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BEFORE THE ARIZONA POWER PLANT
AND TRANSMISSION LINE SITING COMMITTEE

IN THE MATTER OF THE APPLICATION OF) DOCKET NO.
ARIZONA PUBLIC SERVICE COMPANY, IN) L-00000D-19-0196-
CONFORMANCE WITH THE REQUIREMENTS OF) 00183
A.R.S. §40-360 ET SEQ., FOR A)
CERTIFICATE OF ENVIRONMENTAL)
COMPATIBILITY AUTHORIZING THE WILDCAT)
AND CYCLONE TRANSMISSION LINE)
PROJECT, WHICH INCLUDES THE) CASE NO. 183
CONSTRUCTION OF NEW 230-KILOVOLT)
SINGLE CIRCUIT TRANSMISSION LINES,)
WITH THE INTERCONNECTION ORIGINATING)
AT THE EXISTING APS PALM VALLEY-RUDD)
230-KV TRANSMISSION LINE (RUDD)
TRANSMISSION LINE), PROCEEDING TO)
THE TS15 SUBSTATION, NE QUARTER OF)
THE SW QUARTER OF SECTION 21 OF)
TOWNSHIP 1 NORTH, RANGE 1 WEST,)
CONTINUING TO THE TS18 SUBSTATION, SE)
QUARTER OF THE SE QUARTER OF SECTION)
21 OF TOWNSHIP 1 NORTH, RANGE 1 WEST,)
AND CONTINUING SOUTH TERMINATING AT)
THE RUDD TRANSMISSION LINE LOCATED)
WITHIN MARICOPA COUNTY, ARIZONA.)
_____)

At: Goodyear, Arizona
Date: September 25, 2019
Filed: October 1, 2019

REPORTER'S TRANSCRIPT OF PROCEEDINGS
VOLUME II
(Pages 181 through 364)

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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 Comfort Suites Goodyear, 15575 West Roosevelt, Goodyear,
5 Arizona, commencing at 9:32 a.m. on the 25th of
6 September, 2019.

7

8

BEFORE: THOMAS K. CHENAL, Chairman

9

10 LAURIE A. WOODALL, Arizona Corporation
Commission
11 LEONARD C. DRAGO, Department of Environmental
Quality
12 JOHN R. RIGGINS, Arizona Department of Water
Resources
13 MARY HAMWAY, Incorporated Cities and Towns
JIM PALMER, Agricultural Interests
14 PATRICIA NOLAND, General Public
JACK HAENICHEN, General Public
15 KARL GENTLES, General Public

16

17 APPEARANCES:

18 For the Applicant:

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22 and

23 PINNACLE WEST CAPITAL CORPORATION
Law Department
24 By Ms. Linda Benally, Senior Attorney
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25 Phoenix, Arizona 85004

1 APPEARANCES:

2 For the Arizona Corporation Commission Staff:

3 Mr. Stephen Emedi
4 Staff Attorney, Legal Division
5 1200 West Washington Street
6 Phoenix, Arizona 85007

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1 (All parties, Chairman Chenal, Committee Members
2 Haenichen, Woodall, Palmer, Drago, Gentles, and Riggins
3 were present.)

4 CHMN. CHENAL: All right. Good morning,
5 everyone. This is the time for -- we are a few minutes
6 late but that's okay -- time set to begin the tour.

7 So off line Mr. Derstine and I had a quick
8 conversation. There is going to be a little change, an
9 addition to part of the route based on public comment
10 last night.

11 So, Mr. Derstine, if you want to, Ms. Benally --

12 MR. DERSTINE: Good morning, Mr. Chairman,
13 members of the Committee.

14 CHMN. CHENAL: -- speak to that.

15 MR. DERSTINE: Good morning. In light of the
16 public comment from the farmers who indicated the impact
17 of the preferred route on farming operations and having
18 structures within the field, we thought we might add a
19 leg to the route tour that would give the Committee a
20 better viewpoint of what it looks like a bit under the
21 transmission lines that are there on the south end. I
22 think there was comment that essentially they are
23 farming under those and it impacts their agricultural
24 operations.

25 So we thought we would add that leg on the

1 beginning. And I think Mr. Spitzkoff can narrate as
2 Mr. Eich will show what we propose to add. It is a leg
3 before we get to Stop 1. So it doesn't modify the route
4 tour per se, but we are adding a drive ahead of it.
5 Whether or not we can stop along the way, I think we
6 have to play that a bit by ear. But I will let
7 Mr. Spitzkoff talk us through it.

8 MR. SPITZKOFF: Okay. Thank you.

9 So what our proposal is, where we are coming
10 down Estrella Parkway, previously we were going to turn
11 up 85 and head to Stop 1 here. We are proposing
12 continuing down Estrella Parkway. This will take us
13 under the transmission corridor one time, and then there
14 is a road here whose name just escaped me, Vineyard, and
15 then head back up north on Bullard Avenue, again
16 crossing under the existing transmission corridor.

17 This is the location we would play by ear. We
18 don't think we would exit the bus, but either slow down
19 or have the opportunity to pull over and actually stop
20 for a second, and then continue on right here to our
21 Stop No. 1 and continue the tour as proposed yesterday.

22 MR. DERSTINE: Mr. Spitzkoff, can you zoom us in
23 or have Mr. Eich do it, whoever is best to do that, and
24 just give us a little sense of what we will be looking
25 at when we are kind of more on the street level along,

1 under the corridor.

2 MR. SPITZKOFF: Yes. So this is Bullard Avenue.
3 And to the west there is a couple of structures that you
4 would be able to see in the fields. And then to the
5 east there are structures just off the roadway that you
6 would be able to see also.

7 MR. DERSTINE: Again, we have a bus that could
8 drive us across country apparently. And so we may have
9 a good perspective just from the bus, but if there is a
10 safe spot to stop along anywhere along there, we will
11 try to do that. So if that's acceptable, that's our
12 suggestion.

13 CHMN. CHENAL: I think that's fine. And,
14 really, we are not deviating from the tour per se. We
15 are just taking a different route to begin the tour,
16 which will give the Committee additional perspective.
17 So I don't think this offends in any way the notice of
18 the tour that was given. So I think that's good.

19 Let me just remind everyone, you know, we can
20 take some comment on the bus, but, you know, if you have
21 got a lot of questions, maybe hold them until we get
22 back, and we will take them up when we, you know, when
23 we resume the hearing. It's just hard for Colette to
24 take everything down out in the field.

25 But I think this will be a good start. I see we

1 have very colorful shirts or jackets that were brought
2 in.

3 MR. DERSTINE: So I will let Mr. Spitzkoff, in
4 terms of there is some things to note from a safety talk
5 standpoint. In addition, before we go on the bus,
6 please grab a water or something for the ride. We are
7 not going to be out for hours, but it may be worth your
8 while to bring a water with you.

9 Mr. Spitzkoff.

10 MR. SPITZKOFF: Thank you.

11 So, as Mr. Derstine just said, we ask everyone
12 on their way out to grab at least one bottle of water,
13 take them with them.

14 We will be out in the field. You know, these
15 are, you know, relatively lightly traveled roads that we
16 will be on the side of. So it is -- we don't think
17 there is a big safety concern; however, we are still out
18 in the environment.

19 So while we are on the bus and by the time we
20 get back, you will be in the care and control of APS.
21 That should make you feel better because APS's number
22 one mission and number one value is safety both for our
23 employees and the public and anyone in our care. So
24 that's the first job of all employees. As a matter of
25 fact, if it is your first day at work or you are a

1 40-year veteran, anyone has the ability to stop a job if
2 they feel there is a safety concern. So I would extend
3 that to the Committee also. If anyone has any concerns,
4 you know, raise it with one of the representatives.

5 We are going to have four APS employees that
6 will have their safety vests on. The two gentlemen that
7 you have seen the last couple days running the screens,
8 Mr. Eich is the left and our ZZ Top member, who is not
9 here at the moment, is the other one. Mr. Larsen will
10 also have a vest, and Mr. Duncan in the back. They will
11 maintain overall situational awareness for everybody,
12 make sure no one is staring at the sky and wandering
13 into a street. There he is.

14 Again, so, you know, we have driven this route
15 previously. We think there is very minimal obstacles,
16 safety concerns. Really uneven ground is one of the
17 biggest things to watch out for. So just be careful
18 where you are walking. And we believe we are going to
19 exit the bus for three locations. The rest of the
20 locations we will likely remain on the bus.

21 CHMN. CHENAL: Mr. Derstine, who will be
22 speaking at the stops primarily? Mr. Spitzkoff?

23 MR. DERSTINE: I think, keeping with our
24 somewhat collective panel approach, I believe it is
25 going to be Mr. Spitzkoff and Mr. Petry.

1 CHMN. CHENAL: Okay.

2 MR. DERSTINE: If that doesn't create too many
3 problems for Colette. We will make sure she has an
4 opportunity to identify if they both speak.

5 CHMN. CHENAL: Let's just make sure they are up
6 front of the bus with Colette and me.

7 MR. SPITZKOFF: I would like to add we will try
8 as we get to each stop or when we load the bus at each
9 stop to indicate what we believe would be the better
10 vantage point, right side of the bus or left side of the
11 bus, for you to sit on.

12 CHMN. CHENAL: That's fine.

13 Okay. So any questions from the Committee?

14 Mr. Derstine.

15 MR. DERSTINE: I was going to say the only last
16 thing, we have this route tour map that we can hand out,
17 another one of our very big maps for you. So that may
18 be useful to have just to see where we are headed along
19 the route.

20 MS. BENALLY: Shows the key observations points.

21 MEMBER GENTLES: This one here, the 6.

22 MR. DERSTINE: That's -- so bring that as well.
23 So there are two things, two very big maps that we have
24 given you that we may refer to and I think may be
25 helpful. One is the key observation point exhibit. And

1 that has a map first and then it has the simulations
2 that show the existing condition and then what we,
3 Mr. Petry's firm has simulated in terms of what the
4 infrastructure is likely to look like at that vantage
5 point. There are a couple stops which coincide somewhat
6 closely with some of the KOPs, not all of them, if I am
7 right about that. But it is probably worthwhile to
8 have.

9 So this very big map is called the key
10 observation point map, as well as the simulations are
11 attached to. And then we are going to hand out to you
12 the route tour map as well. So there are things for you
13 to bring, if you like.

14 CHMN. CHENAL: And, again, let me just remind
15 the panel, when we come back, I would like to see the
16 overview again. And we can go through in more detail
17 the, you know, the simulations with the, with various
18 things. I just, I want to avoid being out there in the
19 field and having a long discussion about these, the
20 printouts, given that we are in the field and it is very
21 difficult for the court reporter to take down a lot of
22 testimony. We can do some and will answer a few
23 questions, but let's save the long descriptions when we
24 come back. We will be happy to take it up when we
25 resume the hearing first thing.

1 And lastly, Mr. Derstine, the handout that was
2 just handed out, is there -- it says, it gives the
3 project names, key observation points. And I think any
4 one of the, all of these should become exhibits as some
5 point.

6 MR. DERSTINE: They are and will be.

7 CHMN. CHENAL: Thank you.

8 MR. DERSTINE: We just haven't gotten to them
9 yet through the witnesses.

10 CHMN. CHENAL: All right. Thank you.

11 All right. Are we ready to leave then?

12 MR. DERSTINE: I think so.

13 The only thing I would add or ask, Member
14 Woodall, I recall from yesterday, had a question and
15 wanted to be -- have some, on the tour, communication
16 facility pointed out. If there is anything in advance
17 that you want to see or that you think that you would
18 like to give some special attention to, an explanation
19 to, let us know.

20 MEMBER WOODALL: The only thing I am interested
21 in is knowing the name and type of communications
22 facilities -- I mean it is someone's ham radio tower, I
23 am sure that will be self-evident -- but just what is
24 operating there and what is the name of it. Thank you.

25 MR. DERSTINE: Yeah, will do.

1 CHMN. CHENAL: All right. Let's get on the bus.

2 TIME NOTED: 9:31 a.m.

3 (Participants boarded the bus to begin the
4 tour.)

5

6 ADDED DESTINATION BASED ON PUBLIC COMMENT

7 TIME NOTED: 9:55 a.m.

8 CHMN. CHENAL: We are back on the record. This
9 is kind of a spontaneous stop before Point of
10 Interest 1.

11 Mr. Spitzkoff, do you want to tell us what we
12 are looking at?

13 MR. SPITZKOFF: Yes. So off to the driver's
14 side, or your left, you will see the existing
15 transmission corridor with a number of transmission
16 lines. So there is lattice towers and then another set
17 of lattice towers and then some monopoles and another
18 set of lattice towers. You can see them in the
19 agricultural field, farming right up and even underneath
20 the lattice towers it appears.

21 On the right side, the line, you could see it
22 continue. And a little bit further along there is a lot
23 of structures here, but there is a set of three
24 structures where that would be the ones we are tying in
25 and would be heading north for our project.

1 So now we are back on -- we are on Bullard Road
2 and heading back toward the regular route toward Stop
3 No. 1.

4 CHMN. CHENAL: Okay. Thanks.

5 MR. SPITZKOFF: So this area is part of the
6 area -- there was a farmer, I believe Mr. Rayner, who
7 appeared at the public comment last night, farms
8 underneath these lines here.

9 TIME NOTED: 9:57 a.m.

10 (The bus proceeded to Stop 1.)

11

12 STOP 1

13 TIME NOTED: 10:02 a.m.

14 CHMN. CHENAL: Let's go back on the record.
15 And, Mr. Spitzkoff, you tell us what we are looking at.

16 MR. SPITZKOFF: Certainly. So what we have here
17 is the 69kV portions of the substation. This part is
18 already energized. It is ready for Microsoft to finish
19 their first build and provide power to. You can see the
20 transmission towers here, our 69kV lines that are
21 feeding the 69 side of the sub.

22 After the 230 is energized, these 69 lines will
23 come back out and will reestablish the original 69 line
24 configuration. The 230 portion of the substation will
25 go to the right side. It is empty right now. But the

1 230 would be on that side.

2 The building straight ahead, the tan-colored
3 building, is a control house. You can see out in the
4 distance the Microsoft building that's over there.

5 Now, if we look south, the three structures we
6 would be coming off of from the existing transmission
7 corridor, if you look at the house that's in your view,
8 it is the monopole structures, really the first ones are
9 just to the left, you will see a series of like three
10 individual monopoles there. So we come off of there.
11 The house is right by the property line. So our
12 corridor would, would be starting at that property line
13 and extending up to the substation site here basically
14 generally following where the 69 line is constructed
15 today.

16 CHMN. CHENAL: And, for the record, we are at
17 our Point of Interest No. 1 on the tour.

18 MR. SPITZKOFF: The only other thing I will
19 point out, if we were a little bit closer you would see
20 our substation perimeter is inside of Microsoft's, what
21 will eventually become Microsoft's outer perimeter on
22 this site.

23 MEMBER PALMER: Where is Broadway Road from
24 here?

25 MR. SPITZKOFF: Broadway Road, again, if you

1 look at the house that's in your view --

2 CHMN. CHENAL: South of here.

3 MR. SPITZKOFF: -- that is just on the south
4 side of Broadway Road. So it is right in front of you
5 in that area. And we will be heading to Broadway Road
6 on the next stop.

7 MEMBER PALMER: Thank you.

8 CHMN. CHENAL: All right. Any further
9 questions?

10 MEMBER WOODALL: I wanted to ask one. And I
11 know there has been some reference to a potential State
12 Route 30 from Mr. Petry.

13 And I was going to ask you, sir: Is that route
14 depicted on any of the maps that we have been provided
15 for the tour?

16 MR. PETRY: Yes, it is. It is depicted on the
17 planned land use map, which I believe is Exhibit A-4 to
18 the application.

19 MEMBER WOODALL: So the potential parcels south
20 of Broadway that were being discussed by the ranchers
21 last night, is any of the land to which they were
22 referring, is any of that land going to be potentially
23 impacted by State Route, the proposed State Route 30?

24 MR. PETRY: Yes.

25 MEMBER WOODALL: Okay. So when we get back,

1 could you generally show that to us?

2 MR. PETRY: Yes.

3 MEMBER WOODALL: Thank you very much.

4 MR. SPITZKOFF: I just want to clarify. I
5 believe you asked if it was on any of the maps provided
6 for the tour. It is not on these maps but it is on
7 exhibits that we have in the presentation.

8 MEMBER WOODALL: Yes. I was just trying to
9 figure out standing here where a potential highway might
10 be. Thank you.

11 MR. SPITZKOFF: We will point that out at some
12 of the next stops.

13 MEMBER WOODALL: Oh, thank you.

14 MR. SPITZKOFF: It will be closer.

15 MEMBER WOODALL: Plus maybe on the Google
16 flyover possible.

17 MR. SPITZKOFF: Yes.

18 MEMBER WOODALL: Thank you very much. I don't
19 have any other questions.

20 CHMN. CHENAL: Member Haenichen.

21 MEMBER HAENICHEN: Apparently there is some
22 construction going on at this site, is that correct?

23 MR. SPITZKOFF: Yes, sir.

24 MEMBER HAENICHEN: Is any of that construction
25 for this project?

1 MR. SPITZKOFF: The construction that you see
2 currently going on is on Microsoft facilities. The only
3 APS construction would have been at the substation site
4 here. And we are already done with our construction of
5 the 69 portion. We likely won't start additional
6 construction if and until Microsoft is wanting to power
7 up their second building and then as we go to
8 construction for the 230 facilities.

9 MEMBER HAENICHEN: Okay. Is it fair to say that
10 Microsoft is just assuming that this CEC is going to be
11 granted and betting on the coming?

12 MR. SPITZKOFF: I don't know if I can answer
13 that.

14 MEMBER WOODALL: May I ask another question?

15 CHMN. CHENAL: Member Woodall.

16 MEMBER WOODALL: So the electrical facilities
17 that we see here in the foreground were constructed by
18 whom?

19 MR. SPITZKOFF: These were constructed by APS.

20 MEMBER WOODALL: Okay. And the rest of the
21 facility is going to be constructed by whom?

22 MR. SPITZKOFF: The rest of the electrical
23 facility?

24 MEMBER WOODALL: The substation, I am sorry.

25 MR. SPITZKOFF: By APS.

1 MEMBER WOODALL: Okay. Thank you. And I just
2 was wondering if the data center was going to construct
3 itself or hire a contractor, and I hear the answer to my
4 question was no. Thank you.

5 MR. SPITZKOFF: APS will own and operate the
6 substation facilities.

7 MEMBER WOODALL: Thank you very much.

8 CHMN. CHENAL: All right. Anything else before
9 we move on to the next stop?

10 (No response.)

11 CHMN. CHENAL: All right. Let's go off the
12 record.

13 TIME NOTED: 10:08 a.m.

14 (The bus proceeded to Stop 2.)

15

16 STOP 2

17 TIME NOTED: 10:16 a.m.

18 CHMN. CHENAL: Back on the record.

19 All right. Mr. Spitzkoff, we are at Stop 2. Do
20 you want to explain what we are looking at?

21 MR. SPITZKOFF: Thank you. So we are at Stop 2.
22 We are on the south side of Broadway Road. And
23 generally this area is going to be the property boundary
24 for Microsoft, the project Wildcat.

25 CHMN. CHENAL: Looking north.

1 MR. SPITZKOFF: Looking north. And where the
2 house -- you can see the house. And there is a little
3 dirt mound that runs out there. That is generally the
4 property boundary between the -- I forget the
5 gentleman's name, the property boundary on the south
6 side.

7 CHMN. CHENAL: Just if I may, the house we are
8 looking at just a little southwest of where we are
9 standing is the house that's on the placemat at the
10 hearing site?

11 MR. SPITZKOFF: Yes. So KOP-1 that you will
12 hear about when Mr. Petry describes the key observation
13 point simulations is sort of where that first wooden
14 12kV pole is in that general area. The three closest
15 monopole structures that you see in front of you looking
16 to the south would be the structures we would connect
17 into from the existing 230 line. And then we generally
18 would be running north.

19 You can see on the north side of Broadway Road
20 is the two WAPA 230kV lines that are closest to you
21 here. These are lines we have to cross over. Also on
22 the south side is the APS 69kV line. There is 12kV
23 underbuilt under that. The rusted looking steel 69kV
24 lines, I don't know the official title of that
25 weatherized steel.

1 I think those are what I would call the
2 temporary 69kV feed for the existing 69 portion of the
3 substation. I would say, depending how tall you are,
4 you may be able to see the substation that we were just
5 at at Stop No. 1 out in the distance.

6 And then to our right, or towards the east, you
7 can see the first Microsoft building that's under
8 construction there.

9 MR. DERSTINE: Will that be fed by the 69kV?

10 MR. SPITZKOFF: Yes. So that first building is
11 what will be fed by the 69kV.

12 MR. DERSTINE: And then after the development of
13 the first building, so buildings 2, 3, 4, that's when we
14 would need to have the 230 infrastructure in place to
15 allow them to continue their development. So, but what
16 they are constructing right now will be served from the
17 69 portion of the substation.

18 CHMN. CHENAL: So question. The line on the
19 south side of Broadway, who owns this?

20 MR. SPITZKOFF: Okay. So this line right here?

21 CHMN. CHENAL: Yeah.

22 MR. SPITZKOFF: That is an APS 69 and 12kV line.

23 CHMN. CHENAL: Okay. Now, on the north side of
24 the street, just across, that's the 69 WAPA line?

25 MR. SPITZKOFF: Yes.

1 CHMN. CHENAL: Okay.

2 MR. PETRY: 230 WAPA line.

3 CHMN. CHENAL: 230.

4 MR. SPITZKOFF: Sorry, 230. And it is two of
5 them, one circuit on each side.

6 CHMN. CHENAL: So on the north side of Broadway
7 just a few feet across are the WAPA 230 lines?

8 MR. SPITZKOFF: Yes. And the crossing of WAPA
9 lines is where we utilize the H-frames.

10 CHMN. CHENAL: Correct. Okay. And just for
11 perspective, how tall are the WAPA monopoles?

12 MR. SPITZKOFF: Do we know how tall they are?

13 MR. LARSEN: I believe they are approximately
14 140 feet, maybe 150 feet, but we could verify that.

15 CHMN. CHENAL: Member Haenichen.

16 MEMBER HAENICHEN: And how tall will the
17 crossover poles be?

18 MR. SPITZKOFF: I'm sorry?

19 MEMBER HAENICHEN: How tall is the lattice
20 tower?

21 MR. SPITZKOFF: About 180 feet.

22 CHMN. CHENAL: Member Woodall.

23 MEMBER WOODALL: We are standing adjacent to
24 Broadway Road. And I observe that there are two paved
25 lanes for travel. And I know that you had answered some

1 questions from Committee Member Noland about section
2 lines, quarter section lines, half section lines.

3 Would you happen to know how to characterize
4 this roadway as it relates to those, those section
5 lines?

6 MR. PETRY: So I believe, I would have to verify
7 this with certainty, that this east-to-west alignment of
8 Broadway Road is operating a -- or running along a
9 section line.

10 MEMBER WOODALL: Okay. And I also observed that
11 the lines are, I don't want to say they are snugged up
12 to the road, but they are not that far apart. They are
13 not set off.

14 And so my question is, it relates to the
15 potential development of the agricultural properties
16 through which some portion of the line may go. And we
17 heard from some of the operators there. So I am trying
18 to determine if there is going to be any plans that you
19 know of to enlarge Broadway Road and what the potential
20 plans are that Goodyear has for the agricultural land.
21 I mean I would like to know what it is in the general
22 plan, et cetera.

