extend the length of the CEC or other
3 reasons to modify it, I want notice given to those
4 people that showed up and provided public comment. So
5 that would be the means by which, you know, you could
6 get in contact with them.

7 MS. BENALLY: Chair Chenal.

8 CHMN. CHENAL: Yes.

9 MS. BENALLY: I wasn't sure about that. You
10 said the name, email?

11 CHMN. CHENAL: Well, name, address, and phone or
12 email. I mean you could have an option there, phone,
13 slash, email, so they could provide one or the other. I
14 think this day and age most people provide emails.

15 I don't see this as a case where security is
16 needed. Would that be your judgment, Mr. Derstine?

17 MR. DERSTINE: Yes.

18 CHMN. CHENAL: We will have a public comment
19 session the evening of the first day of the hearing.
20 And I am very flexible, as you know, with allowing
21 public comment in the course of the hearing. And if
22 there are representatives of any of the cities involved
23 or affected jurisdictions who wish to speak, certainly
24 we will be very, you know, agreeable to allowing them to
25 provide their comment, even if we have to suspend the

1 hearing for a few minutes or at the first break, right
2 after the break. So we will accommodate their
3 schedules.

4 Let's talk about the tour. What do you have
5 planned for the tour?

6 MR. DERSTINE: Yeah, Mr. Petry can walk us
7 through it. But that's marked and found on our
8 Exhibit 8.

9 MR. PETRY: It is in supplemental filing
10 Exhibit No. APS-8 and includes our proposed route tour
11 schedule and protocol.

12 And our intention is to leave the Comfort Suites
13 hotel at approximately 9:00 a.m. on the morning of
14 September 25th. And we would travel south on Estrella
15 Parkway down to Maricopa County Road 85, and then again
16 south on Bullard Avenue. And our first stop would be
17 near the proposed TS-15 substation, which is within the
18 Wildcat data center site.

19 At that location -- and what I skipped over was
20 that we have chartered a bus, a small bus that everyone
21 can be seated within. And at that first stop,
22 identified as 1 on the map, what you can see from there
23 is the existing 69kV components of the TS-15 substation,
24 as well as a clear view of some of the proposed
25 alignments related to the different route alternatives.

1 From that point, we would then take the road out
2 from the data center facility down Bullard Avenue and
3 then head east on Broadway Road, stop at the second
4 location there, which is essentially at the southwest
5 corner of the Wildcat data center site. And that is a
6 location near a residence where we would have a clear
7 view of some of the residences nearby, as well as a
8 point where there is a common alternative or link
9 between all of the proposed routes.

10 We would then move on to the next stop, which
11 would be identified as Stop 3. And this is a point near
12 two residences where, you know, in our discussions and
13 in our predrive of the route tour, we thought it could
14 likely be a place where we could stay on the bus as
15 opposed to actually exiting the bus, getting out. It is
16 a location where there is limited space for pedestrian
17 traffic. As well, I think, being in the bus may provide
18 a better vantage point actually looking out the windows
19 that way.

20 We would then propose to move to the fourth
21 stop, which would be at the border between the Wildcat
22 and Cyclone properties. And that's another location
23 where we thought it would be useful to actually exit the
24 bus. There is a little more space there. You can see
25 both data center properties, a clear view of where

1 multiple route alternatives would be proposed.

2 We then move on to Stop 5, which is another stop
3 where there is a little less space. And we would
4 propose to stay on the bus again. The view is going to
5 be very similar there from what we have seen in Stops 3
6 and 4 as well, so we saw less of a need to get out.

7 At that point, we would head north on Litchfield
8 Road and go to the final, or sixth, stop there. It's
9 Riverside Drive. And what is near there are clusters of
10 residences. And the point of that, again, there is
11 limited space, but the point of that, we would intend to
12 stay on the bus again at that location and have a view
13 to the west across both the Cyclone and Wildcat data
14 center properties. And it gives you a very good
15 overview of both properties, as well as a view to the
16 south of the existing transmission infrastructure in the
17 area as well.

18 And at that point, we would then head back north
19 on Litchfield Road, then west on Van Buren and back to
20 the Comfort Suites hotel.

21 And based on our predrive, we would anticipate
22 maybe 15 or 20 minutes, depending on the conversation at
23 each point for each stop, and estimate that the tour in
24 total would probably be about two hours, but certainly
25 less than three.

1 CHMN. CHENAL: All right. Very good. So add a
2 little time to that, but sounds like we will get it
3 completed in the morning, certainly of Wednesday
4 morning. Very good. That sounds good. That's a good
5 plan. I think based on what I have seen here, it gives
6 a good vantage of the project, good idea of the project
7 to the Committee.