23 I am trying to determine if the anticipated uses
24 for this land in the future are going to continue to
25 remain agricultural or if the City is thinking that this

1 is going to be, for example, a high tech corridor or an
2 office park or something. And I am not suggesting that
3 it would, but that would be helpful to me when we get
4 back.

5 MR. PETRY: Certainly. And I can speak to that
6 a bit now if you would like.

7 MR. DERSTINE: Loudly.

8 MR. PETRY: So Broadway Road, as far as our
9 review of planning documents, future planning documents,
10 there are no specific plans now for a widening of
11 Broadway Road. But we do anticipate that occurring in
12 the future because this area south of Broadway Road is
13 all planned by the City of Goodyear general plan as
14 either mixed use, commercial or industrial land uses
15 into the future. And so we would assume, because of
16 that, that the frontage along Broadway Road would allow
17 for those commercial, industrial, mixed use access
18 points and could become a more central feature within
19 this area in the future.

20 MEMBER WOODALL: As far as you are aware, there
21 have been no applications for zoning changes on this
22 agricultural land?

23 MR. PETRY: On the southern portion of Broadway
24 Road, correct.

25 MEMBER WOODALL: There has been no applications

1 filed?

2 MR. PETRY: Correct.

3 MEMBER WOODALL: And the City of -- general
4 plan, how far does that foresee into the future?

5 MR. PETRY: The City of Goodyear general plan is
6 operating on a 20-year planning horizon.

7 MEMBER WOODALL: Okay. Thank you very much,
8 sir. You have been most informative.

9 MR. PETRY: Thank you.

10 If I may, Mr. Chairman, I would like to add a
11 little more detail to what Mr. Spitzkoff mentioned
12 earlier. As you -- as Jason noted, as Mr. Spitzkoff
13 noted, we are looking, from this particular point, would
14 be the location of Links 1 and 2 --

15 MR. DERSTINE: A little bit louder, Devin.

16 MR. PETRY: -- Links 1 and 2, which are common
17 to all project alternatives, these would be the
18 westernmost links associated with all project
19 alternatives. And as was indicated by Mr. Chairman, the
20 placemat that was placed on your table there, which
21 shows Key Observation Point, or KOP, 1 is based on a
22 simulated image located south of this residence you see
23 in front of us here. That is the location where we have
24 identified the highest visual impact for the project.
25 This is the location where, as Mr. Spitzkoff noted, the

1 H-frame structures would be used in order to get above
2 these existing WAPA lines.

3 So as proposed currently, there would be an
4 H-frame structure a short distance north of the wooden
5 12kV structures you see to the south. It would then
6 cross over Broadway Road, as well as the existing 69 and
7 230kV structure, and extend onto the Wildcat, or
8 Microsoft, property there.

9 MR. SPITZKOFF: I just want to point out again,
10 so we have already talked about the 69kV line that's to
11 the north of the residence. There is a -- what you see
12 heading towards the south is a 12kV line that I think it
13 terminates at a well down there. So you have a 12kV
14 that is generally following the property boundary also,
15 if that helps with the visual.

16 CHMN. CHENAL: Question. Oh, I am sorry. One
17 quick question. This is where Link 1, we are standing
18 where Link 1 is depicted on the plan, in the plans we
19 saw. Tell me which line -- we are looking at a lot of
20 different lines to the south of us running east and
21 west -- which one of those will this project tie into.

22 MR. SPITZKOFF: Sure. So unfortunately it is a
23 little difficult with the number of poles right here,
24 because to the right of us the line is actually in the
25 center of the other transmission lines. And right at

1 this spot is where it jogs, it takes that jog north and
2 becomes the northernmost line from this point out that
3 way. So if we look one structure over at that first
4 monopole, that's I would say --

5 CHMN. CHENAL: Southeast.

6 MR. SPITZKOFF: -- 10:30-ish --

7 CHMN. CHENAL: Or south, we are looking south,
8 so southeast.

9 MR. SPITZKOFF: -- you can see two arms on that
10 monopole, it would be the one closest to us.

11 CHMN. CHENAL: Okay.

12 MR. SPITZKOFF: The 230 line is on our side of
13 that structure. So it is the first line from these
14 poles out to -- a lot further out that way. It is the
15 northernmost line.

16 CHMN. CHENAL: Okay. So, to simplify, the
17 project will tie into the northernmost line on the
18 monopoles that we are looking at.

19 MR. SPITZKOFF: It will tie into these
20 structures because these are already turning structures.

21 CHMN. CHENAL: Got it.

22 MR. SPITZKOFF: So we believe we can keep those
23 structures, utilize those structures and not have to
24 change them. If we went over to the monopole, we would
25 have to change that structure to handle the turn.

1 CHMN. CHENAL: Got it. Okay. Thank you very
2 much. Member Haenichen has a question.

3 MEMBER HAENICHEN: One of the speakers last
4 night talked about a corner where transmission lines
5 already exist and there was a well. Is that going to be
6 one of our stops?

7 MR. PETRY: Yes.

8 MEMBER HAENICHEN: Can you point that out when
9 we get there?

10 MR. PETRY: Yes.

11 MEMBER WOODALL: During our tour we have seen a
12 number of very tall transmission structures and various
13 configurations. And I note that some of them have, I am
14 going to call them, orange balls on some of the
15 circuits. And what I am wondering is, and I was looking
16 at some, and I thought, gee, that looks like it is the
17 same height, why doesn't it have an orange ball on it.
18 But -- so that's one question.

19 But the real question is: Do you anticipate
20 that any structures that are contemplated by your
21 application will have to have these orange balls? And
22 if you can tell us what they are rather than having me
23 babble, that would be helpful.

24 MR. SPITZKOFF: Yes. So those orange balls are
25 marker balls. Generally they are in areas where there

1 may be conflict with aerial aircraft, helicopters or
2 planes. Specifically why some in the existing
3 transmission corridor have them and others don't I don't
4 know. But I believe most of the time it appears that
5 the tallest structure is the one that has them. And so
6 you don't need four or five of them all in the same
7 location. Whether these new structures will have them
8 or not I don't know if we know that.

9 We do have what we call in the company as the
10 marker ball committee who looks at all of the factors
11 and will determine, along with, you know, if there are
12 regulations that require will determine, if marker balls
13 are placed on the line.

14 MEMBER WOODALL: Thank you.

15 CHMN. CHENAL: All right. Anything further,
16 Mr. Petry?

17 MR. PETRY: Yeah, two quick points I would like
18 to make that would add a little more detail to some of
19 the public comments we received last night.

20 We heard from Mr. Rayner, who is one of the
21 farmers who works on Mr. Wagner's property. I would
22 like to point, I would point out that property line is,
23 what we see here, is adjacent to this residence. So the
24 portion of the fields here that are currently green are
25 the portions of the fields owned by Mr. Wagner and

1 farmed by Rayner.

2 If we look to the west of here, you can see the
3 property where the residence is located that is owned by
4 Mr. David Beckham, who also provided comment last night.
5 This is the residence he spoke of that is a tenant on
6 his property. And so this road here to our west would
7 be the dividing line between those properties.

8 One more thing that may be helpful for the
9 Committee when we get back and look closer at these
10 visual simulations is, within these visual simulations,
11 and I can provide much more detail on this later, we
12 provide a reference map. In the upper right-hand corner
13 and within that reference map we provide in green a
14 viewshed or viewing cone that details and describes the
15 portion of the view from the photo point that is within
16 view of both the existing condition and the simulated
17 condition.

18 And I would like to point out that the photo
19 point, or KOP, for this particular simulation was placed
20 slightly south of this residence. So the view that you
21 see in these photos, both the existing and simulated
22 condition, is from slightly south of this particular
23 residence here.

24 MR. SPITZKOFF: And a final point. I believe
25 KOP-2 is further up the road -- would you think

1 generally by the box over there?

2 MR. PETRY: It is on this western side of that
3 residence, yes, near the electrical boxes.

4 MR. SPITZKOFF: Generally by where that
5 electrical box is.

6 CHMN. CHENAL: 200 yards east of where we are.

7 All right. Let's be mindful that this is
8 difficult for the court reporter, and we can ask a lot
9 of follow-up questions when we get back.

10 So Member Woodall.

11 MEMBER WOODALL: Keeping your admonition in
12 mind...

13 You were pointing out to us that the direction
14 that we are looking is land that is farmed by Rayner,
15 correct.

16 MR. PETRY: Yes.

17 MEMBER WOODALL: I see where the turning
18 structures are located, which I am assuming are the big,
19 fat monopoles, would that correct?

20 MR. PETRY: Correct.

21 MEMBER WOODALL: Okay. How far back does
22 Mr. Rayner farm? Does he farm where the big, fat
23 turning structures are?

24 MR. PETRY: Yes.

25 MEMBER GENTLES: So I have a question. And one

1 day I will be able to not say up front "forgive my
2 ignorance on the question." However, the viewshed that
3 you are talking about is going that way --

4 CHMN. CHENAL: South.

5 MEMBER GENTLES: -- south. The viewshed depicts
6 where the lines will, the line sight of the lines of the
7 structures?

8 MR. PETRY: The viewshed included in the
9 simulations --

10 MEMBER GENTLES: Yes.

11 MR. PETRY: -- depicts the angle from which the
12 photo was taken and the portion of the view within the
13 photo. For example, with the green cone here, on the
14 left side of the green cone it would correspond with the
15 left side of the photograph.

16 MR. SPITZKOFF: If I could state that different,
17 so it is from the position if a person was standing just
18 to the south and actually looking in the north
19 direction.

20 MEMBER GENTLES: Okay.

21 CHMN. CHENAL: All right. Let's go off the
22 record and get back to -- and we will go to Stop No. 3.

23 TIME NOTED: 10:33 a.m.

24 (The bus proceeded to Stop 3.)

25

1 STOP 3

2 TIME NOTED: 10:36 a.m.

3 CHMN. CHENAL: Let's go back on the record then.

4 MR. SPITZKOFF: Okay. We are at Stop 3 on the
5 tour. I believe it is 3.

6 Okay. We are in between the two residences that
7 are along Broadway Road on the south side of Broadway
8 Road. I believe the residence to my left, he appeared
9 at public comment last night, Mr. Amator. This would be
10 the location on Alt Route 2 where one of the segments --
11 can you give me a number?

12 MR. PETRY: 4.

13 MR. SPITZKOFF: Link 4 would be coming down in
14 this general area here.

15 On the north side of the road you can get a very
16 good view of Microsoft's first building. So this is
17 their first building. It looks like they are making
18 very good progress with it. It is a fairly large
19 building, as you can see. It extends a pretty good
20 distance.

21 Anything else? Okay. So we are right now
22 between KOP No. 2 and KOP No. 3. KOP No. 2 would be
23 behind the bus here. KOP No. 3 would be slightly in
24 front of the bus here. So those will be simulations we
25 will review in more detail this afternoon.

1 MR. LARSEN: Point out that the line is
2 between --

3 MR. SPITZKOFF: So on the north side of the
4 road, this is where Link 14 would go. That would be the
5 link that transitions from the TS-15 substation to the
6 TS-18 substation. We will see the TS-18 area in a
7 moment. But it would go between this building and the
8 road. So it would be south of the Microsoft building,
9 but it would be north of the WAPA 230 lines. And that
10 is part of the preferred route and Alternative No. 1.

11 Do we have any questions?

12 (No response.)

13 CHMN. CHENAL: All right. Good. Let's get off
14 the record and we will go to the next stop.

15 TIME NOTED: 10:39 a.m.

16 (The bus proceeded to Stop 4.)

17

18 STOP 4

19 TIME NOTED: 10:40 a.m.

20 CHMN. CHENAL: All right. Let's get back on the
21 record. And this is the next stop.

22 Mr. Spitzkoff.

23 MR. SPITZKOFF: Okay. So this location is where
24 on the preferred route --

25 CHMN. CHENAL: Let me just ask first. We are

1 standing, are we not, right just on the south side of
2 the road, but on the north side of Broadway is where
3 Microsoft is on the left and -- the Wildcat is on the
4 left, Cyclone is on the right?

5 MR. SPITZKOFF: Correct. Thank you.

6 CHMN. CHENAL: Basically on the middle of two
7 parcels looking at the dividing line of the two parcels
8 from the north of here, right?

9 MR. SPITZKOFF: Yes, sir, you are correct.

10 Generally this chain link fence should be right
11 about that parcel line. And to the south you will see
12 the road here. This is where the centerline of our
13 proposed Link 7 would be located. And we are proposing
14 a corridor 250 feet to the left and to the right to
15 allow best placement of the line. So Link --

16 MEMBER WOODALL: May I ask a question, Chairman?
17 If you want to wait --

18 CHMN. CHENAL: Let's wait. Okay. Let's wait
19 until Mr. Spitzkoff --

20 MEMBER WOODALL: Oh, I am sorry.

21 CHMN. CHENAL: No, he is not finished. Let's
22 wait until he finishes.

23 MEMBER WOODALL: Thank you. I apologize.

24 MR. SPITZKOFF: I was waiting for the truck.

25 So this will be Link 7. Generally this area is

1 where the TS-18 substation would be. It is as far to
2 the west side of the property -- the 230 segment would
3 be on the west. The 69 segment would be to the east of
4 the 230. So the 230 structures would be as far west on
5 that property as they would go.

6 And then the, again, the transmission line for
7 the preferred route would come right down the centerline
8 here, or somewhere in that corridor, and connect back to
9 the existing line that you can basically see looking
10 directly south. And it would be that first monopole
11 structure right in front of you.

12 KOP-3 that we will talk about in more detail
13 later would be further back up the road. So we came
14 past KOP-3.

15 And is there another KOP?

16 MR. PETRY: There is KOP-4. KOP-4 would be the
17 location, the key observation point from Litchfield Road
18 near the residences where we heard some concerns.

19 CHMN. CHENAL: Northeast of where we are
20 standing.

21 MR. PETRY: Correct, northeast of where we are
22 standing, and you can see that area generally right over
23 there. Our final route tour stop will be there. So you
24 can see that vantage from that location.

25 One other point to note, as Mr. Spitzkoff noted,

1 this alignment here north to south is generally where
2 Link 7 associated with the preferred route would be
3 located. If we went with the alternative route, this is
4 the Alternative 1 route, this is the location where
5 Link 9 would extend to the east, collocated with the
6 existing 69kV line. And then as we get to the point
7 where we see the bright left turn arrow --

8 CHMN. CHENAL: Which is Litchfield Road.

9 MR. PETRY: -- that is the Litchfield Road
10 alignment, that is where Link 10 would extend south and
11 heads back to the existing transmission line.

12 MR. SPITZKOFF: I will point out the existing
13 69kV line that we see is right on the edge of the road
14 right-of-way. So for 230kV construction -- is he
15 pointing a finger at me? For the 230kV construction, we
16 would have to locate outside. But with the road
17 right-of-way, you could also see the lateral that runs
18 along the road. So that's some of the challenges with
19 Link No. 9 running along Broadway Road.

20 And just for reference, we will be talking about
21 it this afternoon, the noise analysis, you know, we are
22 next to a 230kV line, under a 69 line on a fairly humid,
23 almost stormy day. This is generally bad conditions
24 that would tend to produce the highest noise impacts.
25 So this is the noise environment you would experience.

1 CHMN. CHENAL: Okay. Member Woodall.

2 MEMBER WOODALL: I am sorry I jumped the gun
3 previously, sir.

4 So is this a dedicated roadway that we are
5 looking at where route, where Link 7 would be? So it is
6 a farm service road?

7 MR. SPITZKOFF: Yes.

8 MEMBER WOODALL: And could you estimate to me
9 how wide that is? I am trying to get an idea of how
10 large a right-of-way.

11 MR. SPITZKOFF: 30 feet.

12 MEMBER WOODALL: And I am talking width. If you
13 can't, that's fine.

14 MR. SPITZKOFF: It is probably 25 to 30 feet
15 across.

16 MEMBER WOODALL: Okay.

17 MR. SPITZKOFF: The width is what you are
18 asking?

19 MEMBER WOODALL: Yes, yes.

20 MR. SPITZKOFF: It appears that way.

21 MEMBER WOODALL: And my next question is, and I
22 think you indicated previously that there would be
23 either one or possibly two structures on this side of
24 Broadway Road for Link 7, is that correct?

25 MR. SPITZKOFF: That is correct.

1 MEMBER WOODALL: Okay. And the terminus would
2 be that large, chubby monopole that we are staring at
3 now?

4 MR. SPITZKOFF: Yes.

5 MEMBER WOODALL: Thank you very much.

6 MR. SPITZKOFF: I will add a little bit. The
7 structures, the number of structures will depend on how
8 far down from Broadway Road we would be able to locate
9 that first H-frame as we come over. If we could be far
10 enough, then there is a possibility we can do a single
11 span over to where that existing structure is. If we
12 are closer to Broadway, we likely have to have another
13 structure in between. So that's the one or two
14 structures.

15 MEMBER WOODALL: May I ask another question? So
16 would you want to have it closer to this canal that is
17 in front of us or further back?

18 CHMN. CHENAL: Further south?

19 MEMBER WOODALL: Yes. Thank you.

20 MR. SPITZKOFF: Further south would allow us the
21 opportunity to do a single span. But, really, when they
22 get into the final design, what is going to control is
23 the crossing.

24 MEMBER PALMER: Mr. Chairman.

25 CHMN. CHENAL: Yes.

1 MEMBER PALMER: And just so I understand
2 clearly, so if we chose Alternate 1 and this 69kV goes
3 away and is collocated, it would most likely be in that
4 field somewhere as well?

5 MR. SPITZKOFF: Yes.

6 MEMBER PALMER: Okay, thank you.

7 MR. DERSTINE: I don't want to belabor it, but I
8 thought that's an important point. The public comment,
9 the public comment from Rayner was that he preferred
10 Alternative 1 because it pushed the line up to the edge
11 of this property and would collocate it with the 69kV.
12 But it is important, I think, based on what
13 Mr. Spitzkoff has said, and your question was directly
14 to that point, the new 230 will not be sitting here in
15 the road right-of-way. It will have to be located on
16 the other side of the drainage ditch into the field. Is
17 that right?

18 MR. SPITZKOFF: Yes. I mean we have to go
19 through final design, but that's the likelihood.

20 MEMBER WOODALL: Okay.

21 CHMN. CHENAL: Okay. Any further questions that
22 can't wait until we get back?

23 (No response.)

24 CHMN. CHENAL: All right.

25 MR. DERSTINE: Let's go off the record and we

1 will go to our next stop.

2 TIME NOTED: 10:50 a.m.

3 (The bus proceeded to Stop 5.)

4

5 STOP 5

6 TIME NOTED: 10:53 a.m.

7 CHMN. CHENAL: Let's go back on the record.

8 MR. SPITZKOFF: Okay. We are at Stop 5, I
9 believe, Stop 5. This is the edge of the -- or this is,
10 the Litchfield Road alignment is right up here. And the
11 road alignment continues right down to the south in this
12 direction. The 12kV wood structures are generally the
13 property line for Mr. Wagner's property. Then you start
14 the Litchfield Road alignment. And Buckeye Irrigation
15 District is the property owner on the other side.

16 This would be part of either Alternative Route
17 No. 1, and Link 10 would head south, Link 9, again,
18 would come along Broadway Road to link 10, it would also
19 be part of Alternative No. 2, Link 9 and 10 on that
20 alternative.

21 Some features to point out -- how do I
22 reference. So the monopole structure, probably the
23 closest monopole structure that you can see here is
24 likely where we would attach to the existing line if we
25 were on this, one of these routes here.

1 Again, this, to Member Woodall's question
2 earlier, or yesterday, this is the communication
3 facility to the, on the north side of the street. It is
4 a fiber optic facility. I don't know the owner offhand.
5 We can run out, look at the sign, I think. But that's,
6 this is the facility that is referenced right here.

7 Behind us again, if you want to strain your
8 neck, look behind you, you can see the Microsoft
9 building. Directly to the north you can see the white
10 building with some gray in it. That's the existing
11 building on the very north end of Stream's property. So
12 that's where their property starts. It goes all the way
13 up there, and they would build all the way down to this
14 location. The TS-18 substation I pointed out earlier
15 would be on the west, a little north of the WAPA lines
16 and basically to the west of this communication facility
17 here.

18 CHMN. CHENAL: So the building that we are
19 looking north where we are stopped is not on the
20 property, is not on the Stream property, is that
21 correct?

22 MR. SPITZKOFF: That is on the Stream property.
23 That is their existing building. It is at the north end
24 of their property.

25 The area out here in front of us is an

1 industrial area. And then we have one more stop up
2 Litchfield Road, you will see, where the residential
3 cluster is located.

4 Oh, the well, this is the well that was
5 referenced in comments last night, this location right
6 here.

7 CHMN. CHENAL: And you had indicated, based on
8 the public comment last night, the gentleman who spoke
9 asked if it were possible, if this route were selected,
10 to not put the lines right over the top of the well. So
11 how, what would the construction be in order to
12 accommodate that request?

13 MR. SPITZKOFF: So in order to accommodate that
14 request, we would, we would either have to be further
15 north, which would likely put us into the road or
16 right-of-way, or further south, that would put us
17 further into the field.

18 The other opportunity is, if the last structure
19 before we turned is to the west of this site, say, you
20 know, generally where this wood pole is here, and then
21 we would just take a gentle turn. But, again, we would
22 be going through this agricultural area right here to
23 wherever the next structure would be located over there.

24 MR. LARSEN: Yes, Brad Larsen on the record.

25 I did want to also point out, and I believe

1 Rayner had suggested at one point that Link 10 would
2 continue just directly north rather than along the
3 frontage property, as you can see, the WAPA line is
4 further north at this point. It is angling kind of to
5 the northeast.

6 And we have had our engineer look at that and
7 the span length from where we would be on the south to
8 clear over the top of that line. And to get into the
9 substation, we would not be able to do that. And so
10 that's why we would have to, if we go with Link 10, we
11 really need to have Link 9.

12 CHMN. CHENAL: All right. We have one question.

13 MEMBER HAENICHEN: The question I have was about
14 the well.

15 CHMN. CHENAL: Member Haenichen had a question
16 about the well.

17 MEMBER HAENICHEN: Is that the one that was
18 referenced last night?

19 MR. SPITZKOFF: This is the well that was
20 referenced last night.

21 MEMBER HAENICHEN: Thank you.

22 MR. SPITZKOFF: Okay.

23 CHMN. CHENAL: All right. Let's go off the
24 record. We will go to the next stop.

25 TIME NOTED: 10:59 a.m.

1 STOP 6

2 TIME NOTED: 11:01 a.m.

3 CHMN. CHENAL: Let's go back on the record.

4 MR. SPITZKOFF: Okay. So now we are on
5 Litchfield Road. We are on the east side of the
6 Litchfield Road. The Stream property is directly to our
7 west.

8 Again I will point out, the building on the
9 north, that's the north end of their property, and it
10 spans all the way down to Broadway Road. You can see
11 the Microsoft building in the distance there. And a
12 little bit behind that is -- you can see the tops of
13 some of the substation structures at the TS-15 site.
14 This whole Stream area is what they plan to develop. So
15 buildings, future buildings, would be located in this
16 area.

17 This general area is where KOP-4 is. So when we
18 go through the visual simulations, you will see KOP-4 is
19 generally in this area and looking to the south. This
20 cluster off to my left, your right, or the east side of
21 the street, is the residences. And a number of these
22 residents came out to the public open house and
23 expressed their preference to have the facilities as far
24 to the west as possible. South of this, if you noticed
25 as we were driving up, was more of an industrial use and

1 not residential.

2 CHMN. CHENAL: This we are looking west now for
3 our point of view. And due west from us, maybe at the
4 9:30 position, about half a mile to the west, that's a
5 substation, correct?

6 MR. SPITZKOFF: Correct.

7 CHMN. CHENAL: On the Microsoft, on the Wildcat
8 property.

9 MR. SPITZKOFF: That is correct, what is
10 referenced as the TS-15 substation. And, again, I will
11 just add, as Microsoft continues their development,
12 their buildings would, I believe, be moving up from the
13 south side of their property to the north of their
14 property.

15 CHMN. CHENAL: All right. Anything else?

16 (No response.)

17 CHMN. CHENAL: All right. Let's go off the
18 record.

19 TIME NOTED: 11:03 a.m.

20 (The bus returned to the hearing location.)

21 (A recess ensued at 11:10 a.m. to 1:08 p.m.)

22 (All parties, Chairman Chenal, Committee Members
23 Woodall, Noland, Hamway, Haenichen, Gentles, Riggins,
24 Drago, and Palmer were present.)

25 CHMN. CHENAL: All right. Good afternoon,

1 everyone. This is the time set for a continuation of
2 the hearing, the Wildcat and Cyclone project.

3 We had a nice tour this morning. I want to
4 thank the applicant for the way that was put together.
5 It was very informative.

6 And I think what we talked about was when we
7 came back we would answer any additional questions the
8 Committee had regarding the tour, and then we would do
9 the flyover again and get back into the testimony, you
10 know, take it up where we left off from.

11 So does the Committee have any questions
12 regarding the tour?

13 Member Riggins.

14 MEMBER RIGGINS: Thank you.

15 So I had one regarding the active well that we
16 saw. I know there was some concern about spanning
17 transmission lines over a well. I was wondering, is
18 there any engineering restrictions or hazards with doing
19 something like spanning over an active well with
20 transmission lines?

21 MR. SPITZKOFF: Yes. So we wouldn't go directly
22 over the well. We would not try to go directly over the
23 well.

24 You know, I don't know exactly how high the
25 structures were, but, you know, the closer you get to

1 energized power lines, there's definitely a minimum
2 distance you need to keep. And then if there is
3 equipment brought in to the well, that would likely add
4 to the height of that. So we try to be off to the left
5 or to the right, or if we have to go to route 10, or
6 Link 10, to put the last pole where we would make the
7 turn before that well and then turn off of that, so one
8 of those options, and not go directly over the top.

9 MEMBER RIGGINS: Okay. Because it seemed like
10 that last stop that there were transmission lines, I
11 think, on two sides at least that were in close
12 proximity to that well. So I didn't know if there was
13 any restrictions as far as going directly over an active
14 groundwater well.

15 MR. SPITZKOFF: It is not preferred.

16 MEMBER RIGGINS: Okay. Thank you.

17 CHMN. CHENAL: Member Palmer.

18 MEMBER PALMER: And I might add, having a little
19 history with these, the challenge I don't think is with
20 the operation of the well. If the well has to be
21 maintained and pulled out of the ground, you have very
22 tall equipment that needs to locate there to pull the
23 well, and that's probably where the concern is coming
24 from.

25 MR. SPITZKOFF: I would agree with that.

1 CHMN. CHENAL: Any further questions from the
2 Committee?

3 MEMBER GENTLES: Mr. Chair.

4 CHMN. CHENAL: Yes, Member Gentles.

5 MEMBER GENTLES: So the line that goes down
6 Broadway, the existing lines, the power lines are there.
7 So the new lines, yeah, the new lines that you put in,
8 are they going to be new structures, or are they going
9 to connect into an existing line along Broadway Road?

10 MR. SPITZKOFF: I would just like to clarify
11 initially. There are lines on the south side that are
12 APS lines that are 69kV, and there are lines on the
13 north side that are WAPA lines that are 230kV. Is your
14 question about the ones on the south side, the 69kV?

15 MEMBER GENTLES: The question is either one, I
16 guess.

17 MR. SPITZKOFF: So if one of the options takes
18 us along Broadway Road, such as Alternative 1 and
19 Link 9, the construction would collocate the lines. It
20 would not connect into the 69 lines. We would build new
21 structures that would have the 230 circuit on top and
22 the 69 circuit underneath it. And that would likely be
23 off -- we would have to move that south to fit the poles
24 for that new line, the new structures in that area.

25 MEMBER GENTLES: And, I am sorry, did you say on

1 the south or the north side?

2 MR. SPITZKOFF: On the south side.

3 MEMBER GENTLES: Okay.

4 CHMN. CHENAL: Member Woodall.

5 MEMBER WOODALL: I am glad Mr. Gentles talked
6 about this. That line, potential line between, I guess,
7 9 and 10, how many structures would that be? I know you
8 don't have final design.

9 MR. SPITZKOFF: It would either be three
10 structures or two structures. And I will try to point
11 out.

12 So at the turn, you would definitely need a
13 structure on the south side of Broadway Road. And
14 again, wherever we turn to head south to link up to
15 Link 10, you would have to have a structure there. And
16 we would potentially need a structure in the middle of
17 those, if we can't span that whole distance. So you are
18 looking at the potential for one, two, three structures.

19 MEMBER WOODALL: And those would be, with
20 respect to the current location of the two-lane paved
21 roadway and the canal that is to the south, where would
22 be the location of that combined 230kV-69kV transmission
23 line?

24 MR. SPITZKOFF: The existing 69 line that you
25 saw today is just at the edge of the road right-of-way,

1 and then there is a little bit of space to the canal
2 lateral that's there. For the new combined 69/230
3 structures, we would have to be south of that lateral
4 into the fields.

5 MEMBER WOODALL: And approximately how far? I
6 know you don't have final design.

7 MR. SPITZKOFF: It would probably be 10 to 40
8 feet at a minimum, somewhere in that range.

9 MEMBER WOODALL: Okay. And I had some questions
10 about the roadway itself, but shall I wait?

11 CHMN. CHENAL: No. I think, Member Woodall, I
12 think this is the time to have these questions answered.

13 MEMBER WOODALL: Okay. When we were out there
14 we noticed that the roadway -- I think is it
15 Broadway? -- was a two-lane paved roadway. And it was a
16 section line road. Do you know if the plans, if -- I
17 know you said on the field that you thought it would be
18 likely that that would be expanded because it is on a
19 section line road. Do you think that would be an
20 arterial or a super arterial? How many lanes do you
21 guesstimate, using your professional judgment, that
22 would be expanded to in the future?

23 MR. PETRY: So, in review of the City of
24 Goodyear general plan, Maricopa Association of
25 Governments Future Planning and Transportation Planning,

1 as well as Maricopa County's comprehensive plan, we have
2 identified no specific plans for widening of Broadway
3 Road within this location.

4 Within my professional judgment, I would expect
5 that, based on planned future highway infrastructure in
6 the region, and the future commercial development along
7 this roadway, it could very well expand into a four-lane
8 roadway.

9 MEMBER WOODALL: And I know you are not a
10 traffic engineer, but do you -- and any of the APS
11 witnesses can answer this -- do you believe there is
12 sufficient dedicated right-of-way for that purpose, for
13 a four-lane roadway? And if nobody knows, that's okay.

14 MEMBER NOLAND: No.

15 MR. PETRY: I don't know.

16 MR. LARSEN: I don't either.

17 MEMBER WOODALL: Ms. Noland may be able to
18 inform us.

19 My understanding is that on section line
20 roadways, it is owned by a government entity. I think
21 it was like the county zoned those. Or am I confused,
22 Ms. Noland?

23 MEMBER NOLAND: Well, it depends on the entity.
24 But I would say that they would have to acquire
25 right-of-way looking at where the structures are and the

1 current lines and all of that. They don't have enough
2 right-of-way there for a four-lane plus side area.

3 MEMBER WOODALL: Okay. Well, I will accept that
4 informed speculation by Member Noland. Thank you.

5 MEMBER NOLAND: Yeah, it is speculation.

6 CHMN. CHENAL: All right. Just to be clear,
7 Alternative 1 is a viable alternative or APS would not
8 be proposing it. Is that correct, Mr. Spitzkoff?

9 MR. SPITZKOFF: Yes, that's correct.

10 CHMN. CHENAL: Number two, the landowner at the
11 public comment last night, or at least the
12 representative for the landowner -- the landowner, as I
13 recall, had a medical emergency, so his representative
14 showed up -- did articulate that the landowner did
15 prefer that the Alternative 1 be used versus the
16 preferred option, correct?

17 MR. SPITZKOFF: That's what I recall.

18 CHMN. CHENAL: And I believe during the tour
19 today there was mention made of the land south of
20 Broadway but in the project area where we are
21 considering various alternatives, that that is the
22 general plan for the City of Goodyear, is -- Mr. Petry,
23 correct me if I'm wrong -- mixed use, industrial?

24 MR. PETRY: Both mixed use and commercial.

25 CHMN. CHENAL: And commercial.

1 MR. PETRY: Yes.

2 CHMN. CHENAL: Okay. Now, Mr. Derstine, I saw I
3 may have alarmed you when I said that a representative
4 of the owner last night had indicated that the
5 Alternative 1 was his preference. Am I recalling that
6 incorrectly?

7 MR. DERSTINE: I don't think you are recalling
8 it incorrectly. What I heard Mr. Rayner say, who was
9 the gentleman whose family corporation farms the land
10 owned by Mr. Wagner, I heard him say several things. I
11 think the first one was that, in his conversations with
12 Mr. Wagner, Mr. Wagner didn't have a strong preference
13 one way or another, and that, in their conversations,
14 Mr. Wagner had indicated to Mr. Rayner that I am going
15 to do whatever is right and I will make it right for
16 you. That's generally what I heard him say.

17 Beyond that, I heard Mr. Rayner say that his
18 strong preference for links was for Alternative 1 in
19 particular, because Links 9 and 10, in his view, took
20 the line off of his current farming operations. And he
21 related that it created safety concerns because
22 sometimes the folks operating his tractors fall asleep.

23 But he also indicated that he is currently
24 farming, and we saw today on our way to Stop 1 he is
25 farming under all those structures that you see, under

1 the banjo towers, the monopole towers, all in that high
2 voltage corridor that we drove under twice. And we
3 could see that they were farming right up to the
4 monopoles, and they were even farming under the lattice
5 structures.

6 So that is what I heard. And the members of the
7 Committee who were here can recount their own
8 recollections.

9 But I think the distinction is that he did
10 indicate he was his representative. I would say he
11 was -- he is the farmer. He has spoken with him. We
12 are taking his word about what the conversations were.
13 And I think that, you know, what I heard in general was
14 he doesn't like it; Mr. Wagner hasn't expressed, who is
15 the landowner, hasn't expressed a strong preference.

16 And then I would bracket that with Mr. Amator,
17 who invited us for coffee, indicated that he appeared at
18 the open house and expressed his desire to get the line
19 off of Broadway, that the preferred route does that and
20 he was appreciative of that, but that he is a long-time
21 friend of Mr. Rayner and, if it is important to
22 Mr. Rayner to have Alt 1 because it gets it off the
23 farming operation, he was okay with it.

24 I think the key issue that Mr. Spitzkoff just
25 spoke to is that in many ways Mr. Rayner is mistaken in

1 his belief that we would just rebuild the existing 69kV
2 alignment out in the road right-of-way, and that 9 and
3 10, or 9 in particular, would not be into his field,
4 because, as Mr. Spitzkoff has indicated, there is not
5 room in the road right-of-way for those 230kV
6 structures. So he is trading one or two poles on Link 7
7 of the preferred for two to three poles on Link 9. And
8 that math doesn't seem to me to be a big reason to push
9 to Alt 1.

10 CHMN. CHENAL: I am going to ask Colette. Do
11 we -- is there any ability to get a rough draft of the
12 public comments from last evening by tomorrow or --

13 THE REPORTER: Sure.

14 CHMN. CHENAL: -- or that is possible?

15 I don't disagree with anything Mr. Derstine
16 said. But I seem to have a recollection that one of the
17 reasons for the preference was future development of the
18 property, that it would be more difficult to develop it
19 with a Link 7 versus running around the perimeter of the
20 property. I thought that was one of the reasons given,
21 but --

22 MR. DERSTINE: You may be right.

23 CHMN. CHENAL: -- I don't want -- I would like
24 to see it and not just, you know, rely on my
25 recollection. I think it is too important a point. So

1 if we could just have that, I think it would be helpful
2 as the Committee deliberates.

3 Member Woodall.

4 MEMBER WOODALL: My recollection was that
5 Mr. Rayner was recounting what he told the property
6 owner about, oh, this could potentially impact future
7 development of your property, is my recollection. But I
8 appreciate the Chairman's efforts in trying to get us as
9 close to the exact words as possible.

10 I have another question relating to the tour.
11 When I was out there, I inquired whether or not there
12 was any mapping that would depict the proposed location
13 of State Route 30. And I do note that in the
14 application, and I believe it is Exhibit A-4, you have a
15 reference to the, I think it is, the City of
16 Goodyear's -- is it their general plan or master plan?
17 And then there is something in there that appears to
18 look like it is the state route location. Could you
19 direct us to where that is?

20 MR. PETRY: Yes, you are correct. That is
21 displayed on Exhibit A-4, which is the planned or future
22 land use map in the CEC application.

23 What we show there is consistent with what the
24 City of Goodyear general plan indicates as a centerline
25 for future freeway structure. But we have expanded on

1 that based on data provided by ADOT, and we actually
2 show in the sort of speckled east-to-west corridor, it
3 is indicated in the map legend as the SR 30 conceptual
4 right-of-way. And that information with that wider
5 corridor was obtained from ADOT.

6 MEMBER WOODALL: And I know during the break we
7 were distributed an exhibit that appears to be a comment
8 form from ADOT which also provides a schematic of the
9 proposed state route. I am trying to figure out what
10 infrastructure is going in there and what the potential
11 impacts are for anticipated development. So that's why
12 I am asking these questions.

13 MR. PETRY: Yes. And the map exhibit that was
14 provided this afternoon includes that ultimate width or
15 conceptual right-of-way which is shown on our
16 Exhibit A-4 map, but adds some additional detail because
17 it seems to show the proposed travel lanes associated
18 with that freeway on the northern portion of that
19 corridor.

20 In addition to the travel lanes, you can notice
21 on the south side of that corridor what they call out as
22 the high capacity transit corridor as well. That's
23 another part of the ultimate conceived buildout of the
24 freeway infrastructure in those location. And while the
25 ultimate high capacity transit corridor is not proposed

1 in the initial phases of freeway construction, they have
2 the wider conceptual right-of-way there which would
3 include those ultimate or future phases as well.

4 MEMBER WOODALL: I am not an official person,
5 but that schematic and the diagram on Exhibit A-4 appear
6 to indicate that State Route 30, the conceptual
7 right-of-way, is going to be going through Mr. Wagner's
8 property at, it is the northern end, and also at the
9 southern end, is that correct? In other words, it goes
10 smack diagonally through that, is that fair to say?

11 MR. PETRY: Yes.

12 MEMBER WOODALL: So ultimately we anticipate
13 that there might be some major transportation
14 infrastructure in the area that is depicted on both the
15 handout and Exhibit A-4?

16 MR. PETRY: Yes.

17 MEMBER WOODALL: And is there any planned time
18 frame that ADOT is giving you regarding this project?

19 MR. PETRY: So based on the review of their
20 environmental assessment, which outlines the proposed
21 infrastructure as well as some of the potential impacts
22 associated with that infrastructure, they are
23 contemplating beginning right-of-way acquisition, I
24 think, in 2022. They have not yet begun right-of-way
25 acquisition, to my knowledge. My understanding is also

1 that construction would be occurring within an
2 approximate five-year time frame.

3 MEMBER WOODALL: And then my final question on
4 the land use is: Can you identify some of the uses that
5 would be encompassed by the mixed use designation on the
6 property owned by Mr. Wagner?

7 MR. PETRY: Yes.

8 MEMBER WOODALL: Thank you.

9 MR. PETRY: Within this area the mixed use
10 designation is intended to include those commercial and
11 industrial uses. Because this area is a growth area as
12 identified in the City of Goodyear plan, general plan,
13 there is planned commercial development on the south
14 side of Broadway Road, as well as that mixed use,
15 including additional areas on the north side and east
16 side of Litchfield Road where there are planned
17 industrial developments.

18 MEMBER WOODALL: So in the area south of
19 Broadway, are we anticipating hotels, shopping centers?
20 Would those be encompassed by mixed use?

21 MR. PETRY: Yes, those are the types of
22 developments that would be --

23 MEMBER WOODALL: Could be placed there. Okay.
24 I mean whether they would be or not is an economic
25 choice. Thank you very much.

1 CHMN. CHENAL: Let's go back to the exhibits or
2 the pages, Member Woodall, you are referring to. I am a
3 little confused on what documents you are referring to,
4 okay, the application and what exhibits.

5 Okay. Exhibit A-4, can you -- Exhibit A-4,
6 planned use area in the application. And then on the
7 screen we have, on the left screen we have a handout,
8 right? Is that a page 2 of a handout which is the
9 comment form that's going to become an exhibit?

10 MS. BENALLY: Chairman Chenal, if I may, I
11 apologize for introducing or showing the map before we
12 had a chance to lay some foundation for it, but it was
13 sort of a natural progression as we were moving through
14 the questions as supplied by Committee Member Woodall.

15 Mr. Petry, would you describe the map that's
16 attached and where it derived from so we can have some
17 discussion on this document. And then relate it also to
18 Exhibit A-4, which is a part of APS's application, which
19 is titled planned land use.

20 MR. PETRY: Yes. So I believe Mr. Larsen and
21 Mr. Spitzkoff mentioned previously in their testimony
22 the coordination that had occurred with ADOT with regard
23 to this planned freeway infrastructure.

24 In response to the newsletter mailings that were
25 sent out to the public and to stakeholders, we received

1 this letter, APS received this letter back from ADOT
2 that -- and if I may summarize -- that noted that ADOT
3 had created an attached exhibit that overlays APS's
4 preferred alternative under ADOT's proposed State Route
5 SR 30 freeway.

6 They went on to note that relative to the
7 proposed Link 1, no other links are impacted by the
8 proposed SR 30. They noted it would only be the Link 1.

9 They went on to state that the intent of
10 accommodating the transmission lines without having to
11 adjust them when the freeway construction occurs does
12 appear to have been made by APS, and also noted that a
13 future transit corridor, which is the southern portion
14 of that corridor that I mentioned previously, indicated
15 in yellow on the attached map to this letter along the
16 south here, they noted that is being preserved along the
17 south SR 30 right-of-way, and the layout of the proposed
18 Link 1 does appear to accommodate this transit corridor
19 provision. ADOT wishes to ensure that this intent is
20 carried into APS's final design.

21 CHMN. CHENAL: So, Mr. Petry, let's translate
22 that into plain English. This proposed road, highway,
23 could be built even if Link 1 is built by APS, is that
24 correct?

25 MR. PETRY: That's my interpretation, yes.

1 CHMN. CHENAL: Okay. All right.

2 MS. BENALLY: Chairman Chenal, if I may, we
3 introduced this particular -- these documents at this
4 time really in response to the question that was asked
5 earlier about SR 30. I think it was raised yesterday by
6 Committee Member Woodall, and she asked that we include
7 it in our discussion today during the tour. And we
8 thought this would be a good way to illustrate on screen
9 as well.

10 CHMN. CHENAL: I think it is -- I just think for
11 the record to be clear, let's mark these for
12 identification with exhibit numbers. Then we can refer
13 to this by exhibit number and move it into evidence.
14 But I think it is going to be easier when someone is
15 going to read the record, when we talk about handouts
16 and things, it is better to have a number associated
17 with it.

18 MR. DERSTINE: So, for the record, the ADOT
19 comment form along with the attached map that's shown on
20 the screen are marked as Exhibit, APS Exhibit 24 for
21 identification. And we will move it into evidence once
22 we get maybe -- well, I think we have enough foundation
23 for it, but I think Ms. Benally will move it into
24 evidence during the course of Mr. Petry's testimony.

25 CHMN. CHENAL: Okay. Thank you. That's

1 perfect.

2 MR. DERSTINE: And I guess while I have got the
3 mike, I want to make clear that in many ways -- and I
4 guess my characterization of the comments from
5 Mr. Rayner last night make it sound like we are, I am
6 advocating, strongly advocating for the preferred and
7 against Alternative 1, and I don't -- that's not the
8 case and that's not the company's position.

9 I think it is -- I want to make sure that the
10 record is clear about the impacts of those two routes,
11 preferred and Alternative 1, certainly with respect to
12 the agricultural operations, which seems to be the focus
13 certainly of the gentleman who appeared last night for
14 public comment.

15 There is obviously impacts beyond, you know,
16 what you have to do in terms of can you continue to farm
17 that land and how long you are going to continue to farm
18 that land. There will be visual impacts and other
19 impacts.

20 But I think it was important to clarify where
21 those structures are likely to be on Link 9, if you are
22 considering Alternative Route 1, and do they do what
23 Mr. Rayner wants them to do in terms of reducing the
24 impacts in terms of farming operations. And ultimately
25 it will be the Committee to decide what is the best

1 route, weighing the various impacts on farming and all
2 the factors they have to take into account under the
3 statute.

4 CHMN. CHENAL: Very good. Yeah. I didn't take
5 it as advocating any position. I just want to make sure
6 that we have the right -- when we look at the record,
7 that we have a number associated with a document. That
8 was my concern.

9 So yes, Mr. Larsen.

10 MR. LARSEN: Yes. If I could, I just wanted to
11 add a little comment from Mr. Rayner, some notes that I
12 had taken last night, and I agree it would be great to
13 see the actual transcript, but that he liked Alt 1
14 because No. 10 could be outside of their property, and
15 9, as long as we keep it in the same location of the
16 existing 69, wouldn't interfere with the pump, and he
17 likes that.

18 And I think from our perspective, had that been
19 in an existing easement, maybe we could build 230 in
20 that location, but as we saw on the tour, we would have
21 to probably move it south, and it would, therefore, have
22 more impact than for the earlier discussions we had.

23 CHMN. CHENAL: Mr. Emedi -- oh, Member Noland.

24 MEMBER NOLAND: Mr. Chairman, I just want to
25 refresh my memory, too. I believe that we heard from

1 you that there were comments at the public meetings
2 about having the lines located, 9 or 10, by the people
3 that are living north of Broadway, and then to the east
4 of 10. Is my memory correct, the viewshed issues? Any
5 one of you.

6 MR. PETRY: Yes, yes. We had some preliminary
7 links that extended further north up Litchfield Road
8 that would have required a lateral connection across the
9 Cyclone site and then gone out to Litchfield Road, and
10 the input received from the residences on the east side
11 of Litchfield Road requested that those facilities be
12 pushed further south or further west.

13 MEMBER NOLAND: Well, further south. Then are
14 they okay with 9 and 10? Or were you talking about a
15 proposed further north link that they were opposed to?

16 MR. PETRY: I don't believe we received any
17 specific comment from residents in that location
18 relative to the Alternative Route 1 or Links 9 and 10 at
19 this point. The biggest concern I think we heard was
20 general visual impact concerns and the specific concern
21 related to the link that did extend further north up
22 Litchfield Road.

23 MEMBER NOLAND: Okay. Thank you.

24 CHMN. CHENAL: Mr. Gentles.

25 MEMBER GENTLES: Mr. Petry, are you going to be

1 able to provide the public comments aggregated as we
2 discussed?