8 MR. DERSTINE: Just for the record, I mean
9 Mr. Petry was referring to the map and the itinerary
10 that were both collected under Exhibit 8.

11 CHMN. CHENAL: All right. Will there be a
12 Google Earth flyover?

13 MR. DERSTINE: Yes.

14 CHMN. CHENAL: There will be, very good.
15 Because usually there is at least one or two members of
16 the Committee that don't take the tour, and I think it
17 is still important for them to see the project from an
18 overview perspective.

19 We will take a break every 90 minutes, as we
20 usually do, provide certainly Colette with an
21 opportunity to break. And I am sure she loves hearing
22 we are going on the bus and there is going to be some
23 testimony, we are not getting out. This is the
24 nightmare for Colette. But we will do -- we will be as
25 considerate as we can to Colette.

1 I want to confirm there is going to be wi-fi,
2 robust wi-fi at the hearing venue.

3 MR. LARSEN: That's correct.

4 CHMN. CHENAL: I see a lot of heads nodding yes.
5 Any other issues regarding the hearing itself
6 that we should discuss?

7 MR. DERSTINE: I don't think so. We are still
8 kind of working through how we intend to present the
9 case. We are certainly going to present the witnesses
10 identified in our filing as a panel, Mr. Spitzkoff,
11 Mr. Larsen, and Mr. Petry, "and Mr. Petry."

12 My thought was, in terms of how to most
13 efficiently use the half day that we have on Tuesday,
14 would be to do a short opening -- I am not going to ask
15 for leave to go beyond the time you have allowed to me
16 in the procedural order --

17 CHMN. CHENAL: Isn't it 30 minutes?

18 MR. DERSTINE: Yes.

19 -- and then to --

20 CHMN. CHENAL: Do you need more than 30 minutes?

21 MR. DERSTINE: I don't.

22 CHMN. CHENAL: I didn't think so. If you do,
23 let me know.

24 MR. DERSTINE: Linda won't let me have more than
25 30 minutes.

1 -- and then to introduce our panel, which is how
2 I have done it in prior cases. But I think in this case
3 it makes sense to introduce each member of the panel,
4 give a little bit of their background, because they will
5 be testifying -- oftentimes one or two members may both
6 have something to say about a specific topic.

7 So the thought was to introduce our panel and
8 then to give some background on data centers and the
9 data centers that are moving to the west valley, why
10 that's happening, some of the key features of data
11 centers, some of the background we have talked about,
12 and then to do our flyover before the 5:00 or 5:30
13 public comment on Tuesday. So that's, thinking out
14 loud, that's kind of how we think that afternoon will go
15 first day.

16 CHMN. CHENAL: And then the next day will be, at
17 least the morning will be the tour.

18 MR. DERSTINE: Tour.

19 CHMN. CHENAL: And then what do you anticipate
20 for Wednesday afternoon?

21 MR. DERSTINE: Wednesday afternoon would get
22 into the heart of our case, moving through both the
23 project design, project description, the route, the
24 development of the routes, the alternatives, the purpose
25 and need, moving on to our public process. That's

1 probably Wednesday afternoon and Thursday morning.

2 CHMN. CHENAL: Okay. That makes sense. I would
3 anticipate some interest from the Committee on the data
4 centers and the need for the power.

5 MR. DERSTINE: Okay.

6 CHMN. CHENAL: Because I think there needs to be
7 an education. This is, I think, the first case we have
8 had with providing power specifically to data centers.
9 And, I mean, need is one of the, it is obviously one of
10 the factors we have to determine exists for the project.
11 And I just think this is an opportunity for APS to
12 provide education to the Committee on the data centers,
13 because this isn't the only one that we are going to
14 have. It is probably the forefront of a number we will
15 have in the future. And I think this is a great
16 opportunity for APS to be able to educate the Committee
17 on this, on this developing, I won't say technology, but
18 the developing need for power for this type of a
19 customer.

20 MR. DERSTINE: Yeah.

21 CHMN. CHENAL: All right. Let's talk about the
22 procedural order. I believe you had indicated there has
23 been exchange of witness summaries or testimony and
24 exhibits, is that correct?

25 MR. DERSTINE: Yes.

1 CHMN. CHENAL: You have had an opportunity to
2 meet and confer, is that correct --

3 MR. DERSTINE: Yes.

4 CHMN. CHENAL: -- counsel, for the applicant and
5 the Commission?

6 Are there any issues that you believe we need to
7 discuss regarding any legal issues or any issues with
8 respect to testimony or exhibits?