3 MR. PETRY: Member Gentles, yes. Per your
4 request yesterday we have compiled those comments in a
5 spreadsheet that lists the comments received, the
6 responses from APS where responses were warranted.
7 Those comments, the comment matrix or summary
8 spreadsheet includes those comments received from
9 voicemails, emails, and those written comments provided
10 during the public open house meetings.

11 MEMBER GENTLES: That's great. Thank you. And
12 when will we be able to review those?

13 MR. DERSTINE: I think we are --

14 MEMBER GENTLES: Are they being compiled now?

15 MR. DERSTINE: It is compiled. We did have a
16 draft, at least a print, because we had to go through
17 and certain names -- and the font size was a little hard
18 to read, so we are trying to get you something a little
19 easier to read. But we will get you something really
20 soon.

21 CHMN. CHENAL: Mr. Emedi.

22 MR. EMEDI: Mr. Chairman, my first question, I
23 think it is maybe more of a request of the company, it
24 goes back to the public comment that we heard yesterday,
25 specifically from Mr. Amator and Mr. Rayner about

1 perhaps Mr. Wagner preferred Alternative No. 1. Prior
2 to public comment, you know, what I recall hearing was
3 that he was okay with either of the preferred or
4 Alternative No. 1.

5 I do think that looking back at the transcript
6 and taking a closer look at what was said at public
7 comment would be helpful. However, I guess I am still
8 concerned that maybe even after we read the transcript
9 we will still be a little murky on what Mr. Wagner's
10 preference is, or maybe he does think either alternative
11 is great.

12 So my request would be if the company can shed
13 any light on what Mr. Wagner might actually think, given
14 that they are in negotiations with him. I think that
15 would be really helpful. And so that's, I guess, a
16 request.

17 The question that I have, given that when we
18 were out on the tour, as we were discussing line
19 segments No. 9 and 10, it did appear that there was some
20 confusion about, as far as Mr. Rayner was concerned,
21 that in fact the lines would be placed as they are
22 depicted on these maps that we are looking at, and
23 that's not the case, so I was wondering if the company
24 might be able to speak to, as far as the outreach to the
25 community and the public, to what extent, how do they

1 try to ensure that the public is aware that, of course
2 those lines on the map, that's not actually necessarily
3 where the lines are going, but that's the general
4 vicinity in which they are going to be placed.

5 CHMN. CHENAL: I will answer that. You have to
6 look at the map and look where the corridors are
7 located, and the right-of-way would be somewhere within
8 the corridor. So anywhere within that corridor I think
9 would be fair game for where the lines could be located.
10 And I mean that's the answer.

11 We saw today how, from an engineering
12 standpoint, it looks like any, Link 9, any lines along
13 Link 9 by necessity would have to be placed, you know,
14 south of the structures there into the field. But
15 anywhere within that corridor I think is where that line
16 would be located.

17 MR. EMEDI: If I could just clarify my question.
18 To the extent that there might be, you know, just lay
19 people out there who, you know, get a letter in the mail
20 and maybe don't take a whole lot of time to go through
21 it, if there is, you know, anything that the company
22 specifically does to kind of apply that to people.

23 MR. PETRY: I can speak to some of the
24 conversations we had with individuals at the public open
25 house meetings to that very point. One of the things I

1 mentioned yesterday that we employed at those open house
2 meetings was a Google Earth setup so that individuals,
3 including Mr. Amator, actually could come and sit down
4 and take a look at where these conceptual lines were
5 placed relative to their residences or any other points
6 of interest they may have.

7 And we sat down with our geographic information
8 specialist, or GIS specialist, and Mr. Amator as a
9 perfect example. And what we saw was, based on these,
10 again, conceptual alignments, it was running right over
11 the top of his home. And, of course, that concerned
12 him.

13 The point we made, and made very clear at that
14 time, was that these are very conceptual and these lines
15 are drawn at a very broad scale in order to get them
16 onto these mapping products as are displayed now.
17 Mr. Amator understood that. And I think we tried, to
18 the extent we can, to make that clear to any member of
19 the public, that these are not final design, they are
20 conceptual in nature, and they are ultimately presented
21 in this manner so that you can get a better
22 understanding of the general location of where these
23 lines may be relative to the broader landscape in the
24 area.

25 CHMN. CHENAL: Mr. Emedi, do you have anything

1 further --

2 MR. EMEDI: No. Thank you.

3 CHMN. CHENAL: -- follow-up on that? Thank you.
4 Member Woodall, and then Member Hamway.

5 MEMBER WOODALL: I apologize for not marking
6 down the exhibit number, but the applicant had provided
7 a proposed form of Exhibit A with a route corridor
8 description map. Do you know the exhibit number,
9 Mr. Derstine or Ms. Benally?

10 MS. BENALLY: The preferred route corridor map
11 is APS-22.

12 MEMBER WOODALL: 22, okay. And my question, my
13 question really is, the date on this document is
14 September 2019, so my question is: Was this document
15 ever provided to members of the public? I mean, was it
16 even prepared at that time? Because this is really what
17 you are asking for, is it not, sir? Anyone from the
18 panel can answer that.

19 MR. PETRY: So no, this document has not been
20 provided to members of the public.

21 MEMBER WOODALL: Okay. And that is because you
22 hadn't prepared it yet, and you prepared it in
23 anticipation of its use as an exhibit to a CEC.

24 MR. PETRY: Yes.

25 MEMBER WOODALL: Okay. I just wanted to make

1 sure, because we were talking about corridors, and I
2 wasn't sure if the public had ever seen anything like
3 this, and they have not. Thank you.

4 CHMN. CHENAL: All right. Let's go back right
5 now and figure out exactly what document Member Woodall
6 was looking at, make sure we all write down the correct
7 exhibit number. I am confused.

8 MS. BENALLY: Chairman Chenal, if I may.

9 CHMN. CHENAL: Yes, ma'am.

10 MS. BENALLY: Exhibit A route corridor
11 description and map is an 8 and a half by 11 page. And
12 it just has a header that looks like this with the
13 majority of the page blank. Following that is a map
14 that's titled Wildcat and Cyclone 230kV transmission
15 line project preferred route corridor and parcels.

16 CHMN. CHENAL: Okay.

17 MS. BENALLY: There are two maps that look
18 similar; they just have different titles. So the one I
19 am referring to, it says preferred corridor, or
20 preferred route. Pardon me.

21 CHMN. CHENAL: So there are three pages
22 associated with this exhibit, the page Exhibit A, the
23 map, and then the narrative.

24 MS. BENALLY: The narrative.

25 CHMN. CHENAL: So those collectively are marked

1 for identification as APS Exhibit No. --

2 MR. DERSTINE: 22.

3 MS. BENALLY: 22.

4 CHMN. CHENAL: 22, right.

5 MEMBER GENTLES: Mr. Chair.

6 MS. BENALLY: The next --

7 MEMBER GENTLES: Could I get another copy of
8 that? I think I left mine in the van.

9 MS. BENALLY: Absolutely.

10 MEMBER GENTLES: Sorry.

11 CHMN. CHENAL: All right.

12 MS. BENALLY: The next --

13 CHMN. CHENAL: Ms. Benally.

14 MS. BENALLY: -- document looks similar. And it
15 is the Alternative Route 1. And it also has the map and
16 the narrative description.

17 CHMN. CHENAL: But it does not have the
18 Exhibit A route or data center description map page, is
19 that correct?

20 MS. BENALLY: That is correct.

21 CHMN. CHENAL: Okay. So what -- so what
22 exhibit, then, is the Alternative Route 1 corridor and
23 the associated map?

24 MS. BENALLY: APS-23.

25 CHMN. CHENAL: Okay.

1 MR. DERSTINE: And while we are on the subject,
2 APS-1 is the application. It was marked, but we haven't
3 gotten to it yet. Ms. Benally has marked and admitted
4 APS-2, the Larsen witness summary; APS-3, Larsen slides;
5 APS-4, Spitzkoff witness summary; APS-5, Spitzkoff
6 PowerPoint slides, presentation slides; APS-6 is the
7 witness summary of Mr. Petry; APS-7, Mr. Petry's
8 presentation slides.

9 We have looked at and carried in our hands and
10 you have had in front of you APS-8, which is the
11 proposed route tour schedule, map, and protocol. Those
12 things together are APS-8.

13 And, again, the corridor map for the preferred,
14 which includes the face page, it says Exhibit A, the map
15 itself and the narrative description, APS-22. Corridor
16 map with those same components for the Alternative
17 Route 1 is APS-23. And the ADOT comment form with the
18 attached map is APS-24. I believe the court reporter
19 has all of those things.

20 Is that right, Madam --

21 THE REPORTER: Yes.

22 CHMN. CHENAL: And Mr. Derstine, the document
23 that's titled, well, it is the route tour itinerary and
24 map, that's APS-8?

25 MR. DERSTINE: Correct.

1 CHMN. CHENAL: Okay, thank you. I am in synch
2 now with all the documents I think that are before me.

3 MR. DERSTINE: I think there is one more that's
4 before you that we haven't talked or given a number.
5 Well -- and that is the visual simulation that we spoke
6 about on the tour this morning at times, at various tour
7 stops. I think Mr. Petry directed you to certain of the
8 visual simulations. That document, when we get to it
9 later in Mr. Petry's testimony, will be APS-21.

10 CHMN. CHENAL: And that, Mr. Derstine, is the
11 one that's entitled the Wildcat key observation points.

12 MR. DERSTINE: Yes.

13 CHMN. CHENAL: First page. Okay, thank you.

14 MEMBER WOODALL: May I suggest, Mr. Derstine,
15 and to any other applicants, that before you hand us a
16 piece of paper, you write the exhibit number on it,
17 because we understand you have a list. But, you know,
18 and sometimes I make notes, but I can understand the
19 Chairman's, you know, insistence that we have very
20 specific identifiers.

21 So I would just say I don't want a piece of
22 paper unless it has got an exhibit number on it,
23 speaking for myself.

24 MR. DERSTINE: And I appreciate that comment.
25 At times we are trying to provide things on the fly that

1 are responsive to a question of the Committee, but we
2 will make sure to get it marked and referred on the
3 record.

4 CHMN. CHENAL: We are good. We are all good. I
5 am constantly trying to keep an eye on the record,
6 having read so many depositions in my life and records
7 and getting lost because there wasn't, you know, a
8 reference to documents that are properly marked. So we
9 are good.

10 Are there any more questions from the Committee
11 about the tour, or questions that came up from that?

12 (No response.)

13 CHMN. CHENAL: It doesn't look like any.

14 So I think before we get into the testimony, if
15 we could see the flyover again, I think that would be
16 helpful for all of us. And we can just let it run. We
17 don't have to stop it. If there is questions
18 afterwards, we can ask them. So if I may request that
19 we play that, that would be very helpful.

20 MR. DERSTINE: Would you still like the ability
21 of narration?

22 CHMN. CHENAL: We can have some narration, I
23 guess, but let's keep it running.

24 (Video played.)

25 MR. PETRY: We are viewing Links 1 and 2

1 associated with the preferred route. This is on the
2 western boundary of Mr. Wagner's property. This is the
3 location where the H-frame structures would cross over
4 existing 69 and 230 lines, as well as Broadway Road
5 adjacent to the residences near our second stop,
6 connection into TS-15 substation, and then traveling
7 east across the Wildcat site and into the TS-18
8 substation.

9 The preferred route would then extend south,
10 crossing over the 230 and 69 lines, and then connecting
11 into the Palm Valley to Rudd line. We are now seeing
12 Alternative 1, again, with Links 1 and 2 common to the
13 preferred route and Alternative Route 2. This is the
14 proposed corridor associated with the Alternative
15 Route 1.

16 The three turning structures that are existing
17 are what we saw today that Mr. Spitzkoff described.

18 The agricultural land to the west here is the
19 land owned by Mr. Beckham, again connecting into TS-15
20 substation and traveling east into the TS-18 substation.
21 This is the location where Alternative 1 would differ
22 from the preferred route and would connect to the south
23 side of Broadway Road on Link 9 and Link 10, traveling
24 down the alignment of Litchfield Road.

25 We now see the conceptual alignments of

1 Alternative Route 2, the western portion of which is
2 common to all alternatives. This would be the distinct
3 connection to and from the TS-15 substation.

4 And we will now pan over to the second portion
5 of Alternative Route 2, which would be the connection to
6 and from the TS-18 substation on the Cyclone site. The
7 westernmost portion of the TS-18 connection would be
8 similar to Link 7 shown on the preferred route, and the
9 eastern portion being similar to Links 9 and 10.

10 This is now Alternative Route 2's sub route,
11 which would remove the two centerline north-south
12 connections and replace that with the east-to-west
13 connection on the south side of Broadway Road.

14 Again, the sub route would -- the
15 Alternative 2's sub route would be traveling east to
16 west along the south side of Broadway Road, tying into
17 TS-18, coming back out, extending east again on Broadway
18 Road and south on the Litchfield Road alignment.

19 CHMN. CHENAL: Thank you.

20 It is amazing how when you go on a tour, on the
21 ground, then you see the virtual tour, how much more
22 meaning it has to me. Just actually seeing, flying
23 right over the places where we stopped, it just seems to
24 fit together a little better. So thank you for that.

25 So I think we now just continue with the

1 applicant's case unless any Committee member has
2 anything they want to bring up before we jump back into
3 the presentation.

4 (No response.)

5 CHMN. CHENAL: If not, Mr. Derstine, if you want
6 to, or Ms. Benally, if you want to, I don't know who
7 is -- this is a team, so I don't know who is up next or
8 who is on deck and who is at bat. So whoever wants to
9 go, please just go.

10 MR. DERSTINE: Appreciate that. I think based
11 on where we left off yesterday, which was with the
12 flyover, and then public comment, Mr. Spitzkoff is back
13 on the mike.

14 MR. EMEDI: Sorry to interrupt. Before the
15 applicant gets back into their presentation and speaking
16 of exhibits, I do have Staff's single exhibit marked as
17 S-1, and I did yesterday drop copies off for everyone.
18 So it has been marked Exhibit S-1, and it is the letter
19 that Staff docketed on September 20th, 2019, which I
20 referenced in my opening. So at this time, I would move
21 for admission of Exhibit S-1.

22 CHMN. CHENAL: Any objection?

23 (No response.)

24 CHMN. CHENAL: Hearing none, S-1, Staff
25 Corporation Commission S-1 is admitted.

1 (Exhibit S-1 was admitted into evidence.)

2 CHMN. CHENAL: And Mr. Emedi, you have provided
3 the court reporter a copy of that exhibit?

4 MR. EMEDI: Yes, Mr. Chairman, I did.

5 CHMN. CHENAL: All right. Thank you.

6

7 FURTHER DIRECT EXAMINATION

8 BY MR. DERSTINE:

9 Q. It looks like we are up to Chapter 7,
10 Mr. Spitzkoff, substations, 10-year plan, noise and EMF,
11 and project funding.

12 The Committee on the tour got to see the 69kV
13 substation. It has been constructed on the Wildcat
14 site. Why don't you back up and give us an overview of
15 the substations that this project will be
16 interconnecting to the Palm Valley-Rudd 230kV line,
17 please.

18 A. (BY MR. SPITZKOFF) Sure. So each substation is
19 designed to accommodate three 69 -- I am sorry, three
20 230 to 69kV transformers at ultimate buildout. The load
21 for each site would utilize all of the capacity at each
22 substation. So that is one of the reasons why there is
23 a substation for each site.

24 So again, 270 megawatts of load at the Wildcat
25 project necessitates one full 230/69 set of

1 transformers. 350 megawatts of load for the Cyclone
2 project, also it would necessitate three 230/69
3 transformers.

4 I mentioned on the site tour the TS-15
5 substation would actually be behind the outer Microsoft
6 perimeter, or the Wildcat project perimeter, so our
7 substation fence would be within the perimeter of their
8 property.

9 The TS-18 substation site will be at the
10 southern end of the Stream property. And as of right
11 now our design is that substation will be outside of the
12 Stream outer perimeter and it would be a typical
13 substation wall.

14 So one of the reasons -- again, we have a
15 dedicated substation for each site. I mentioned the
16 amount of load, so three transformers out of each site.
17 What that allows us to do is accommodate the loss of any
18 one transformer and still be able to accommodate the
19 full load at each site.

20 Our standard 230/69kV transformer is capable of
21 handling 188 megawatts of power. So if we do the math,
22 we need at least two of them to handle 270 megawatts of
23 power. And to provide the N-1 level of service, that's
24 why we have three transformers in total to accommodate
25 that load, and similar for the 350 megawatts of ultimate

1 buildout at the Stream data center site.

2 And like the 69kV portion, the 230 and 69kV
3 portions would be built out as the facilities grow. So
4 we wouldn't just put all three transformers there
5 immediately. We could start off with two transformers
6 initially until they get to over 180 megawatts of load.
7 Therefore, loss of one transformer, as long as we have a
8 single transformer left in service, we can still serve
9 all their load, but once they would go over that amount
10 we would transition to having all three transformers at
11 a site.

12 Also, each substation will have a number of 69
13 to 34.5kV transformers for the Microsoft site. The
14 TS-15 substation, they will have one 69 to 34.5kV
15 transformer per building. They estimate one building
16 would be in the neighborhood of 40 or so megawatts of
17 load. A single 69/34.5 transformer would have a rating
18 of 50 megawatts. So it would be one transformer per
19 building, and then we would always have an energized
20 spare.

21 So we saw a little today, and there is some
22 pictures you can get a better idea in a minute of what
23 we saw on the tour, was the 69 bus work and breakers
24 that were already in place. And further on out, we
25 couldn't get a good look at it where we were located,

1 but there were two transformers there on-site. Again,
2 they would have one building to start with. So that's
3 why we would have one transformer to serve them and one
4 energized spare.

5 And if we can go to the next. This is the TS-18
6 substation configuration. Their site is a little bit
7 different. Since they are designing building by
8 building or selling building by building, they would
9 have two transformers per building. So you can see in
10 the layout here, here is the 69 to 34.5 transformers.
11 There is one, two, three, four sets, so there are two
12 transformers here, two here, two here. So this would
13 accommodate four buildings. And this way each building
14 has one main transformer, one energized spare
15 transformer for their redundancy.

16 CHMN. CHENAL: Mr. Spitzkoff, the screen we are
17 looking at on the left, L25, is that for the Stream or
18 is that -- we are still on Microsoft?

19 MR. SPITZKOFF: This is for the Stream, the
20 Cyclone project.

21 CHMN. CHENAL: Cyclone, okay.

22 MR. SPITZKOFF: And if I can ask to go back one
23 slide, so now this was the one for the Microsoft, the
24 project Wildcat. Let me point out, so they have two
25 transformers here, two here, and two here, and then one

1 here. So that's two, four, six total of seven
2 transformers in this setup that would serve six
3 buildings, with the energized spare.

4 And we would build these out as the second
5 building comes on line. This, what is right now the
6 energized spare, would become the service for the second
7 building. Then we add a third, third transformer right
8 at this spot as the energized spare. So we would just
9 keep building out as they expand.

10 CHMN. CHENAL: Excuse me. I just have a
11 question that just occurred to me. The Wildcat is going
12 to have less load than Cyclone, is that correct?

13 MR. SPITZKOFF: That is correct.

14 CHMN. CHENAL: And yet, just a rough estimate,
15 the Cyclone site almost looks like it is almost half the
16 size of the Wildcat site, just in terms of land area.
17 Any explanation as to why the Wildcat site is so much
18 larger when their load is smaller?

19 MR. SPITZKOFF: Any explanation I would provide
20 would be speculation. So I don't know if we want to --
21 can we hear that?

22 CHMN. CHENAL: I would love to hear speculation.
23 Rumor and speculation are fine with me.

24 MR. SPITZKOFF: I am sure my counsel over there
25 is gritting his teeth.

1 You know, it could be the density, how close the
2 buildings are, the size of each building. You know, I
3 don't know if Microsoft has more land for future use
4 for, you know, what else they might be doing. You know,
5 size and land, you are correct.

6 The other thing I know, for their -- for the
7 Stream's existing building, they have requested higher
8 capacity transformers. I said the Microsoft 69 to 34.5
9 transformers are capable to 50 megawatts. Stream has
10 requested transformers with individual ratings of
11 80 megawatts. You know, so there might also be a
12 density of load. Different data centers can get
13 different densities of load within how they arrange
14 their configuration, so a lot of speculation there.

15 CHMN. CHENAL: Sure. Understand. Your attorney
16 would normally say isn't that all speculation,
17 Mr. Spitzkoff, and you already preempted him from asking
18 that question. Okay, thank you.

19 BY MR. DERSTINE:

20 Q. Is there anything else that you want to add or
21 you think is important to note about the two planned
22 230kV substations for the Wildcat and Cyclone data
23 center sites?

24 A. (BY MR. SPITZKOFF) Not at this time I don't.

25 Q. I think your next slide you are going to cover a

1 little bit in terms of the development status for the
2 substations and the projects. Let's talk about that a
3 bit.

4 A. (BY MR. SPITZKOFF) Yes. So the projects are a
5 little bit of a different development timeline. The
6 Wildcat project is a little ahead of the Cyclone
7 project. You know, as you saw on the tour, the 69kV
8 facilities for phase one of the Wildcat project is
9 already energized. They are constructing, they are
10 building already. So we were able to energize the 69
11 portions at the beginning of September, so just a
12 handful of weeks ago.

13 I don't believe their building is taking power
14 yet. I think we came in ahead of their construction at
15 this time. But we are ready for them. And you also saw
16 it was -- it is energized right now via the 69kV line
17 that's on the south side of Broadway Road there, which
18 is our Sarival to White Tanks 69kV line.

19 I just want to mention, again, once the 230
20 portion is energized as Microsoft or Wildcat continues
21 to progress, that 69kV line will be removed. So the
22 source of power for the substation will leave from the
23 230 side. It will transform down to the 69 substation
24 and then from 69 to 34.5kV.

25 We are expecting development for the 230

1 portions to begin in early 2020 to be able to deliver or
2 be ready to energize the 230 part of the substation and
3 the lines by the end of 2021. And that meets the
4 schedule that Microsoft has indicated to us what their
5 load growth is, when they would need that.

6 I believe we have some pictures. So you saw
7 this from a ground level view earlier today. On the
8 left screen, the top picture is the control house that
9 was on-site. The picture on the bottom is the 69kV bus
10 work. So each of these little squares that you can see
11 here, those are 69kV breakers.

12 If we can go to the next.

13 What you can see here on both pictures are the
14 69 to 34.5kV transformers. So these are the two
15 transformers already there and energized. And the
16 bottom picture is just another view of those two
17 transformers.

18 And here is the edge of that 69kV bus work. If
19 we go back to the top picture here, actually if you go
20 back one slide, so on the 69 picture here, the
21 transformers would be off to the right of that picture.
22 And where we were today would have been off to the left
23 of that picture and just a little bit south, just to
24 provide a little bit of an orientation.

25 So for the Stream development status, I am

1 sorry, yeah, the Cyclone -- Stream/Cyclone, same name --
2 the building and the sequence as they develop will be
3 similar to what the Wildcat project is. We would first
4 energize the 69kV portion of the substation, bring in
5 the 69kV lines from that line on Broadway Road. Then as
6 they build out and exceed that 50 megawatt capability,
7 we would have the 230kV facilities ready for them, and
8 then, again, remove that 69kV line from their substation
9 providing their source of power from the 230kV system.

10 With the load ramp schedule we currently have
11 for project Cyclone, we are estimating the 69
12 construction to start by the end of this year to be able
13 to deliver an in-service substation around May of 2020.

14 Again, they do have one building already
15 existing on-site. What they have to do is sort of
16 refurbish or recondition that building and prepare it
17 for a data center operation. And then we are expecting
18 the need, their need for the 230 level of service to be
19 somewhere in 2022. And that is dependent on their
20 continued load ramp schedule.

21 CHMN. CHENAL: So, Mr. Spitzkoff, the building
22 that we saw, the Stream building at the north end of
23 their property, there is power to that building now, is
24 there not, just commercial level power?

25 MR. SPITZKOFF: I can't answer that for sure,

1 but I would assume when it was built there was
2 accommodations made for power. But it would have just
3 been, you know, regular, typical, you know, 12kV
4 service, certainly not enough to accommodate a data
5 center facility.

6 CHMN. CHENAL: Right. So probably there is some
7 level of power there. But the up -- the upgrade in
8 power will be when that building becomes a data center,
9 and then they will need a 69kV line dedicated to that
10 building, correct.

11 MR. SPITZKOFF: Yes, sir. So if there is 12kV
12 service there right now, that could accommodate
13 construction power, things of that nature. It is once
14 they start turning on all the equipment, cooling the
15 building, et cetera, that's when that ramps up to a
16 higher level.

17 CHMN. CHENAL: Then when we start adding
18 buildings in 2020 is when they will need the 230kV
19 service, right?

20 MR. SPITZKOFF: They may need 230kV service as
21 they fill out building one. Because that single
22 building may be able to go above 50 megawatts just with
23 that one building.

24 CHMN. CHENAL: Okay.

25 BY MR. DERSTINE:

1 Q. I want to just clarify a couple things so it is
2 clear in my mind. So when Stream acquired the 175 acres
3 which we refer to as the Cyclone site, there was an
4 existing building that we saw at the rear of its parcel,
5 right?

6 A. (BY MR. SPITZKOFF) Rear or front, depending
7 which way.

8 Q. Which way from Broadway it is to the north?

9 A. (BY MR. SPITZKOFF) Yes, yes.

10 Q. Okay. And Stream's development plans are to
11 refurbish and to build out that existing facility as its
12 first data center building or facility?

13 A. (BY MR. SPITZKOFF) Yes.

14 Q. Okay. And you have just spoken in terms of the
15 ramp or timeline for what point in time they will need
16 the 69kV service, and what point in time they will need
17 230kV service for that project.

18 Switching back then to the Wildcat site,
19 Microsoft site, we noted on the tour that there was a
20 lot of ongoing construction, and we also saw that you
21 have, APS has already completed the 69kV substation on
22 the Wildcat site, was that right?

23 A. (BY MR. SPITZKOFF) Yes.

24 Q. Go ahead.

25 A. (BY MR. SPITZKOFF) Just clarify. You asked if

1 we completed the 69kV construction. We completed all
2 the ground work, and the initial 69 infrastructure is
3 there. But that's expandable over time. As they add
4 more buildings, we would add bits and pieces to the
5 substation, add more breakers as we add additional
6 transformers. So I just want to make sure the record is
7 clear on that.

8 Q. Okay. And I appreciate that.

9 But we did see a fair amount of construction
10 going on on the Wildcat site. And am I correct in
11 understanding that the construction that's underway
12 currently is for a facility that will then be served by
13 the 69kV substation, and also given that that 69kV
14 substation has the ability to expand as Microsoft grows?

15 A. (BY MR. SPITZKOFF) Yeah. The building they are
16 constructing on-site today will be served via that 69
17 substation and the 69kV lines.

18 Q. Okay. And I guess what occurred to me, and it
19 may have occurred to other members of the Committee, is
20 Microsoft getting ahead and building a bunch of
21 buildings in anticipation of the 230 line being a done
22 deal, or are they phasing their project based on what is
23 in place and what you are able to provide at the moment?

24 A. (BY MR. SPITZKOFF) They are phasing the project
25 based on the timelines that we, you know, we have, you

1 know, we indicated we would be able to deliver 230kV.
2 So they -- you know, we discussed with them the whole
3 process of obtaining a CEC and lines and, you know, this
4 is the timeline it would take.

5 So just the first building is under
6 construction, which we could handle and will handle on
7 the 69 system. And then it is when they start the next
8 building would be when we would need a 230kV
9 infrastructure, and they have not started construction
10 on that building yet.

11 Q. And Microsoft understands that this Committee
12 and the Commission get to decide whether or not they get
13 a CEC to build the 230 line?

14 A. (BY MR. SPITZKOFF) Yes.

15 Q. Okay.

16 CHMN. CHENAL: Member Gentles.

17 MEMBER GENTLES: Mr. Derstine and Mr. Spitzkoff,
18 thank you for that conversation, because that was a
19 pending question that a couple of us had. So thank you.

20 CHMN. CHENAL: So let me ask a question. Is
21 there a -- I don't want to use the word joint venture
22 agreement between Microsoft and Stream, but is it just a
23 wild coincidence that they are developing this project
24 at the same time and they happen to be sharing the power
25 to the sites in kind of a symbiotic manner, or is there

1 more to it than that?

2 MR. SPITZKOFF: Mr. Chairman, I think I provided
3 enough speculation for one hearing. So I have no answer
4 for that question.

5 CHMN. CHENAL: That's a good answer. That's a
6 good answer. Your last answer was a good answer, too.

7 BY MR. DERSTINE:

8 Q. I guess you can answer, Mr. Spitzkoff. I mean
9 the fact, when Microsoft announced that it was acquiring
10 the Wildcat site, that whether there was any agreement
11 or understanding up front, we have seen the occurrence
12 that other data centers are looking to locate in the
13 same area and in fact, on this occasion, Stream bought
14 the parcel right next to the Microsoft site, which
15 allowed us to, in some ways, use facilities to serve
16 both projects in many ways in terms of the line that we
17 are seeking to construct. Is that a correct statement?
18 Not correct?

19 A. (BY MR. SPITZKOFF) Could you restate that.

20 CHMN. CHENAL: Mr. Derstine, objection, please
21 restate the question.

22 BY MR. DERSTINE:

23 Q. Yeah. I will withdraw the question,
24 Mr. Spitzkoff.

25 CHMN. CHENAL: Member Hamway, did you have a

1 question?

2 MEMBER HAMWAY: No.

3 CHMN. CHENAL: Member Haenichen, will you give
4 me permission to ask one question to follow up on my
5 question?

6 Even though these facilities will benefit
7 Stream, is my understanding correct that Microsoft is
8 paying for all of this infrastructure under the line
9 extension, you know, policy in place by APS?

10 MR. SPITZKOFF: I don't know if we finalized if
11 they are paying all of the 230 line cost. Each customer
12 would pay their own cost for the substation facilities
13 and for those, but for the 230 line, we haven't come to
14 a final place on if it is going to be 100 percent,
15 50/50, 30/70, yeah.

16 CHMN. CHENAL: Okay. Thank you.

17 Member Haenichen.

18 MEMBER HAENICHEN: I think it is important to
19 point out, I may have started a firestorm with my
20 comment on the tour, but it is important to realize that
21 Microsoft really has no part of this hearing. If they
22 want to speculate and take a chance that it will work
23 out, they can do that. It is not any, any detriment of
24 APS.

25 So if I gave that impression, I didn't mean to.

1 It is just that sometimes corporations, I have worked
2 for a very large corporation, they take chances because
3 they want to get ahead of the competition and ahead of
4 the game. And it is their privilege to do that. But
5 they are just putting money at risk. So I didn't mean
6 to imply in any way that I thought this project was not
7 a good project. And so I just wanted to be on the
8 record.

9 MR. DERSTINE: Mr. Chairman, Member Haenichen, I
10 appreciate your comment. But I think it was -- I wanted
11 to make clear, and Mr. Spitzkoff, the members of the APS
12 team have made clear to me that they have had regular
13 and detailed discussions with Microsoft about this
14 process, how it works, and that this Committee decides
15 whether to grant a certificate to construct a 230kV
16 line, how the process -- what is involved in the
17 process, how much time it takes.

18 And so I just want to make clear that they
19 understand that they don't have the ability to make
20 those decisions, and APS doesn't hold those keys either,
21 that that's why we are here. That's why we are going
22 through the process and presenting our case to you.

23 MEMBER HAENICHEN: Thank you.

24 BY MR. DERSTINE:

25 Q. Mr. Spitzkoff, I think we are, unless you have

1 more to add on the development status, I think we are
2 ready for discussion of the 10-year plan, which is
3 always the highlight of these hearings, I think. Yes?
4 No?

5 A. (BY MR. SPITZKOFF) I know it is the highlight
6 for me.

7 CHMN. CHENAL: Let me ask you, Mr. Derstine.
8 How long do you think this segment will be? We have
9 gone not quite 90 minutes. I mean we didn't quite start
10 at 1:00. If this is going to take some time, maybe take
11 a break now, maybe a five or 10-minute break now, maybe
12 five or 10-minute. Maybe we can plow --

13 MR. DERSTINE: I can cover, I believe, the
14 10-year plan in five to 10 minutes, and then we can
15 break before we move on to the next topic, which is
16 noise and EMF.

17 CHMN. CHENAL: I think that's fine.

18 Colette, is that okay?

19 THE REPORTER: Yes.

20 BY MR. DERSTINE:

21 Q. The siting statute requires that any person
22 planning to build a transmission facility that satisfies
23 the definition of a transmission line include that or
24 present that in a 10-year plan. APS, on an annual
25 basis, prepares and files a 10-year plan of its planned

1 transmission projects, correct?

2 A. (BY MR. SPITZKOFF) That is correct. We file a
3 10-year plan annually.

4 Q. Okay. And were these projects included in the
5 APS 10-year plan?

6 A. (BY MR. SPITZKOFF) Yes, these projects were
7 included in our 10-year plan. So the map on the left
8 screen is a shot of the Phoenix metropolitan area map
9 that is part of our 10-year plan filing. And the
10 Wildcat project, TS-15, is represented near the bottom
11 of the map here where I am indicating with my laser
12 pointer with a date of, expected date of 2020.

13 After the filing of that 10-year plan, which is,
14 the plan is required to be filed before the last day of
15 January, and APS filed it January 31st, 2019, after that
16 time period, we progressed in discussions with
17 additional data center customers. We knew more
18 information, better locations, size of those projects,
19 potential ways we would serve them. So we felt at that
20 point we had enough information that they should be
21 included, and we filed a supplemental 10-year plan on
22 June 12th. So that supplemental plan included four
23 additional data center sites, and the Cyclone project
24 was one of those sites.

25 Now on the left screen is the same map that was

1 part of the supplemental filing that we performed. And
2 I will point out again here is the TS-15 site. The
3 Cyclone TS-18 substation is right next to it. There is
4 TS-16 that's just north of what would be the Goodyear
5 Airport. And then there is a TS-20 project. That's the
6 El Mirage project. And then there is the TS-19 project,
7 which I believe is still in Goodyear. So this is the
8 other Microsoft site that's already announced as part of
9 their announcement, along with this site.

10 As part the supplemental filing, with all five
11 data centers included and their buildout schedule
12 throughout the 10 years, our reliability studies that
13 are performed, we performed all the reliability studies
14 again. And really, the only difference with the
15 supplemental filing is the addition of these data
16 centers. Our studies showed that we can maintain system
17 reliability throughout the whole 10-year planning
18 horizon. So we performed all the reliability studies
19 and filed our supplemental in June of 2012 -- I am
20 sorry, June 12th of 2019.

21 CHMN. CHENAL: Member Gentles.

22 MEMBER GENTLES: So just help me with the
23 timeline here. So this 10-year plan, when was that
24 picture on the left, that's on the left, what is that?
25 When was that produced?

1 MR. SPITZKOFF: The map on the left was produced
2 and included in our June 12th filing.

3 MEMBER GENTLES: So June 12, 2019.

4 MR. SPITZKOFF: Yes.

5 MEMBER GENTLES: And I am just trying to -- so I
6 have a better understanding, context how things work.
7 So obviously APS has been working with Microsoft for
8 some time in developing what they are going to do at
9 that site, right?

10 MR. SPITZKOFF: So Microsoft has three sites now
11 that have been identified. I just want to -- are you
12 referencing the project Wildcat site?

13 MEMBER GENTLES: Yes.

14 MR. SPITZKOFF: Okay. We have been talking with
15 Microsoft for some time in various stages of where they
16 are at. When a specific site was identified, that I
17 don't know exactly when they had a specific site
18 identified.

19 MEMBER GENTLES: Thank you.

20 CHMN. CHENAL: Member Woodall.

21 MEMBER WOODALL: Mr. Spitzkoff, are you required
22 to file a 10-year plan for a project before you can file
23 an application for a certificate of environmental
24 compatibility for that project?

25 MR. SPITZKOFF: I believe we are.

1 MEMBER WOODALL: And is it your understanding
2 that all of those 10-year transmission plans are
3 evaluated on a biennial basis by Staff at the Arizona
4 Corporation Commission?

5 MR. SPITZKOFF: Yes, they are.

6 MEMBER WOODALL: Have you actually presented at
7 these -- I think you mentioned you presented at the
8 biennial transmission assessments.

9 MR. SPITZKOFF: Yes, I have.

10 MEMBER WOODALL: Okay. I just want to clarify
11 that you are required to do this before you can file
12 your application. You understood that, you did that,
13 and it is done. Thank you.

14 BY MR. DERSTINE:

15 Q. Anything more you wanted to add or touch on in
16 the 10-year plan, or that does it?

17 A. (BY MR. SPITZKOFF) That does it.

18 MR. DERSTINE: All right. I think we are ready
19 for a break. We are ready to break.

20 CHMN. CHENAL: Yes.

21 MS. BENALLY: Chairman Chenal.

22 CHMN. CHENAL: Ms. Benally.

23 MS. BENALLY: For clarity of the record and its
24 completeness, during the break what I would like to
25 suggest, if you are in agreement, is to provide a copy

1 of our exhibit list to the Chairman and to the
2 Committee. And I would also like to attach two
3 remaining exhibits that we would like to later request
4 be admitted as evidence. They have been marked. So you
5 will have a complete exhibit list, along with two
6 additional exhibits that you will have at your seat when
7 you return, if that's acceptable.

8 CHMN. CHENAL: That's acceptable. That's fine.
9 Member Gentles.

10 MS. BENALLY: Thank you.

11 MEMBER GENTLES: Just one more question. When
12 did Microsoft announce their plans to build a data
13 center in greater Phoenix? Do you have a general idea
14 of that?

15 MR. SPITZKOFF: I don't have specific dates.

16 MEMBER GENTLES: I guess we can just look it up.
17 I am just trying to figure out timeline and process
18 again for more context. That's it, nothing else.

19 MR. SPITZKOFF: There were a couple of stages of
20 information. The first was when they actually purchased
21 the land. So that purchase had Microsoft attached to
22 it. That was at one point. At that time, it was not
23 announced what the project was going to be, just that
24 they purchased land.

25 MEMBER GENTLES: Sure.

1 MR. SPITZKOFF: And then there was -- I believe
2 they finalized the purchase of their two other
3 properties. And once they had all three, then there was
4 a larger public announcement with the governor and other
5 officials. It was sometime in early 2019 or middle of
6 2019 that that larger announcement was made.

7 But I believe the first purchase was near the
8 end of 2018. And that would have been the first project
9 that was included in our original 10-year plan in
10 January.

11 MEMBER GENTLES: Okay.

12 CHMN. CHENAL: Are we good? Let's take a -- go
13 ahead.

14 BY MR. DERSTINE:

15 Q. Just to maybe put a finer point, but maybe not,
16 the first project that Microsoft announced and the first
17 land that it purchased was the Wildcat site, correct?

18 A. (BY MR. SPITZKOFF) Correct.

19 Q. And the Wildcat project, you had had discussions
20 at some point, started at some point in time, but the
21 Wildcat project was included in the original 10-year
22 plan filing in January of this year, correct?

23 A. (BY MR. SPITZKOFF) Correct.

24 Q. And then Microsoft later announced that it had
25 acquired two additional parcels, and we had discussions

1 with other data center developers concerning their
2 projects that they were looking to develop. And during
3 the course of the year, those announcements have come
4 out, and those additional Microsoft sites and those
5 additional other data center project developer sites
6 were then included in the supplement or the amended
7 10-year plan filing, because those projects had become
8 far enough along that they were actually contemplated,
9 to use the language of the statute?

10 A. (BY MR. SPITZKOFF) Correct.

11 MR. DERSTINE: All right.

12 CHMN. CHENAL: Okay.

13 MR. DERSTINE: Thank you.

14 CHMN. CHENAL: All right. Good. With that,
15 let's take a 15-minute break. Thank you.

16 (A recess ensued from 2:35 p.m. to 3:08 p.m.)

17 CHMN. CHENAL: All right. This is the time to
18 restart the afternoon portion of the hearing.

19 Mr. Derstine or Ms. Benally, whomever wants to
20 proceed with your case. I have given up guessing.

21 MR. DERSTINE: We want to keep it exciting. We
22 are back from the break. And I am going to continue
23 with some questions for Mr. Spitzkoff.

24 BY MR. DERSTINE:

25 Q. Our next chapter deals with noise and EMF

1 analysis. One of the priorities for an application, CEC
2 application, is to include an analysis of noise and
3 interference with communication signals that may emanate
4 from the proposed --

5 MEMBER NOLAND: Mr. Derstine, I can't hear you.

6 MR. DERSTINE: Can't hear me.

7 MEMBER NOLAND: Thank you.

8 MR. DERSTINE: How about, is that better?

9 BY MR. DERSTINE:

10 Q. One of the requirements of an application is to
11 include an analysis of noise signal interference with
12 communication signals, and we would also include EMF
13 analysis in that segment. That's Exhibit I to the
14 application.

15 Did the application in this case include the
16 Exhibit I studies and analysis?

17 A. (BY MR. SPITZKOFF) Yes, it did.

18 Q. Okay. Let's touch on those topics and give the
19 Committee an overview of the analysis that was performed
20 and what we found with regard to these 230kV
21 transmission facilities.

22 A. (BY MR. SPITZKOFF) Sure. So Exhibit I contains
23 analysis for radio interference, noise levels, corona.
24 All of the analysis shows there will be minimal impacts
25 expected due to this line. The area is industrial and

1 agricultural in nature, and already contains a number of
2 existing transmission lines. So the conclusion of those
3 analyses are that the expected noise levels would be
4 consistent with the existing lines.

5 Q. Okay. And at one point I think we were standing
6 under the 69kV line, and you made mention or suggested
7 that the Committee members maybe take note of the noise
8 levels that were being generated from those facilities.

9 Now, certainly the 69kV is not the same as a
10 230kV transmission line. But I gather from the analysis
11 that I have read and what you have said here today that
12 we don't anticipate any significant noise impacts from
13 the proposed 230kV transmission line.

14 A. (BY MR. SPITZKOFF) That is correct. We were
15 also in relatively close proximity to the two 230 lines
16 on the north side of the street.

17 Q. Okay. The WAPA lines you are referring to?

18 A. (BY MR. SPITZKOFF) That is correct.

19 Q. Okay. What about radio and television
20 interference, was that analyzed?

21 A. (BY MR. SPITZKOFF) Yes, it was.

22 Q. Okay. What were the results?

23 A. (BY MR. SPITZKOFF) Again, with the nature of
24 the existing environment, with transmission lines
25 already existing, there will be minimal, if any, impacts

1 expected.

2 Q. Okay. And EMF, does the application at
3 Exhibit I include an analysis of the anticipated EMF and
4 related fields that will be generated by the 230 line?

5 A. (BY MR. SPITZKOFF) It does.

6 Q. Okay. Tell us about that.

7 A. (BY MR. SPITZKOFF) Yes. So the analysis
8 performed shows the expected electric field values would
9 be well below the IEEE standard. IEEE is the
10 International Electric -- shoot. Maybe I can ask the
11 senior IEEE member to help.

12 A. (BY MR. LARSEN) Yes. It is the Institute of
13 Electrical and Electronics Engineers.

14 A. (BY MR. SPITZKOFF) It is hard when you get the
15 first one wrong.

16 Their standard is five kilovolts per meter limit
17 outside the right-of-way. Our analysis shows it would
18 be significantly below that through the modeling that
19 was performed. The calculated magnetic field would also
20 be comparable to the existing lines in the area and
21 there would be no impacts expected.

22 Q. Okay.

23 CHMN. CHENAL: Member Haenichen has a question.

24 MEMBER HAENICHEN: Before you get too further
25 along with your comments on this, you are doing a

1 hypothetical comparison of the proposed line to ones
2 that already exist. And that's okay up to a point. But
3 could you give a brief discussion of best practices for
4 mitigating these three things we are talking about and
5 tell us what practices you are using or planning to use,
6 instead of just saying, oh, well, the WAPA was quiet so
7 ours will be.

8 MR. SPITZKOFF: Yeah. So that would have to be
9 brief, because that's about all I understand on this.
10 These studies are performed by personnel within APS with
11 a specialty and expertise in these analyses. They were
12 performed using the industry accepted models and
13 analysis, models and equations. It is called the EPRI
14 AC/DC line program, and it is the industry accepted
15 modeling for these.

16 You know, one thing you can do with the fields
17 on mitigating some of them is what is called phase
18 management. And what that is is the spacing distances
19 and the configuration of your three phases helps to
20 minimize those fields as much as possible.

21 MEMBER HAENICHEN: Okay. So in other words, you
22 are telling the Committee that your company is pledging
23 to use the EPRI best practices in the things you just
24 mentioned.

25 MR. SPITZKOFF: Yes. Well, the EPRI that I

1 mentioned is the modeling program that develops the
2 values in the calculation. But, you know, APS does use
3 industry standards and best practices in our line
4 construction.

5 MEMBER HAENICHEN: Okay. All right.

6 BY MR. DERSTINE:

7 Q. One of the commenters last night, I think it was
8 Mr. Beckham who owns the residence, and I think it was
9 pointed out on the route tour today, I think he raised
10 concern about the proximity of the line to the residence
11 that's on his property, and if there was any concerns or
12 risks with regard to that facility regarding EMF. Do
13 you remember that?

14 A. (BY MR. SPITZKOFF) I do.

15 Q. Okay. And can you give the Committee any sort
16 of understanding of the proximity of the proposed
17 structures to that house and what the likely EMF -- is
18 there any EMF concern from the line to that house?

19 A. (BY MR. SPITZKOFF) Sure. So the house
20 Mr. Derstine referenced, we observed it on the tour
21 today, it is the house right up on Broadway Road there
22 that would be along the western portion of actually all
23 routes, which is Link 1, I believe.

24 From using some aerial measurements, it appears
25 the residential structure on that property, if you are

1 right at the property line, is about 60 feet. So from
2 the property line to the residential structure is about
3 60 feet.

4 And so if we construct the lines and have the
5 poles, you know, 30 to 100 feet off of that very western
6 edge, you would be at least about 100 feet away from
7 that residential structure.

8 And if you care to look at the graphs in
9 Exhibit I, the nature of electric or magnetic fields,
10 they drop off rapidly with distance. So the 100 feet
11 measurement you would see for the magnetic fields would
12 be in the range of about 20 milligauss.

13 MEMBER HAENICHEN: That's good.

14 BY MR. DERSTINE:

15 Q. Anything else that you want to point out that's
16 important with regard to the Exhibit I analysis? I mean
17 these calculations, I think you touched on it, but just
18 so it is clear, these issues are not taken lightly, and
19 the company has folks who are dedicated to performing
20 this type of noise and EMF analysis, or not only
21 electric field analysis, magnetic field analysis, noise
22 analysis, and they perform these calculations and
23 analyze them to a modeled basis, and are also charged
24 with looking to minimize the impact of these kind of
25 things from a transmission line?