9 MR. EMEDI: Not from Staff's perspective.

10 MR. DERSTINE: None here.

11 CHMN. CHENAL: And as I always ask, the
12 applicant has had conversations with the Commission
13 regarding the financial, you know, payment of all the
14 costs and expenses with regard to the hearing?

15 MR. DERSTINE: We have paid our filing fee. I
16 did communicate with your assistant just about exactly
17 that kind of assurance, but we have -- what was intended
18 there. But we have communicated with the business
19 office. And I think at the end of the day the
20 Commission and the Staff know where APS is and we are
21 not going to run out and not pay our bill if the cost
22 exceeds what we have paid to date.

23 CHMN. CHENAL: That's good. That's really the
24 assurance we are looking for. That's sufficient.

25 MR. DERSTINE: Okay.

1 CHMN. CHENAL: Thank you.

2 All right. Again, I have not had an opportunity
3 to review the full CEC, but in looking at the exhibit,
4 proposed Exhibit 9, it looks to me as though there is,
5 there are track changes which reflect changes from the
6 previous conditions in cases with the conditions you are
7 proposing for this case. So that's good. I think
8 that's helpful.

9 MR. DERSTINE: Mr. Chairman, we used the CEC
10 from Case 181 as the base to compare. And our proposed
11 CEC does reflect the two amendments that came at open
12 meeting on Case -- in that case that changed the term to
13 10 years. So we have reflected a 10-year term for the
14 CEC, and did remove Condition 24, which addressed the
15 effect of the corridor.

16 CHMN. CHENAL: Very good. I know that's what
17 the Commission had expressed at the last hearing. We
18 haven't met as a Committee on that, so there probably
19 will be some, you know, discussion. But I did provide
20 to the Committee this week the transcript of that
21 hearing before the Commission so they can be aware of
22 the reasons for the changes. So there may be some
23 discussion on it. But at least going in, they will,
24 they should have the opportunity to understand the
25 background for those changes.

1 Mr. Emedi, have you had a chance to review the
2 proposed CEC?

3 MR. EMEDI: Yeah, I did have a chance to look at
4 it yesterday and did note that it looks like the
5 proposed terms are all tried and true from the previous
6 Case 181. So I don't see any issue with anything that
7 has been proposed. And given my conversations with
8 Staff as far as their take on that application, I don't
9 anticipate that we will have any additions. But I will
10 circle back with them after they have had a chance to
11 review all the supplemental materials.

12 CHMN. CHENAL: There is some -- normally when we
13 have received a letter back from the Staff, I say Staff,
14 but from the Corporation Commission, there is usually a
15 request and condition that, if the lines are within a
16 certain distance from gas lines, if the transmission
17 lines, that there are certain tests that are performed.
18 And I don't know if that provision is in here, but I
19 would just ask you to make sure that the provision
20 that's proposed is consistent with the Staff's request
21 for that standard condition.

22 MR. EMEDI: I believe that is included in
23 paragraph 16.

24 MS. BENALLY: That's correct.

25 CHMN. CHENAL: So Condition 16?

1 MS. BENALLY: Yes. It is the gas line
2 condition.

3 CHMN. CHENAL: All right. Very good.

4 Now, since it always comes up, Mr. Derstine, how
5 are we going to describe the corridor for the project,
6 by legal description, by map, or both?

7 MR. DERSTINE: Our proposal to the Committee
8 will be to describe it by map.

9 The corridor that we are requesting in this case
10 ranges from 500 to 600 feet. The larger corridor is the
11 section of the project which will be sited on the land
12 owned by the data center customer, largely on the
13 Microsoft land. So having some greater flexibility and
14 a wider corridor on that portion of the project seemed
15 appropriate.

16 The remaining corridor will be 500 feet. And we
17 are looking to -- in the process of preparing a map
18 which would identify the route. Assuming it is the
19 preferred route, or whatever route the Committee
20 ultimately decides is the best route and grants us a CEC
21 to build, we will then have a map which identifies that
22 route in relation to the projects, and then shows the
23 corridor width along the length of the route.

24 So we are working on that. We wanted to make
25 sure that we had something that is detailed enough so

1 that anyone would have notice of where the project is
2 being constructed.

3 At the same time, we are still in negotiations
4 with the landowner that owns the farmland, the
5 agricultural land, which is between the data centers and
6 the 230kV line which we are going to interconnect, which
7 is the Palm Valley-Rudd line. So we want to have some
8 flexibility in there to work with that landowner and
9 ultimately locating the line so that it creates the
10 least amount of impact on the current farming operations
11 that are ongoing.