1 A. (BY MR. SPITZKOFF) Yes. The only thing I would
2 add is, in the exhibit, they do model multiple different
3 configurations of the line, because at the time they
4 perform the analysis, they don't know exactly what the
5 configuration is. So they will use a horizontal,
6 vertical, et cetera, different types of configurations,
7 and plot all of those, and they are all plotted in the
8 graphs.

9 Q. Okay. Moving from EMF analysis, we get to talk
10 about who pays. Mr. Larsen testified yesterday about
11 the estimated cost for the transmission line, touched on
12 construction, right-of-way, as well as the facilities
13 costs, and came up with a range of approximately
14 4 million to \$6.5 million depending on which route and
15 sub route is selected, which raises the question of who
16 is going to pay that bill. Can you talk about that,
17 please.

18 A. (BY MR. SPITZKOFF) Yes. So these projects
19 would be covered under APS's approved line extension
20 policy. Even though these are not your typical
21 projects, given the size of them, they are much larger
22 than your everyday projects, it is still covered by our
23 line extension policy, and that's how we are treating
24 them. The way the funding is handled is that the
25 customer advances the money for all aspects of the

1 project. And that would include the cost for the 230
2 lines that Mr. Larsen presented earlier.

3 MEMBER HAENICHEN: Mr. Chairman.

4 CHMN. CHENAL: Member Haenichen.

5 MEMBER HAENICHEN: Okay. Following up on that
6 statement you just made, the user, like Microsoft or
7 whatever, is going to pay for this, the amount they pay
8 would be affected by how high quality of line you are
9 going to have. Now, does the company specify to them
10 exactly how it has to be built and they just pay it
11 or --

12 MR. SPITZKOFF: So Microsoft Wildcat or Stream,
13 or Wildcat and Stream, neither of them specified how we
14 would construct these facilities other than requesting
15 34.5kV as the delivery voltage. APS is constructing
16 them to our standard construction specs.

17 MEMBER HAENICHEN: Okay. And they accept that
18 willingly, I take it?

19 MR. SPITZKOFF: Yes.

20 MEMBER HAENICHEN: Thank you.

21 BY MR. DERSTINE:

22 Q. So your slide says that Wildcat and Cyclone pay,
23 and that means that Microsoft and Stream pay the cost
24 for the facilities to serve their respective sites. But
25 the next bullet says there is a potential for cost

1 refund. Talk about how that works.

2 A. (BY MR. SPITZKOFF) Sure. So for each customer
3 there are two aspects to their project. I will start
4 with the 69 to 34.5kV transformers and the 34.5kV
5 equipment up until when we hand off the service to
6 Microsoft and they take it into their facilities and
7 their building.

8 All of that equipment is considered to be what
9 is called CIAC, construction in -- contribution in aid
10 of construction. And what that means is there is no
11 refund potential for those parts of the project. Those
12 do not go into APS's overall rate base.

13 Q. Let me stop you right there. Those parts of the
14 project are what again?

15 A. (BY MR. SPITZKOFF) CIAC, contribution in aid --

16 Q. No, the actual facilities, what are we talking
17 about?

18 A. (BY MR. SPITZKOFF) It is the 69 to 34.5kV
19 transformers. And there is then a 34.5kV breaker on the
20 low side of those transformers. So it is those
21 facilities. Right now today there are two, two
22 transformers, two breakers. As they build out there
23 will be more as we add the transformers.

24 Q. And what is the rationale that Microsoft or
25 Stream doesn't have any opportunity to get a refund in

1 the cost for those facilities?

2 A. (BY MR. SPITZKOFF) Basically those are
3 unidirectional flows. The power is only going into the
4 customers' facilities.

5 Q. And that's the demarcation line for refund or
6 not refund, eligibility facilities?

7 A. (BY MR. SPITZKOFF) Yes.

8 Q. Now talk about what sorts of facilities are
9 eligible for refund. Everything else, I take it?

10 A. (BY MR. SPITZKOFF) Yes, everything else. So
11 the 69kV bus work, the 69kV breakers, the 230 portion of
12 the substation and the 230 lines, and even the
13 right-of-way or easement costs, all of that goes into a
14 bucket that's labeled as potentially refundable.

15 Now, that does not mean they will get a refund.
16 What happens is we will perform an economic feasibility
17 study, and there we calculate what the transmission
18 portion of their revenues would be. And only that
19 portion would they actually be able to realize a refund
20 from if they achieve all of their load targets and
21 within a five-year window. So that's a subset of just
22 even that potentially refundable bucket.

23 CHMN. CHENAL: May I ask Mr. Spitzkoff what
24 transmission revenue is as it relates to Wildcat and
25 Cyclone?

1 MR. SPITZKOFF: So it is really for all
2 customers. There is different portions that make up a
3 customer's bill, and one of those portions is the
4 transmission portion of that. And it is a rate through
5 FERC, the Federal Energy Regulatory Commission. That's
6 one of the portions of a bill. There is other portions
7 such as like a generation cost and other portions also.
8 So it is just basically the wires revenue only.

9 BY MR. DERSTINE:

10 Q. So when Microsoft gets a bill on whatever month,
11 month one, there is a dollar amount that is at the
12 bottom. But that dollar amount is comprised of various
13 components. One of those components on the amount they
14 have to write a check for is a transmission line item.
15 And that amount is set by a FERC tariffed rate. And
16 based on the amount of load that travels over this
17 transmission line, once it is completed, that will
18 equate to a dollar amount based on the FERC established
19 rate. And they will pay that, in addition to the other
20 costs that are included on the bill. Did I say that
21 close to being right?

22 A. (BY MR. SPITZKOFF) Sounded close.

23 Q. And so when you said the transmission revenue,
24 those dollars that Microsoft would pay relating only to
25 the transmission line, the transmission and what you

1 referred to as transmission revenue, that's the dollar
2 amount that's used in order to come up with a
3 calculation of what they could be refunded over time?

4 A. (BY MR. SPITZKOFF) That is correct.

5 Q. Okay.

6 CHMN. CHENAL: Member Haenichen.

7 I am sorry, Mr. Derstine. Member Haenichen has
8 a question.

9 MEMBER HAENICHEN: Yeah, Mr. Chairman, thank
10 you.

11 This question relates to facilities that wind up
12 on the customer's property, for example, transformers
13 and things like that. Who is responsible for
14 maintenance of those? Supposing the transformer burns
15 up. Would Microsoft have to pay for that or would you
16 have to pay for that?

17 MR. SPITZKOFF: Yeah. So APS will own and
18 operate the substation and the equipment inside the
19 substation. For the TS-15 -- if we just stick with the
20 TS-15, the Wildcat substation -- Microsoft will be
21 responsible for the ongoing maintenance and capital
22 replacement cost for those. However, APS will own it.
23 This way we can perform the maintenance. Where we are
24 the utility company, we have best practices. A company
25 such as Microsoft isn't suited or even interested in

1 actually doing maintenance on and keeping up facilities
2 such as that.

3 MEMBER HAENICHEN: Just for the edification of
4 the Committee, what does one of these transformers cost?

5 MR. SPITZKOFF: 230/69 transformer I am going to
6 say is about 2 to \$3 million. A 69 to 34.5, that's a
7 new one for us. I don't have that in my memory.

8 MEMBER HAENICHEN: Thank you.

9 MR. SPITZKOFF: But I'm getting indication about
10 a million dollars.

11 CHMN. CHENAL: Member Hamway.

12 MEMBER HAMWAY: So when they become eligible for
13 a refund, where do those dollars come from? Does that
14 get rolled into a rate case, and then if they don't do a
15 rate case for a number of years, is it just kind of like
16 added into the pot that they go to the Commission to be,
17 you know, to be rewarded, awarded?

18 MR. SPITZKOFF: Yeah. So as money is refunded
19 to the customers, only that amount that is refunded
20 would be eligible to go into the rate base, which then
21 would be treated in a rate case.

22 MEMBER HAMWAY: Okay. Thank you.

23 CHMN. CHENAL: And that was a question I was
24 going to ask. I am assuming that none of the facilities
25 that are paid for by -- for the Wildcat and Cyclone

1 projects that are paid for by the customers goes into
2 the ratemaking process by APS, is that correct, other
3 than what you just mentioned for the transmission
4 refund?

5 MR. SPITZKOFF: So to make sure I understand
6 your question, any of the costs that APS has not
7 refunded to the customer does not go into our rate base.
8 Only what we have refunded would that credit.

9 CHMN. CHENAL: Because in a normal case where
10 APS is paying for the facilities, that goes into the
11 ratemaking case. But because APS is not paying for
12 these facilities and the customer is, then it would be
13 like double dipping to put it into the ratemaking case
14 and have it paid for by the customer.

15 The refunds based on the transmission revenue,
16 however, is a cost to APS. And that's what you are
17 saying goes into the ratemaking case.

18 MR. SPITZKOFF: Yes. And the reason is that the
19 transmission revenues and the amount that's refunded
20 means that the revenues from the project are carrying
21 the costs of those facilities. So that's one of the
22 reasons for the up-front collection of the money, of all
23 costs. It is the way the line extension is designed to
24 protect the general overall ratepayers.

25 If there is a single customer or group of

1 customers building a facility, the collection is up
2 front from those customers, and then we would issue a
3 refund within -- and the refund works within a five-year
4 window. So it is after that five-year window, anything
5 that has not been refunded all goes into that CIAC
6 bucket, that nonrefundable portion at that point.

7 So that's the way the line extension policy
8 strikes a balance. The part that goes into the rate
9 base is being covered by the revenues that the project
10 is creating.

11 CHMN. CHENAL: Thank you very much for that
12 explanation.

13 BY MR. DERSTINE:

14 Q. And I guess just to close that down, what I
15 understand from your slide and what you have said here
16 today is that this project, it will be paid for by
17 Microsoft and Stream. Some portion of the facilities
18 are eligible for refund, and that's calculated on a
19 transmission revenue basis over a five-year period of
20 time. At the end of that period of time, whatever has
21 not been refunded never will be, and the nonrefundable
22 aspects of the costs of this project never make their
23 way into rate base.

24 Based on the calculation of what is refunded, it
25 may be included in a future rate case filing by APS.

1 And, in general, that amount that makes its way into the
2 rate base calculation is offset by the transmission
3 revenue that's paid on a going-forward basis.

4 A. (BY MR. SPITZKOFF) Yes. And I would add two
5 items to that.

6 Q. Okay.

7 A. (BY MR. SPITZKOFF) As Member Haenichen pointed
8 out, also the ongoing cost of maintenance and future
9 capital replacement is charged to the customers
10 themselves.

11 And then, just the last bullet point on the
12 slide I want to add context, if anyone is reading the
13 record after. In order to -- before we would issue a
14 refund, that load value would have to be maintained for
15 three consecutive billing cycles so a customer doesn't
16 spike up their load for a day or two and say they
17 reached that certain level and then come back down. It
18 needs to be they have actually achieved and are
19 maintaining that load level.

20 CHMN. CHENAL: One, if I may, one follow-up
21 question. The ongoing maintenance cost responsibility
22 of Microsoft, that continues into the future, correct?
23 There is no time limit on that, correct?

24 MR. SPITZKOFF: Correct.

25 CHMN. CHENAL: Okay. The second point is, yes,

1 every case we have, someone at the Commission, the Staff
2 level, reads these, these transcripts. I know that for
3 a fact. I believe Member Woodall actually does. Why
4 would you do that? You have been here. Why would you
5 do that? But I think someone else does as well.

6 MEMBER WOODALL: It is to see how dumb my
7 questions really are so I can avoid them next time.

8 BY MR. DERSTINE:

9 Q. And I guess the last thing I want to ask you on
10 this subject, and then we will move on: Is this a
11 special deal that Microsoft has worked out, this kind of
12 calculation, some they get back, some they don't, but
13 they have to pay maintenance?

14 It sounds very complicated, but on a basic
15 level, is this some basic agreement between Microsoft
16 and APS, or does this line extension policy and the way
17 it is applied work the same for every new customer that
18 is asking APS to construct facilities to serve them?

19 A. (BY MR. SPITZKOFF) The way you constructed the
20 question, I don't know if it's yes or no, but --

21 Q. I will withdraw it.

22 Is this the standard line extension policy?

23 A. (BY MR. SPITZKOFF) Generally, yes.

24 Q. And this line extension policy applies to
25 other -- if I am a home builder and I need you to build

1 a line to serve my small development in your service
2 territory, this would be applied?

3 A. Yes.

4 Q. Got it.

5 CHMN. CHENAL: Note to attorney, questioning
6 engineers is a special category.

7 MR. DERSTINE: Yeah. Excellent witnesses.

8 CHMN. CHENAL: Member Woodall.

9 MEMBER WOODALL: I thought I heard when I asked
10 you if this was a special contract or a tariffed rate
11 you mentioned a particular category. Because obviously
12 electric service customers pay different rates depending
13 upon whether they are residential, commercial, whether
14 they can be interrupted, et cetera, et cetera, time of
15 use. And you mentioned a particular title. Could you
16 repeat that.

17 MR. SPITZKOFF: It is extra high load factor, or
18 XHLF I believe it may be referred to as.

19 MEMBER WOODALL: And how long has that, shall I
20 say rate, how long has that rate been in effect at APS?
21 Because I have a faint recollection of seeing it drift
22 across my desk within the last 18 months.

23 MR. SPITZKOFF: I believe that's within 18 to 12
24 months, that time frame, is when the Commission approved
25 that.

1 MEMBER WOODALL: And so APS went to the
2 Commission and said, hey, we have these types of
3 customers similar to what we have here from Microsoft
4 and Stream, and we want to propose a special rate for
5 them, and you articulate reasons for why that was a good
6 idea, correct?

7 MR. SPITZKOFF: Yes.

8 MEMBER WOODALL: I don't know you personally. I
9 am talking you in the corporate sense.

10 MR. SPITZKOFF: I understood. Yes.

11 MEMBER WOODALL: So you did go to the Commission
12 and you did get a, quote, special rate for high load
13 customers such as this, but not necessarily limited to
14 data centers, is that correct?

15 MR. SPITZKOFF: I believe so. I think it is
16 just a megawatt value, and a load factor is the
17 qualification, I believe.

18 MEMBER WOODALL: And so I won't speculate, and
19 we are not done speculating, but you did get that, I am
20 going to call it, rate before you actually entered into
21 any agreement with the two data centers?

22 MR. SPITZKOFF: Correct.

23 MEMBER WOODALL: Okay. And would it be fair to
24 say that probably if you -- you had a reason for getting
25 that particular rate, and it might have had something to

1 do with your negotiations with the data centers? And if
2 you don't know, you can say you don't know.

3 MR. SPITZKOFF: I wouldn't characterize it as
4 our negotiations. I think it is, it -- it is actually
5 something that they were also advocating.

6 MEMBER WOODALL: They being?

7 MR. SPITZKOFF: Various data center customers.

8 MEMBER WOODALL: Okay. Thank you. That's just
9 helpful. I love Mr. Gentles because he is always
10 putting this in a context. So that's the purpose of my
11 questions. Thank you. I have no further on this topic.
12 BY MR. DERSTINE:

13 Q. Did we beat the line extension policy until it
14 is dead? Is there anything more you want to add to it?

15 A. (BY MR. SPITZKOFF) I think I have covered all
16 that I want to.

17 Q. Fair enough.

18 This is a chapter break in which Mr. Spitzkoff,
19 I think, gets to push his mike away, and I am going to
20 spend a little time with Mr. Larsen.

21 CHMN. CHENAL: That might be a relief to you,
22 Mr. Derstine.

23 MR. DERSTINE: I love all my witnesses.

24 BY MR. DERSTINE:

25 Q. Good afternoon, Mr. Larsen.

1 A. (BY MR. LARSEN) Good afternoon.

2 Q. You are still under oath. And we have jumped
3 around a little bit, but I think this is your first
4 opportunity to testify today. You and I are going to
5 cover some of the meat and potatoes of a line siting
6 case. And that is the application and the satisfaction
7 of the various notice requirements that are set forth in
8 the siting statute. So let's do that by starting with
9 the application itself.

10 In terms of background and foundation, you were
11 the project manager for this project, the
12 Wildcat-Cyclone 230kV line transmission project. Have I
13 got all those words correct?

14 A. (BY MR. LARSEN) That's correct.

15 Q. And as part of that responsibility, you oversaw
16 and supervised the preparation of the application for
17 the CEC that brings us here today, right?

18 A. (BY MR. LARSEN) That is correct as well.

19 Q. Okay. When was the application filed?

20 A. (BY MR. LARSEN) We filed the application on
21 August 14th of 2019.

22 Q. Okay. The application has been marked as APS
23 Exhibit 1. Do you have that before you?

24 A. (BY MR. LARSEN) Yes, I do.

25 Q. I know you spent a lot of time preparing the

1 application. Have you had a chance to review the
2 application since it was filed?

3 A. (BY MR. LARSEN) Yes, I have.

4 Q. Do you have any corrections to APS-1, the CEC
5 application?

6 A. (BY MR. LARSEN) Actually, I do have a couple
7 minor corrections that I would like to make. One of
8 those has to do with the number of people that were on
9 our mailing list. In the application we said
10 approximately 15,000 addresses that we had mailed to.
11 In actuality it was over 13,000. But it was not 15,000.
12 That was an error.

13 MEMBER WOODALL: And where is that error in the
14 application, what page? Since you are correcting it,
15 might as well. Might it be on Exhibit J, page J-1?
16 Might that be where it is?

17 MR. LARSEN: Yes.

18 MEMBER WOODALL: Okay, thanks.

19 BY MR. DERSTINE:

20 Q. At the bottom of the page in J-1?

21 A. (BY MR. LARSEN) Yes.

22 Q. Under the heading Newsletter 1?

23 A. (BY MR. LARSEN) That's correct. That's the one
24 that is incorrect. So it was over 13,000.

25 Q. Okay. And your second correction?

1 A. (BY MR. SPITZKOFF) The other correction was on
2 the variable corridor widths that we discussed a little
3 bit earlier. In the application we had requested a
4 500-foot corridor. And since then, as we looked at the
5 data center properties and the need for some flexibility
6 there, we have asked for varying corridor widths on
7 those properties.

8 MEMBER WOODALL: And again, where might that be?

9 MR. LARSEN: That's in the --

10 MEMBER WOODALL: Might it be in the beginning of
11 the application?

12 MR. LARSEN: In the beginning.

13 MEMBER WOODALL: If you could just identify the
14 page.

15 MR. LARSEN: Page 15.

16 MEMBER WOODALL: Okay, great.

17 MR. LARSEN: It is the under the nominal width
18 of right-of-way. We requested the 120-foot
19 right-of-way, but within a 500-foot corridor. And now
20 that's the part that we have changed for the pieces
21 along the data center properties.

22 CHMN. CHENAL: I'm sorry. Can you say that
23 again, Mr. Larsen.

24 MR. LARSEN: Yeah. I am sorry. In the
25 application we did ask for 500 feet. And that is -- we

1 are still asking for that on the private properties.
2 But on the customer data center properties, we are
3 asking for a variable width, some of which we talked
4 about in our corridor discussion, and which we will be
5 covering in more detail.

6 CHMN. CHENAL: Member Noland.

7 MEMBER NOLAND: I believe that on one of the
8 maps you show up to 850 foot width of corridor. Is that
9 the widest amount that you have?

10 MR. LARSEN: I believe it depends on how we look
11 at that map. 850 is the widest. That would be on the
12 Wildcat site from east to west. But if you actually
13 look at the distance from Broadway Road north, that
14 would be 1750 feet if you looked at that dimension.

15 MEMBER NOLAND: Correct. And then if you looked
16 at the -- going from the east side of the Wildcat
17 property to their far east boundary, that would be
18 3,000 -- well, it is hard to say exactly how wide that
19 is. Anyway, it is not just 500. It is --

20 MR. LARSEN: No.

21 MEMBER NOLAND: -- 500, 750, and 850, is that
22 correct?

23 MR. LARSEN: That is correct. It varies.

24 MEMBER NOLAND: Thank you.

25 MR. LARSEN: And I was referring to APS-22, was

1 that map there.

2 CHMN. CHENAL: Thank you.

3 BY MR. DERSTINE:

4 Q. So as shown on APS-22, which is the corridor map
5 for the preferred route, we are still asking for a
6 500-foot corridor on the property to the south of
7 Broadway Road, is that correct?

8 A. (BY MR. LARSEN) That's correct.

9 Q. And so it is this broader corridor width that
10 varies from, on different points it is 850 or 750, and,
11 depending how you measure it, wider than that that comes
12 across onto the Wildcat property, that we are asking for
13 more than the 500 feet, but only as it relates to the
14 Microsoft property, or what is referred to as the
15 Wildcat property, correct?

16 A. (BY MR. LARSEN) Yes. The Wildcat project as
17 well as the little piece on the Cyclone would be 750
18 feet north to south as well.

19 Q. Okay. And what about, then, as to the corridor
20 map for Alternative Route 1 -- that's APS Exhibit 23 --
21 is it different?

22 A. (BY MR. LARSEN) No. That part is the same.
23 And again, we are asking for 500 feet on the private
24 portions for what would be the Link 9 and 10 on the
25 private land.

1 Q. All right. And again, with regard to the
2 broader, wider corridor that we are requesting for the
3 Wildcat and Cyclone property, either under the preferred
4 route or Alternative Route 1, those landowners,
5 Microsoft and Stream, agree with and are accepting of
6 this much wider corridor designation, is that true?

7 A. (BY MR. LARSEN) Yes, they are. We have had
8 discussions with them and they are okay with that.

9 Q. Okay. So you have covered -- any other
10 corrections other than changing the number of
11 newsletters that went out from 15,000 to, you are saying
12 over 13,000, but roughly 13,000, and then this change in
13 the request or identification of the corridor depending
14 on which property we are talking about? Are there any
15 other corrections?

16 A. (BY MR. LARSEN) No, there are no other
17 corrections.

18 Q. You indicate and your slide indicates that the
19 application was filed on August the 14th of this year.
20 The siting statute requires that within 10 days of
21 filing the application the applicant provide public
22 notice of the time and place of the hearing. Did we do
23 that?

24 A. (BY MR. LARSEN) Yes, we did.

25 Q. Okay. Let's talk about the public notice.

1 Public notice is defined as two publications in a daily
2 or weekly newspaper of general circulation within the
3 general area in which the proposed transmission line
4 will be located. Have you got all that?

5 A. (BY MR. LARSEN) Yes, that's correct.

6 Q. Okay.

7 A. (BY MR. LARSEN) And the two publications for
8 this area is the West Valley View, which covers a broad
9 west valley, pretty much the whole west valley, and also
10 The Arizona Republic West Valley. It is actually zone 5
11 which covered this portion of the -- covered the study
12 area.

13 Q. And where would the Committee look to see the
14 evidence that we published these two notices in those
15 two newspapers on those days?

16 A. (BY MR. LARSEN) I believe those were in -- is
17 it 11 -- Exhibit 11 in the supplemental filing.

18 Q. All right. And so the Committee members using
19 their iPads can find that in, I think it is identified
20 as the supplemental filing, and it is Exhibit 11 under
21 the supplemental filing?

22 A. (BY MR. LARSEN) That's correct.

23 Q. If the Committee members page to that Exhibit 11
24 in the supplemental filing, talk us through what we find
25 there.

1 A. (BY MR. LARSEN) Yes. The first page shows The
2 Arizona Republic affidavit of publication for the dates
3 of 8/21, August 21st, which was a Wednesday, and then
4 Saturday, the 24th. The next two pages are just
5 examples of what the publication looked like in the
6 paper, or what we referred to as tear sheets.

7 Q. And that's pages -- I am under APS Exhibit 11 --
8 11.2 and 11.3?

9 A. (BY MR. LARSEN) That is correct.

10 Q. And the next page says it is on 11.4. What is
11 that?

12 A. (BY MR. LARSEN) 11.4 is an affidavit of
13 publication for the West Valley View for the date of
14 August 21st.

15 Q. And the page 11.5, is that the example of what
16 was published in the West Valley View on that date?

17 A. (BY MR. LARSEN) That's correct. 11.5 is the
18 example of the publication.

19 Q. And 11.6?

20 A. 11.6, again, is from the West Valley View, the
21 affidavit of publication for the date of August 28th.
22 And 11.7 is an example or the tear sheet for what was
23 published.

24 Q. And the West Valley View is a newspaper of
25 general circulation that serves the west valley and is

1 read by folks in this area?

2 A. Yes, that's correct. And if you notice the
3 dates, they only publish one day a week on Wednesday.
4 So that's why the dates were the 21st and the 28th,
5 whereas The Republic we published on the Wednesday and
6 then the Saturday.

7 CHMN. CHENAL: Member Gentles.

8 MEMBER GENTLES: Thank you, Mr. Chair.

9 So I am looking at APS-11, page 11.2, top of the
10 page, AZcentral.com, midweek 8/21/19 Z -- I think that's
11 a 5? 7, yes. So zone 5, page 7?

12 MR. LARSEN: Yes, that is correct, I believe.

13 MEMBER GENTLES: So this was actually in the
14 printed paper, or it was published online?

15 MR. LARSEN: This is out of the printed paper.
16 But it is my understanding that it is also on the online
17 version.

18 MEMBER GENTLES: And that was in The Arizona
19 Republic specifically?

20 MR. LARSEN: Yes, correct.

21 MEMBER GENTLES: Okay. Thank you.

22 BY MR. DERSTINE:

23 Q. We published in two newspapers, Arizona Republic
24 and the West Valley View, on two days within each
25 publication, and those are the dates set forth on your

1 slide, is that right?

2 A. (BY MR. LARSEN) That is correct.

3 Q. One of the other requirements in terms of
4 providing notice to the public about this proceeding is
5 that we are required to post signs within the vicinity
6 of the project at least 20 days of the hearing. Did APS
7 do that?

8 A. (BY MR. LARSEN) Yes, we did.

9 Q. Why don't I direct your attention to APS
10 Exhibit 10 again in the supplemental filing.

11 A. (BY MR. LARSEN) Yes. This is Exhibit 10 of the
12 supplemental filing. Page 10.1 is what we are looking
13 at on the left screen there. And what that date is,
14 there are three green -- now my pointer -- there it is,
15 okay.

16 These little green asterisks are the four
17 locations where we posted the signs. I can describe a
18 little more. You may have noticed these on the tour.

19 The one on the top here is at the intersection
20 of Lower Buckeye Road and Litchfield Road on the
21 northeast, or northwest corner -- southwest corner. I
22 will get it. There is only four, and took me three
23 tries, so...

24 We also put a sign on the Cyclone property
25 towards Lower Litchfield Road and just north of Broadway

1 Road. And it is actually facing to the west. And then
2 we have two signs on the Wildcat property that were
3 facing to the south so that the traffic going by, they
4 could see those lines.

5 Q. Okay. We are required to post those signs at
6 least 20 days before the hearing date. Do we have any
7 evidence that shows when they were posted?

8 A. (BY MR. LARSEN) Yes, we do. On page 10.3, I
9 believe we -- on page 10.3, and it is shown on the left
10 screen there, this was from our vendor that placed the
11 signs there. You will see the dates of 8/22, and these
12 are a photo of each of the four locations, as well as
13 underneath tells the location of those signs.

14 Q. And the other pages that are included under APS
15 Exhibit 10, that APS 10.4, 10.5, 10.6, and 10.7, are
16 those photos of the same signs but close enough so that
17 you can actually see what they say?

18 A. (BY MR. LARSEN) Yes. Those are photos of each
19 of those locations, and still a little bit hard to read,
20 but at least up closer so you can see what is actually
21 on there, and the location, the project location map,
22 dates of the hearing and such.

23 Q. Okay. One of the statutory requirements that
24 relate to notice is to provide notice to affected
25 jurisdictions of the time and place of this hearing.

1 Was that done?

2 A. (BY MR. LARSEN) That was done.

3 Q. Okay. And who does that?

4 A. (BY MR. LARSEN) EPG actually was responsible
5 for --

6 Q. No, I am referring to the notice of the affected
7 jurisdictions.

8 A. (BY MR. LARSEN) Oh, I am sorry. That is
9 actually done by the ACC Docket Control.

10 Q. Okay. And so when we file an application and
11 carry down to the ACC boxes of 25 plus copies of these
12 various binders, we also include 25 -- well, a number of
13 copies of the notice to affected jurisdictions, right?

14 A. (BY MR. LARSEN) Correct. And in this case
15 there were seven different jurisdictions that we
16 notified.

17 Q. Okay. Just identify the jurisdictions, please.

18 A. (BY MR. LARSEN) Yes. One is the Arizona State
19 Land Department; the BLM, Lower Sonoran field office;
20 City of Avondale; City of Goodyear; City of Phoenix;
21 Maricopa County; and the Phoenix Goodyear Airport.

22 Q. And how do you determine who or what is an
23 affected jurisdiction?

24 A. (BY MR. LARSEN) That, possibly I could ask
25 Devin from EPG to assist with actually answering that

1 question.

2 Q. Sure.

3 A. (BY MR. PETRY) So we included multiple entities
4 or jurisdictions within our list of affected
5 jurisdictions, primarily based on those land owning or
6 land -- those with jurisdiction within our two-mile
7 study area.

8 As I will present a little later in my testimony
9 and as is indicated in Exhibit, I think, A-1, we have
10 ownership or jurisdiction from multiple entities within
11 a few mile study area, including the BLM Lower Sonoran
12 field office, some smaller parcel of Arizona State Land
13 Department, as well as the Cities of Avondale and
14 Goodyear, of course. But the Phoenix Goodyear Airport
15 is managed by the City of Phoenix. We also included the
16 City of Phoenix.

17 Q. Okay, thank you. And the statutory requirement
18 is that those notices to affected jurisdictions, once
19 they are identified, be sent by certified mail. You
20 indicated that Docket Control does that. Is there
21 evidence that those notices to the jurisdictions that
22 Mr. Petry identified were mailed out by certified mail?

23 A. (BY MR. LARSEN) There is evidence in the
24 docket --

25 Q. Okay.

1 A. (BY MR. LARSEN) -- of the return receipts for
2 those --

3 Q. Okay.

4 A. (BY MR. LARSEN) -- notices.

5 Q. So if I were to look in the docket, I would see
6 that Docket Control has itself filed these various green
7 cards which evidence that the notice to affected
8 jurisdictions was mailed out to the addressee on the
9 date specified in the notice?

10 A. (BY MR. LARSEN) That is correct. You would
11 find all of them in there.

12 Q. And you have looked at the docket and seen them?

13 A. (BY MR. LARSEN) Yes, I have.

14 Q. One of the other requirements is that we include
15 the application transcripts and other related, project
16 related items on the project website. I think the
17 requirement is specifically for the application and
18 transcripts. Was that done?

19 A. (BY MR. LARSEN) That was done. And I did that
20 myself personally.

21 Q. You are handier with a computer than I am,
22 Mr. Larsen. Let me have you look back at APS Exhibit 11
23 and the last page under 11. It is 11, page 11.8 under
24 APS Exhibit 11.

25 A. (BY MR. LARSEN) Yes. 11.8 is a screen shot of

1 the website for this project. And toward the bottom
2 there you will see the different documents that were, at
3 the time this was printed, shown on there. And you will
4 see the notice of hearing and the prefiling conference
5 transcripts.

6 Q. Okay. And at the conclusion of this hearing,
7 APS will upload and put the transcripts from this
8 hearing on this same project website?

9 A. (BY MR. LARSEN) That is correct.

10 Q. And we have since loaded this supplemental file
11 also onto the website?

12 CHMN. CHENAL: Member Gentles.

13 MEMBER GENTLES: Just a quick clarifying point
14 on APS-11.8 on the website. So is that available to
15 everybody's view, or just the people in the affected
16 area that have an account in that affected area?

17 MR. LARSEN: That's public, available to
18 everybody.

19 MEMBER GENTLES: Okay, thank you.

20 CHMN. CHENAL: Member Woodall.

21 MEMBER WOODALL: I know the procedural order
22 required that the transcripts be filed on the project
23 website. Will that be including the exhibits to the
24 transcript?

25 MR. LARSEN: Yes. We will include the exhibits

1 as well.

2 MEMBER WOODALL: Good. Because, as you know, if
3 you go to the Commission website and look for
4 transcripts, the members of the general public will not
5 be able to pull those up because of the nature of the
6 contractual arrangements with the court reporter. So I
7 am delighted to hear that the exhibits to the transcript
8 will be there. May I ask how long they are going to be
9 there?

10 MR. LARSEN: We will maintain them until the
11 project is in service.

12 MEMBER WOODALL: Oh, that's great. Thank you so
13 very much.

14 BY MR. DERSTINE:

15 Q. One of the other requirements, Mr. Larsen, is
16 that we provide copies of the application and
17 transcripts to libraries within the area. Has that been
18 done?

19 A. (BY MR. LARSEN) Yes, that has.

20 Q. What are the libraries that you used as the
21 location?

22 A. (BY MR. LARSEN) We had those posted at the
23 Goodyear Library, as well as the Sam Garcia library
24 which is in Avondale, both of which are in the study
25 area for the project.

1 Q. And who delivered copies of the application to
2 the libraries?

3 A. (BY MR. LARSEN) That's the one I jumped ahead
4 to, trying to skip my testimony on the other items. But
5 EPG actually delivered the copies to the libraries.

6 Q. Let me have Mr. Petry look at this.
7 Mr. Petry, could you look at APS Exhibit 12,
8 please?

9 A. (BY MR. PETRY) Yes.

10 Q. Okay. And tell us what we are looking at under
11 APS Exhibit 12.

12 A. (BY MR. PETRY) APS Exhibit 12 includes two
13 email exchanges between myself and representatives from
14 the two libraries that Mr. Larsen mentioned, verifying
15 that I did, in fact, personally provide copies of the
16 CEC application for public posting at those locations.

17 Q. Okay.

18 CHMN. CHENAL: Member Woodall asked me to ask
19 this question. I just outed Member Woodall.

20 How long are those transcripts held by the
21 libraries, or the applications held by the libraries, if
22 you know?

23 MR. PETRY: So we asked them to hold those
24 through at least November, but we will continue
25 communications with those libraries should they need to

1 hold those for longer.

2 MEMBER WOODALL: And when is it that you
3 anticipate that, if a CEC is issued, when do you
4 anticipate it might be heard by the Commission? You
5 have an open meeting date in mind?

6 MR. DERSTINE: I think our anticipated timeline
7 is that we be on the open meeting calendar in November.

8 MEMBER WOODALL: Okay. So just through at least
9 the end of November you would anticipate that the
10 applications will be in the libraries?

11 MR. PETRY: Yes.

12 MEMBER WOODALL: Thank you.

13 BY MR. DERSTINE:

14 Q. Mr. Petry, did you deliver the transcripts to
15 the libraries as well?

16 A. (BY MR. PETRY) No.

17 Q. I think at this point I need to swear in the
18 court reporter and ask her if she has delivered -- no.

19 I will represent that the court reporting firm,
20 Coash & Coash, handles delivery of the transcripts, and
21 they turn around transcripts, I think, on a three-day
22 basis, which is the standard rule that's in effect for
23 these proceedings, and they handle delivery of the
24 actual transcripts to the libraries once we have
25 designated them, and that we have seen evidence in the

1 docket and there is evidence in the docket that that, in
2 fact, has been done.

3 CHMN. CHENAL: Thank you.

4 MR. DERSTINE: I think with that, I would like
5 to move the admission of APS-1, which is the
6 application.

7 CHMN. CHENAL: Any objection to admission of
8 Exhibit 1, the application?

9 (No response.)

10 CHMN. CHENAL: Hearing none, APS Exhibit 1 is
11 admitted.

12 (Exhibit APS-1 was admitted into evidence.)

13 MR. DERSTINE: And then if I could also move the
14 APS Exhibits 10, 11, 12, at this time. And 10 is the
15 evidence of the posting of the signs, including the map
16 and the various photographs. And 11 was the affidavit
17 of publication. It also included the page that
18 established the proof of the website posting. 12 is the
19 proof of delivery of the applications to the library
20 locations that Mr. Petry testified to.

21 And then I would simply ask Mr. Chairman and the
22 Committee to take judicial notice of the items that are
23 found in the docket and also that the proof of the
24 notices of the affected jurisdictions were mailed by
25 certified mail by Docket Control, and that evidence is

1 found in the docket as well as evidence filed by the
2 court reporter that they have, in fact, delivered the
3 transcripts to date to the libraries as required by this
4 Committee.

5 CHMN. CHENAL: All right. Thank you very much.

6 Any objection to admission of APS Exhibits 10,
7 11, or 12?

8 (No response.)

9 CHMN. CHENAL: Hearing none, Exhibits 10, 11,
10 and 12 are admitted.

11 (Exhibits APS-10, APS-11, and APS-12 were
12 admitted into evidence.)

13 CHMN. CHENAL: And yes, I will take judicial
14 notice of the fact that the notice to affected
15 jurisdictions was sent out by certified mail
16 appropriately on behalf of the applicant and that the
17 transcripts of the proceedings are delivered and have
18 been delivered of our previous meetings and prehearing
19 conference to the libraries.

20 MR. DERSTINE: Thank you.

21 BY MR. DERSTINE:

22 Q. Mr. Larsen, you and I are now going to move on
23 to Chapter 9 for those people keeping track of the
24 innings of this game.

25 CHMN. CHENAL: Page 138 out of 200 slides in the

1 deck.

2 MR. DERSTINE: Yes.

3 MEMBER HAMWAY: But who is counting?

4 BY MR. DERSTINE:

5 Q. And Chapter 9 deals with public and stakeholder
6 involvement.

7 A. (BY MR. LARSEN) Okay.

8 Q. Wearing your hat as project manager, you also
9 directed and supervised the public outreach and
10 engagement process working closely with EPG, Mr. Petry's
11 company, in terms of various aspects of that public
12 engagement process, correct?

13 A. (BY MR. LARSEN) That is correct. I oversaw
14 that and worked very closely with EPG, again, with all
15 aspects of it and the graphics, et cetera --

16 Q. Okay.

17 A. (BY MR. LARSEN) -- that were covered.

18 Q. Let's get into it and have you summarize kind of
19 at the general public level what was done to give
20 members of the public notice and information concerning
21 the planning of this project. I think we have
22 previously covered the preliminary study area, and that
23 that served as the basis for the newsletters that went
24 out, but walk us through that and tell us what was done.

25 A. (BY MR. LARSEN) Yeah. Again -- this is

1 general -- what we call the initial study area, again,
2 consisted of the mailing area, if you will, and also
3 stakeholders that were within that area, and even some
4 slightly outside of there.

5 But the public process really started out when
6 we mailed our first newsletter on May 31st. But I did
7 want to mention we had reached out to some of the major
8 stakeholders in advance and early on in the project
9 before taking it to the public.

10 Q. So your slide there indicates two project
11 newsletters. The first one went out on May 31st. Where
12 would we find that newsletter, or where could the
13 Committee see that newsletter?

14 A. (BY MR. LARSEN) Let's see. Which one is that?
15 It is in the original, APS-13.

16 Q. Well, it would be found -- it may be 13, but let
17 me direct your attention to the application, which is
18 marked as APS Exhibit 1, under Exhibit J. And I think
19 it is found at page --

20 A. (BY MR. LARSEN) Yes.

21 Q. -- 4, if I'm right. But take a look and make
22 sure I am looking at the right thing.

23 A. (BY MR. LARSEN) Yes. This section covers the
24 general outreach process. But yes, the newsletter
25 itself is on J-4 and J-5.

1 Q. So this was the first newsletter that went out
2 to the public within that large preliminary study area
3 to approximately 13,000 addresses, is that right?

4 A. (BY MR. LARSEN) That is correct. And it
5 introduced the project to them, had ways that they could
6 be involved in the project, how they could contact us,
7 and also invited them to the public open house to be
8 held in June 19th.

9 Q. Okay. And was the open house held on June 19th?

10 A. (BY MR. LARSEN) Yes, it was. And I also want
11 to point out that we also advertised in the same
12 newspapers, the West Valley View and Arizona Republic,
13 on multiple occasions prior to the meeting to announce
14 and make sure that we had noticed the public.

15 Q. So prior to the open house that was held on
16 June 19th, in addition to mailing out these over
17 approximately 13,000 newsletters, advertising the open
18 house, you also put advertisements in The Republic and
19 the West Valley View advertising the open house?

20 A. (BY MR. LARSEN) That is correct.

21 Q. Okay.

22 CHMN. CHENAL: Mr. Larsen, a question on your
23 slide. It says, under the two project newsletters, one
24 more following ACC decision. Is that assuming a CEC is
25 issued and approved by the Corporation Commission?

1 MR. LARSEN: I guess we were a little assuming
2 that and hoping.

3 CHMN. CHENAL: That's okay. I wasn't getting
4 into the area that Member Haenichen was bringing up. I
5 just want to make sure I was reading it appropriately,
6 that one more will be issued.

7 MR. LARSEN: I guess if we are denied, we will
8 also send one out saying we were denied a CEC.

9 CHMN. CHENAL: Well, that's certainly the other
10 possibility.

11 MR. LARSEN: Right.

12 CHMN. CHENAL: But that's to be one more in the
13 future will be --

14 MR. LARSEN: Yes.

15 CHMN. CHENAL: -- following.

16 MR. LARSEN: We did the May 31st one for the
17 open house. Then we did the September 3rd mailing that
18 really informed everyone of our alternatives and these
19 proceedings. And we would like to kind of close the
20 circle, if you will, by sending out a final newsletter
21 with the results.

22 CHMN. CHENAL: Thank you.

23 BY MR. DERSTINE:

24 Q. So jumping ahead to the second newsletter, but I
25 want to make sure, let's kind of do them in sequence.

1 So the May 31st newsletter went out and informed folks
2 that you were holding an open house. Tell us about the
3 open house a bit and how many people showed up and what
4 occurred there.

5 A. (BY MR. LARSEN) It was lightly attended. It
6 was held -- let me point out I believe the general area
7 is kind of in the northwest part of the study area. We
8 did have approximately 12 attendees, mostly the nearby
9 landowners. We had some representatives from the City
10 of Goodyear and Avondale there.

11 So it was lightly attended, but the people that
12 were in attendance were important, as they were directly
13 impacted, if you will. Again, we had residents from
14 along Litchfield Road and then the major landowners,
15 some of which provided comment last night here as well.

16 Q. Let me ask you that. I think Mr. Amator said he
17 attended the open house, is that correct?

18 A. (BY MR. LARSEN) That's correct, he was there.

19 Q. And Mr. Rayner was there?

20 A. (BY MR. LARSEN) Mr. Rayner and, I believe, his
21 son was there.

22 Q. Did Mr. Wagner attend the open house?

23 A. (BY MR. LARSEN) Mr. Wagner did not attend.

24 Q. How about Mr. Beckham?

25 A. (BY MR. LARSEN) No, he did not.

1 MR. DERSTINE: Okay. This is probably the right
2 opportunity to do this. We have marked as APS
3 Exhibit 25 -- and I think the members of the Committee
4 have this -- this spreadsheet, which summarizes and
5 collects the various public outreach communications and
6 public comments.

7 MEMBER HAMWAY: I don't think we do have it.

8 MS. BENALLY: Check --

9 MR. DERSTINE: There should be. It is probably
10 under our exhibit list and included with that. And then
11 there should be that --

12 MEMBER HAMWAY: Okay.

13 MR. DERSTINE: -- item marked as APS-25.

14 And let me have Mr. Petry speak to -- we took
15 Member Gentles' comments to heart and brought together
16 the actual comment forms, but also prepared a
17 spreadsheet that summarized the comments.

18 BY MR. DERSTINE:

19 Q. Tell us a bit about what they are going to see
20 under Exhibit APS-25.

21 A. (BY MR. LARSEN) Certainly.

22 Member Gentles, per your request yesterday, we
23 wanted to provide a little additional detail in terms of
24 who attended these meetings and/or the nature of the
25 comments received.

1 What you see with the spreadsheet would be a
2 listing in order of the date received as well as the
3 method of comment. You will see a few different methods
4 of comment, either voicemails, emails, open house
5 comment forms.

6 We also have included a column that describes
7 the affiliation of the commenter, such as an individual
8 homeowner in proximity to the project, property owners
9 in proximity to the project, as well as other just
10 generally interested individuals. And what we have also
11 included is the comment, or the nature of the comment in
12 some instances.

13 With the emails, we excerpted those emails, or
14 actually provided full quotes from those emails or the
15 comment forms. Where comments were received through
16 voicemail, we sort of summarized those to some extent.

17 We have also included in the far right column
18 the APS response. Some of those are specific responses
19 that were email responses to some of those emails
20 received. Some of those are actually more general
21 responses, such as those that were responses to comment
22 form requests, where individuals looked at or
23 recommended or provided feedback on particular links,
24 some of those preliminary links that we discussed
25 previously.

1 MEMBER NOLAND: Mr. Chairman.

2 CHMN. CHENAL: Member Noland.

3 MEMBER NOLAND: Thank you.

4 Mr. Petry, I saw in a couple of comments that
5 people did not like No. 11, which obviously must have
6 been thrown out. Was that the one that was going north
7 that somebody was talking about earlier? Can you tell
8 me where that No. 11 was originally, or did it get
9 renumbered?

10 MR. PETRY: So Link No. 11 is the link that
11 extended north on Litchfield Road. And you can see that
12 on what is called the preliminary links map in the CEC
13 filing on page 11.

14 MEMBER NOLAND: Okay. But it got ruled out
15 after those comments, and that's what was alluded to
16 earlier?

17 MR. PETRY: Yes.

18 MEMBER NOLAND: Thank you.

19 BY MR. DERSTINE:

20 Q. And Mr. Petry, is Link 11 up there on the screen
21 in the preliminary study area?

22 A. (BY MR. PETRY) Yes.

23 Q. Can you show us that with your laser pointer?

24 A. (BY MR. PETRY) Right here.

25 Q. And I guess while we have that up, did you

1 attend the open house, Mr. Petry?

2 A. (BY MR. PETRY) Yes.

3 Q. So in terms of the key takeaways from that open
4 house, although apparently we only had 12 of 13,000
5 people attend, what were the key takeaways from the open
6 house in terms of feedback from the attendees?

7 A. (BY MR. PETRY) One point to clarify was we had,
8 I think, actually 13 people that did sign in at that
9 open house meeting. I believe there were a number of
10 individuals who attended but did not sign in.

11 Q. Okay.

12 A. (BY MR. PETRY) The general takeaways from that
13 meeting were primarily from, you know, comments received
14 from residents on the east side of Litchfield Road, as
15 well as those residents or landowners on the south side
16 of Broadway Road, were to limit those impacts to either
17 direct impacts to their properties or visual impacts to
18 their viewshed from their properties.