12 So our proposal, to answer your question again,
13 is to do it by map, without a legal description. I
14 think in other cases it may be important to have a
15 legal. I think this case, given that it is serving the
16 projects, the portion of the project is built on land
17 owned by these customers, that a map would work and be
18 sufficient. But our objective is to get that map
19 prepared and then have it presented along with the draft
20 CEC for review by yourself and members of the Committee
21 well in advance of the time that we are deliberating
22 over a CEC so that, if folks don't like it and they want
23 something better or different, then we can work on that.

24 CHMN. CHENAL: My sense is, is that, as this
25 process evolves in the cases that I have been involved

1 with over the last, you know, two plus years, that I
2 think more and more the Committee is interested in
3 defining where the corridors are to be located. And I
4 can't give you any hard and fast rule about that, but it
5 just seems as though, you know, legal descriptions seem
6 to be working their ways more and more into the CEC.
7 And it is not my decision, as you know. It is the
8 Committee's decision as to how, the specificity with
9 which they wish the corridor to be defined.

10 So I have to throw out the possibility the
11 Committee will want to see legal descriptions. And
12 maybe, maybe, I know it would be premature, it is
13 putting the cart before the horse, but maybe at the
14 beginning of the hearing, you know, we can maybe at
15 least start the discussion with the Committee on what
16 their preference might be. They will have read the
17 application. They will be very familiar with, you know,
18 with what is being proposed. And maybe we can at least
19 see if we, well, if we have a discussion on the issue,
20 to at least give you more time to come up with a legal
21 description if that's what is requested.

22 Yes, I understand there are different options
23 here on alternatives that are being proposed. But on a
24 long, a case that takes more time, I'm just going to say
25 it takes more time to present, there is more of an

1 opportunity as the case goes on to develop those legal
2 descriptions. And I am just thinking of you, the
3 applicant and the people, and the time we have set for
4 this hearing, that there is sufficient amount of time,
5 you know, to do something like that.

6 So I am going to propose that we address that.
7 And if I forget to raise it, I am going to ask the
8 applicant or representatives to remind me that maybe we
9 address that early on, maybe even after the opening
10 statement before we actually get into the hearing to at
11 least begin the discussion and see kind of what the
12 preference is. Because those things aren't done
13 overnight. And, you know, if we start Tuesday and it is
14 Thursday and we are in deliberations Thursday afternoon
15 and the Committee says we want a legal description, I
16 don't know how much time it takes to get those finished,
17 but I think that it is important.

18 MR. DERSTINE: I appreciate that. And so maybe
19 what we can do is, through one of our early witnesses,
20 present, mark and present as an exhibit what we propose
21 would be the Exhibit A and then talk through how that
22 was prepared and what sort of notice we think it
23 provides. And then the Committee members can express
24 their position and their view on whether that's
25 sufficient or not.

1 And certainly we take your comments to heart in
2 terms, and the caution, that we should be prepared also
3 with a legal, if that's the will of the Committee.

4 CHMN. CHENAL: Good. I think that's a good
5 plan.

6 MR. DERSTINE: Okay.

7 CHMN. CHENAL: I don't want to see, I don't want
8 to see the applicant, you know, attorneys and staff, you
9 know, scrambling at the last minute. You know, if
10 that's the desire, let's address it on the front end so
11 you have time to do it.

12 MR. DERSTINE: Thank you.

13 CHMN. CHENAL: All right?

14 And I think you had indicated the last time we
15 met that there are no NEPA or federal impacts --

16 MR. DERSTINE: There are not.

17 CHMN. CHENAL: -- on this case.

18 And what is the, what is the status of the
19 airport regarding their position on this project? Do
20 you foresee any issues with the airport?

21 MR. DERSTINE: We don't. And you will hear
22 testimony, the Committee will hear testimony at the time
23 of the hearing that we have some of the preliminary
24 study work from the FAA concerning the height of our --
25 or our highest structures in relation to the flight

1 paths of the airport, and that they don't foresee any
2 issues.

3 Am I stating that --

4 MR. PETRY: Yes.

5 MR. DERSTINE: -- close to correct? Go ahead.

6 MR. PETRY: I would add to that, we have also
7 coordinated -- in addition to the coordination that APS
8 has made with the FAA, we have coordinated directly with
9 the airport and City of Phoenix aviation planning staff,
10 because they are responsible for that airport. And we
11 have heard no concerns. We did receive Exhibit H
12 mailing responses from the airport as well with no
13 concerns identified.

14 CHMN. CHENAL: All right. Good, good.

15 You will provide notebooks for the Committee
16 members? Or what are you going to provide for the
17 Committee members in terms of the hearing?

18 MR. DERSTINE: So the plan is to provide the
19 application and -- the bound application that you
20 received a copy of, as well as the bound filing that was
21 made yesterday of APS's exhibits. And, in addition, all
22 those, the application and the exhibits, will be
23 collected and presented on an iPad for each of the
24 Committee members as well.

25 CHMN. CHENAL: Perfect. And I know the

1 Committee will appreciate that.

2 We have an applicant that doesn't believe in
3 the -- it is not APS -- how, maybe I will use the word,
4 addicted the Committee has become to iPads and having
5 all the information on the iPads. But I think it is
6 just a great tool to assist with the presentation. I
7 know it is appreciated.

8 I mean, you know, once you start using those --
9 I know there is still a few Committee members that like
10 to pile books up and, you know, shift through things
11 and, but I mean most of the members, you know, just like
12 the iPad anymore. So that will be appreciated.

13 All right. Are there any other issues,
14 concerns, anything that we should discuss before the
15 hearing?

16 MR. DERSTINE: Not that I am aware.

17 CHMN. CHENAL: If something comes up, of course
18 just give me a call, let me know.

19 But I appreciate that the, you know, the
20 applicant and the Commission are working together well
21 on this. And I think it will be an exciting project for
22 the Committee to hear just because it is, you know, it
23 is just a brand new need for power that at least the
24 Committee hasn't addressed yet.

25 I mean, as you know, next week's hearing in

1 Flagstaff concerns a gen-tie line for a wind turbine
2 farm. So we have two back to back, you know, two weeks
3 of hearings back to back that are brand new technologies
4 or needs for power for the Committee. And it is just a
5 sign of the times. So that's why, with respect to both
6 applicants, I advise to maybe spend a little time using
7 this as an opportunity to educate the Committee on the,
8 you know, in this case, the need, the new need for the
9 power and why it requires so much power. It will be
10 very much appreciated. Perhaps it will be appreciated
11 by the Commission as well. I think it will be.

12 Our goal always is to, you know, create a
13 complete record and use our best judgment. And, you
14 know, obviously the Commission, the Commission has the
15 ability to make changes as they see fit. But I, you
16 know, I think our goal, my goal is to make sure the
17 Commission has a complete record so that they are in the
18 best position possible to make any changes they see or
19 to have confidence that what we proposed is solid.

20 So --

21 MS. BENALLY: I do not have anything, Matt.

22 CHMN. CHENAL: Okay. Mr. Emedi, is there
23 anything?

24 MR. EMEDI: Nothing else from the Commission.

25 And I do agree, I think the background would be helpful

1 information to have.

2 CHMN. CHENAL: Good. And we won't object to any
3 cross-examination to elicit more information about the
4 projects in the event the applicant doesn't present
5 something. I fully expect they will. But maybe the
6 technical expertise of the Staff of the Commission will
7 draw out some information that would be useful to the
8 Commission.

9 And I am looking forward to this very much. And
10 I think the Committee is, too.

11 So is there anything else further that we should
12 discuss?

13 MR. LARSEN: No.

14 CHMN. CHENAL: All right. Well, let's -- that
15 will complete the hearing. And I look forward to seeing
16 everyone the week after next. Again, if something comes
17 up in the interim, please let me know. We will take
18 care of it. It will have to be by phone next week, but
19 I will make myself available and address anything that
20 comes up.

21 (The proceeding concluded at 11:58 a.m.)

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1 STATE OF ARIZONA)
2 COUNTY OF MARICOPA)

3

4 BE IT KNOWN that the foregoing proceedings were
5 taken before me; that the foregoing pages are a full,
6 true, and accurate record of the proceedings all done to
7 the best of my skill and ability; that the proceedings
8 were taken down by me in shorthand and thereafter
9 reduced to print under my direction.

10

11 I CERTIFY that I am in no way related to any of
12 the parties hereto nor am I in any way interested in the
13 outcome hereof.

14

15 I CERTIFY that I have complied with the
16 ethical obligations set forth in ACJA 7-206(F)(3) and
17 ACJA 7-206 (J)(1)(g)(1) and (2). Dated at Phoenix,
18 Arizona, this 16th day of September, 2019.

19

20



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22 COLETTE E. ROSS
23 Certified Reporter
24 Certificate No. 50658

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27 I CERTIFY that Coash & Coash, Inc., has complied
28 with the ethical obligations set forth in ACJA 7-206
29 (J)(1)(g)(1) through (6).

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