19 And what that meant was, as we described
20 previously, removing or taking a closer look at some of
21 those links along Litchfield Road. The request from
22 residents in that location were to move those further to
23 the west or south, as well as a general theme of
24 comments from those along the south side of Broadway
25 Road, which was to, to the extent possible, limit those

1 intrusions on their lands and move the bulk of the
2 lines, wherever possible, onto the data center sites.

3 We also heard some comments, we actually
4 received a comment form back from representatives of the
5 City of Avondale noting that there was a planned
6 residential development east of the project area. It
7 was actually a platted residential development. And
8 they requested that the Link No. 12, which extended
9 further to the east, around here, and came closer to the
10 existing Rudd substation, be removed as well.

11 Q. And my recollection from Mr. Amator's comments
12 last night was that he communicated with you and/or
13 Mr. Larsen at the open house that he didn't -- his
14 preference was to get the line off of Broadway. And we
15 drove by his house today. Am I remembering that
16 correctly?

17 A. (BY MR. PETRY) Yes.

18 Q. And do you recall having a conversation with
19 Mr. Amator at the time of the open house?

20 A. (BY MR. PETRY) I do.

21 Q. Okay. Was there any more at the time of the
22 open house that he raised or mentioned?

23 A. (BY MR. PETRY) I think I mentioned earlier a
24 specific concern that he had when we were using the GIS
25 work station relating back to some of the questions

1 about the conceptual nature of these lines on the map.

2 In that instance, when, you know, we zoom down
3 on his residence there on the south side of Broadway
4 Road, based on that conceptual alignment, it did seem to
5 show it going right over the top of his house. And we
6 discussed that in some detail, both myself, our GIS
7 technician, and Mr. Amator, as to the conceptual nature
8 of those lines. Really it was used more as a tool of
9 identifying general location relative to a particular
10 property.

11 Q. Okay. And what about Mr. Rayner? You mentioned
12 he attended the open house. Did you have a conversation
13 with him?

14 A. (BY MR. PETRY) No.

15 Q. Okay. Mr. Larsen, do you recall having a
16 conversation at the open house with Mr. Rayner?

17 A. (BY MR. LARSEN) I don't believe I did. I know
18 that our representative from the Land Department did
19 have a longer conversation. I may have had some a minor
20 conversation with him, but I know that our land agent
21 spoke with him for quite a long time.

22 Q. Okay. And the land agent has been kind of the
23 primary point of contact for purposes of negotiating
24 right-of-way and a price for right-of-way, is that
25 right?

1 A. (BY MR. LARSEN) That's correct. He has been
2 the main contact point; although, I have also made
3 contact and had discussions with both Mr. Wagner and
4 Mr. Rayner as well.

5 Q. And the negotiation of the right-of-way and
6 whatever APS will pay for that, those discussions are
7 with Mr. Wagner because he owns the land, right?

8 A. (BY MR. LARSEN) That is correct. And that was
9 our land agent that had the land appraised and came up
10 with those values.

11 Q. All right. Anything else, Mr. Larsen or
12 Mr. Petry, that you think is important to note about
13 APS-25, the spreadsheet and the comment forms?

14 A. (BY MR. PETRY) One point to note is, because of
15 the very large mailing area that we mailed to, we did
16 get a number of comments from people that were wondering
17 why they were even getting these mailings, how the
18 project related to them based on their location. So a
19 lot of our responses, particularly through the
20 voicemails, were calling back these individuals and
21 letting them know that these facilities were proposed
22 miles away from those homes or properties, and we didn't
23 anticipate any impacts to their properties.

24 Q. Okay. And what is collected under the
25 spreadsheet at APS-25 are comments that continued after

1 the open house, either through these different channels,
2 that being phone line, or email. Are there any other
3 channels that, you know, that we received feedback that
4 you want to mention?

5 A. (BY MR. PETRY) We took -- we offered the
6 opportunity for individuals to send their comment forms,
7 which were available on the APS website as well as
8 handed out at the open house meeting, we offered the
9 opportunity for individuals to send those back to us
10 through standard mail. We didn't receive any in that
11 form.

12 But in addition to that, there was the
13 voicemails, the emails. And I believe the APS website
14 had the opportunity to click in on a comment form which
15 is directly delivered to APS as well.

16 A. (BY MR. LARSEN) It does have the ability that
17 they can fill it out online and submit it. And we
18 didn't get any further comments there.

19 I will add that one of the comments that is
20 noted on here I believe actually came through our just
21 general APS customer service line, that they sent an
22 email to me and asked if I could talk with them. Again,
23 it was they were just wanting general information on it.
24 And it won't really impact it. But we did mail them the
25 information and I had a conversation with them.

1 So that was another way that -- sometimes people
2 hear about something, or their neighbor does, and they
3 say they didn't get the mailing, whether or not they did
4 or didn't, and will call in. And so internally there
5 are ways that they know who I am. They know who to send
6 the calls to when they are transmission related usually.

7 Q. Okay. And you responded to it?

8 A. (BY MR. LARSEN) Yes.

9 Q. And on that topic, who has handled the responses
10 to emails or phone calls?

11 A. (BY MR. LARSEN) That has been a combination of
12 Devin and I. Sometimes I will, if I get something, I
13 will send it to him. And depending on what it is, if it
14 is really specific to the project, I will make that
15 contact. Other times Devin will take care of it. On
16 his end, again, the same thing, if they get a voicemail,
17 then he informs me of that and we talk about it and make
18 the decision on who would be the best person to respond.

19 Q. So it wasn't your personal secretary or
20 Mr. Petry's personal secretary who was returning these
21 calls?

22 A. (BY MR. LARSEN) No. But now that you mention
23 it, my boss is sitting here, and we could certainly use
24 one.

25 Q. Well, that's a conversation for another place

1 and time.

2 So we have covered the first newsletter and the
3 open house. The second newsletter, where would the
4 Committee find that? Is that under APS-13 in the
5 supplemental filing?

6 A. (BY MR. LARSEN) Yes. But if I could add one
7 more comment before we move on, I did want to mention
8 that if you look at this comment sheet here, APS-25,
9 some of the responses say, you know, that we considered
10 their comments and we refined some links.

11 And I did just want to point out that, again,
12 the links that were carried forward beyond this first
13 meeting was where we actually did refine and put some up
14 onto the Wildcat site, and some slightly different
15 versions, which is where other numbers came in.

16 And like we said, No. 11, No. 12 was eliminated.
17 But we didn't reuse those numbers, and that's why on the
18 other map -- which I am not sure if you can pull that
19 up -- it has the refined links on it. The numbers
20 aren't sequential, necessarily, so there is some numbers
21 missing. I just wanted to point that out, that we did
22 refine based on the comments, and then to the evolution
23 of the actual routes carried forward.

24 Q. And I heard Mr. Petry say that kind of one of
25 the main takeaways from the open house was that

1 Microsoft and Stream ought to bear as much of the burden
2 of this project as possible. And that is the facilities
3 should be moved onto their property to the greatest
4 extent possible. And we did that?

5 A. (BY MR. LARSEN) Yes, we did.

6 Q. Okay.

7 CHMN. CHENAL: Member Gentles has a question.
8 We are getting close to the point we need to take a
9 break.

10 MR. DERSTINE: Sure.

11 MEMBER GENTLES: So first, thank you, Mr. Petry,
12 for pulling this together. And thank you for your
13 responsiveness in getting that done. So thank you very
14 much. I am really pleased to see that.

15 And then also, Mr. Larsen, you must be inside my
16 head, because I was going to ask the links and
17 refinement. So you telepathically read my mind.

18 And then, so, you know, we are into the 21st
19 century. I am wondering if we -- you also aggregate any
20 comments you hear out -- or see and read out on Twitter,
21 social media, otherwise, which is probably a less clean
22 version of what we are seeing here in terms of comments.
23 But do you do anything like that, just out of curiosity?

24 MR. LARSEN: APS does have those internal social
25 media accounts. And we did not receive anything through

1 those. And that is something we are considering moving
2 forward with different siting projects, because that is
3 the day and age we live in. But we did not get any
4 comments through Twitter or social media.

5 MEMBER GENTLES: That may be a good thing to
6 start, and I am sure your social team does that,
7 especially if there is a mounting hashtag campaign
8 going. And that would be something I don't know if down
9 the road we might take a look at, but, again, just for
10 understanding of what the general, you know, the broader
11 general public is thinking.

12 MR. LARSEN: Yeah, we do not have one for this
13 project, per se.

14 BY MR. DERSTINE:

15 Q. So in terms of the second newsletter, APS in
16 general, at a high level, what was covered there and
17 what was the purpose for that second mailing? I gather
18 the main focus was to let folks know that this hearing
19 today was taking place.

20 A. (BY MR. LARSEN) Yes. We did a brief review of
21 the process that we had been through, that we had held
22 the open house and then had now filed the CEC
23 application, again noted our website and ways to contact
24 us, invited them to these hearings, and that they were
25 allowed to come and provide comment and that they were

1 open to the public, and just informing them overall
2 where we were at with the project.

3 Q. And did that second mailing informing them about
4 this hearing include the routes that you brought forward
5 in the application?

6 A. (BY MR. LARSEN) It did. We had 8 and a half by
7 11 colored maps of each of the three routes.

8 Q. Okay. And those are the same routes and maps
9 that the Committee has seen innumerable times today and
10 in the application?

11 A. (BY MR. LARSEN) That's correct.

12 Q. And I haven't taken the time to examine the
13 spreadsheet, but, Mr. Petry or Mr. Larsen, were there
14 any -- did the second newsletter informing them of this
15 hearing and of the finalized preferred and alternative
16 routes, did that generate any specific comments or
17 inquiries?

18 A. (BY MR. PETRY) Yes.

19 Q. What were those?

20 A. (BY MR. PETRY) Most of them, in fact all of
21 them, were voicemails that were received with inquiries
22 about the status or location of the project.

23 Q. Your slide, Mr. Larsen, shows project website
24 and the phone line. Again, the prior exhibit was a
25 screen print of the project website where interested

1 folks could see the application and other information
2 regarding this project, including the notice of hearing,
3 is that right?

4 A. (BY MR. LARSEN) That's correct. And that was
5 also in our -- in this September 3rd mailing, was
6 mentioning that they could view the applications and
7 that at the two public libraries and their addresses.

8 Q. So the public libraries, informed them of
9 public libraries --

10 A. (BY MR. LARSEN) Websites and so on.

11 Q. And am I correct in seeing that the signs that
12 were posted that we have covered previously also
13 included the reference to the project website?

14 A. (BY MR. LARSEN) Yes, that's correct.

15 Q. And was the phone line on the sign as well?

16 A. (BY MR. LARSEN) Honestly I don't recall without
17 looking at that.

18 Q. Okay.

19 A. (BY MR. LARSEN) I don't believe it was.

20 MR. DERSTINE: Okay. So what we have covered
21 here is kind of the general public outreach. I think
22 our next chapter is stakeholder engagement. Would you
23 like to break here, Mr. Chairman, before we move on to
24 that?

25 CHMN. CHENAL: I think I would. We can take a

1 short break, 10-minute break, and then resume.

2 And also I would like, Mr. Petry or Mr. Larsen,
3 with respect to APS-25 for identification, if there is a
4 way to let us know if the comment is in favor of the
5 preferred route. If it is clearly in favor of the
6 preferred route or clearly in favor of Alternate 1, I
7 think it would be helpful to know.

8 I understand some of those comments are
9 Alternate 2 or they are opposed without a preference,
10 they don't like Link 11. I get all that that. But if
11 there are actually ones you can actually pinpoint to say
12 this person is in favor of preferred or in favor of
13 Alternate 1, I would like to know.

14 MEMBER GENTLES: Maybe there is another column
15 in there. There is another column.

16 CHMN. CHENAL: But working with 25. I mean, you
17 are asking them to create another exhibit?

18 MEMBER GENTLES: No, just add another column to
19 the spreadsheet that says, so it would be very easy for
20 us to run down and see who is in favor of what.

21 MR. PETRY: If I may respond, the bulk of the
22 comments received wherein specific input was given
23 relative to links were provided prior to the development
24 of the three route alternatives. Most of those comments
25 relate to those preliminary links.

1 Those received after the point at which those
2 route alternatives were identified and presented to the
3 public were more inquiry based. Most of the discussions
4 held relative to a preference for one of the
5 alternatives were based on discussions, direct
6 discussions with landowners as opposed to members of the
7 public.

8 CHMN. CHENAL: Okay. Thank you. I don't think
9 that's necessary.

10 MR. DERSTINE: I guess at the break we can
11 caucus again and just confirm that to the extent, as
12 Mr. Larsen testified, the preliminary links that we
13 maintained and that came forward, we used the same
14 numbering. So if there were any comments -- and there
15 may not have been any, but if there were any comments
16 that specifically favored a link that's a portion of the
17 preferred or Alternative Route 1, let's identify that.
18 And if there aren't any, there aren't.

19 CHMN. CHENAL: That would be great.

20 MR. LARSEN: And one more if I could add before
21 the break. The phone number was on the sign; we did
22 verify that. And, two, along with what Mr. Petry just
23 said, I believe all the responses with this second
24 mailing were, again, just I didn't get a mailing but my
25 neighbor got one, can you send me one, or inquiries

1 general in nature, not necessarily support or against
2 the routes.

3 MR. DERSTINE: All right.

4 CHMN. CHENAL: Okay. Let's take a short break,
5 10 minutes or so, and then we will come back.

6 MR. DERSTINE: Thank you.

7 (A recess ensued from 4:39 p.m. to 5:01 p.m.)

8 CHMN. CHENAL: All right. Let's resume.

9 I will note that it is 5:00, and we normally
10 adjourn at about 5:00. But I had a discussion with
11 Mr. Derstine and Ms. Benally, and I think we will go a
12 little further, and then stop right at the time we start
13 to otherwise get into the environmental testimony.

14 And let me also explain I just forwarded or had
15 forwarded to the applicant and to the Committee members
16 the CEC that has been offered by the applicant. I have
17 a few edits for discussion which we will get into
18 tomorrow. And some of these I will candidly admit may
19 not be applicable at all, but I just want to put them on
20 so we can have the discussion. So that will become an
21 exhibit number, just like we did the last case, on the
22 left screen, and on the right screen we will have the
23 working in process and we will work through what will
24 become the final form of the CEC, assuming we vote to
25 grant it. And that will also have a specific exhibit

1 number.

2 MR. DERSTINE: And I have printed your,
3 Chairman's, redline version of the CEC and marked it as
4 APS-26. And I think we passed that out to the members
5 of the Committee.

6 CHMN. CHENAL: You will note that some of the
7 changes here involve increasing the number of the towns
8 and cities of the affected jurisdictions and adding them
9 to Goodyear, where Goodyear was mentioned. But,
10 candidly, some of that may not apply.

11 So as I have tried to emphasize to the
12 applicant, you know, I am not married to any of these.
13 These are simply for discussion. And they may not be
14 appropriate. I am the first to acknowledge that. But a
15 few of them, additional jurisdiction may be appropriate.
16 So we can talk about that tomorrow.

17 So with that, Mr. Derstine or Ms. Benally, if
18 you want to proceed.

19 MR. DERSTINE: I have got one section left with
20 Mr. Larsen and Mr. Petry. And I think we can -- well,
21 our plan is to get through this and we will be done for
22 the evening.

23 BY MR. DERSTINE:

24 Q. So we talked before the break, Mr. Larsen and
25 Mr. Petry, about kind of the general public outreach.

1 Although it is all part of the effort to inform the
2 right people and the right organizations about a project
3 and get their feedback, in my mind I think about
4 sometimes the stakeholder engagement process a bit
5 different than that, in that it is typically directed to
6 organizations or state agencies. So let's move on and
7 talk about the stakeholder involvement, if we can.

8 Mr. Larsen, do you just want to kind of give us
9 an overview of what I think is shown on the slide, or
10 kind of what you viewed as other key stakeholders for
11 this project?

12 A. (BY MR. LARSEN) Yes, you are correct. It is
13 shown on the screen there in Exhibit J. Obviously we
14 have talked about some of these already, some of the
15 main stakeholders, that we have held numerous meetings
16 with some and conversations with all of them.

17 But the City of Goodyear, obviously, is a big
18 stakeholder in these hearings and in this project.
19 Again, and the proximity on the airport, the Phoenix
20 Goodyear Airport, we have held meetings and discussions
21 with them, as well as the FAA. Buckeye Water and
22 Conservation District, you saw that on the tour. They
23 own land just to the east of Mr. Wagner. And again,
24 City of Avondale is not impacted by this project, but
25 they are included in the mailings and were a part of

1 that.

2 Q. Okay.

3 A. (BY MR. LARSEN) Luke Air Force Base, we did
4 inform them of the project, but they are quite far
5 north.

6 And then again, we talked about the ADOT SR 30.
7 We had a meeting with them early on, and have since had
8 comments that we also discussed earlier today.

9 Q. And Mr. Petry, you are going to, in connection
10 with your land use testimony tomorrow, you are going to
11 cover some of this, but I want you to -- if I can direct
12 your attention to Table H-1. It is on page H-2 to the
13 application that's APS Exhibit 1. That table includes a
14 long list of entities beyond the stakeholders who are
15 identified on Mr. Larsen's slide there. Can you talk
16 about the outreach to those various agencies or
17 entities?

18 A. (BY MR. PETRY) Yes. And I will be able to
19 provide additional detail on these, on this outreach,
20 tomorrow as well when I get into further discussion on
21 Exhibit H.

22 But the list you see here includes, I believe,
23 26 entities to whom we sent the Exhibit H mailing. And
24 you are right, Mr. Derstine, in that we did reach out to
25 many more people than are included here in the

1 stakeholder briefing list.

2 The primary reason for that, similar to the
3 public mailings, was that with the initial study area,
4 there were additional jurisdictions, entities, Tribal
5 lands that were within that preliminary study area that
6 extended further to the east. And so, again, similar to
7 the public mailings, we wanted to continue the
8 discussion and outreach with each of those entities as
9 we move forward with the project.

10 So that's why you will see entities such as, you
11 know, some of the other water conservation districts,
12 like the Roosevelt Irrigation District, St. John's
13 Irrigation District. We also coordinated with the --
14 provided mailings to other utilities within the region,
15 including Western Area Power Administration and Salt
16 River Project, Tucson Electric Power.

17 I mentioned there were some Tribal lands in that
18 preliminary study area as well. We did reach out to the
19 Gila River Indian Community, particularly to their land
20 use and planning and zoning department there.

21 Q. Okay. Thank you for that.

22 Getting back to Mr. Larsen, your key stakeholder
23 list on the slide, you mentioned, I guess, you had
24 numerous briefings with the City of Goodyear. Let me
25 have you -- have we received any feedback from the City

1 of Goodyear with regard to the project?

2 A. (BY MR. LARSEN) Yes, we have. They provided a
3 letter marked as Exhibit 19, and I believe they also
4 filed that letter with the Docket Control.

5 MR. DERSTINE: And the members of the Committee
6 have Exhibit 19 that was handed out. If you don't have
7 a copy of the letter, we are happy to provide it. But I
8 think you have, should have received it when we
9 delivered the --

10 MR. LARSEN: I think it was with the comment
11 forms.

12 BY MR. DERSTINE:

13 Q. But can you summarize what the City of Goodyear
14 told you about the project?

15 A. (BY MR. LARSEN) Yes. Just to summarize
16 quickly, it does talk about what the project is, the
17 very important businesses for the City of Goodyear.
18 They appreciated APS's dedication to the project, and
19 they also are supportive of the preferred route as
20 submitted in the application.

21 Q. And in your -- I see that APS-19, the letter
22 from the City of Goodyear dated September 11th, doesn't
23 in any way reference any of the other proposed route
24 alternatives. But in your communications with the City
25 of Goodyear, have they expressed a viewpoint or

1 preference with regard to any of the other route
2 alternatives or, in particular, Alternative Route 1?

3 A. (BY MR. LARSEN) No, they haven't. I mean I
4 feel like they are supportive overall of the project,
5 and whatever the Committee decides is the best
6 alternative, I believe they support that.

7 CHMN. CHENAL: Could you remind me again who was
8 in favor of the preferred route?

9 MR. DERSTINE: So --

10 CHMN. CHENAL: Goodyear?

11 MR. LARSEN: City of Goodyear.

12 MR. DERSTINE: The letter we just referred to,
13 which is APS --

14 MR. LARSEN: 19.

15 MR. DERSTINE: -- 19 --

16 CHMN. CHENAL: 19.

17 MR. DERSTINE: -- is the letter from the City of
18 Goodyear which specifically indicates we are supportive
19 of the project and the preferred route.

20 CHMN. CHENAL: Thank you.

21 BY MR. DERSTINE:

22 Q. Let's talk a little bit about the FAA and the
23 Phoenix Goodyear Airport. And let me direct your
24 attention to APS-15. Can you summarize the history of
25 communications with the FAA and/or the Phoenix Goodyear

1 Airport and --

2 A. (BY MR. LARSEN) Yes, I can. This was an email
3 string from APS to a Mr. Holmquist at the FAA. And
4 although it is hard to see on the map, we had three pole
5 locations. This one I am pointing at, which is
6 location 1, was what we considered the worst case,
7 tallest structure crossing into the Wildcat site. The
8 other two, pay no attention to those. They are not for
9 this project, but we had asked them to evaluate these,
10 those structures for another project.

11 Location 1, again, is the crossing on our
12 Preferred Route No. 1 coming up, the closest to the
13 airport and at a height of 180 feet. And his review --
14 and he included some reports -- said that the location 1
15 was clear and that in his mind he did not see an issue
16 with that, however, it would have to go through the full
17 final FAA approval once we have final design.

18 Q. Okay. So although it is subject to final FAA
19 approval, the preliminary indication from the FAA is
20 that this project does not interfere with the flight
21 operations at the Phoenix Goodyear Airport, is that
22 right?

23 A. (BY MR. LARSEN) That is correct.

24 Q. And is that true for either the preferred route
25 or Alternative Route 1?

1 A. (BY MR. LARSEN) Yes, it is.

2 Q. Okay. What about the Buckeye Water Conservation
3 District? And let me direct your attention to APS
4 Exhibit 17 with regard to Buckeye.

5 A. (BY MR. LARSEN) Yes. This is from -- it was
6 actually a letter sent to Mr. Petry. We had a phone
7 conversation with Mr. Carter. It is Buckeye Irrigation
8 District, but you will also see it referred to as
9 Pioneer 2005, LLC. Again, they own the property just to
10 the east of Mr. Wagner's property. And in this email he
11 said that he would be willing to work with us on an
12 easement for the preferred alternative but was opposed
13 to granting APS easements for the other alternatives.

14 And I just want to point out even on our
15 preferred alternative there is a small piece at the very
16 south end where we connect into the existing line that
17 they own. It is probably only 100, 200 feet that we do
18 need an easement from them to connect into our line.
19 And that is the route that he supported at this time.

20 CHMN. CHENAL: Member Noland.

21 MEMBER NOLAND: Can you tell us, is that with
22 No. 1 or No. 7?

23 MR. LARSEN: No. 7.

24 MEMBER NOLAND: No. 7 at the south end?

25 MR. LARSEN: Yes. There is a little sliver just

1 right there that we have to cross.

2 MEMBER NOLAND: Thank you.

3 BY MR. DERSTINE:

4 Q. All right. And that last bullet says -- well,
5 before I talk about the last bullet, what about Stream
6 or Microsoft, have we received any written communication
7 from them concerning the project?

8 A. (BY MR. LARSEN) Yes. There is a letter from
9 the Stream data center.

10 Q. Is that APS Exhibit 19?

11 A. (BY MR. LARSEN) Yes, it is.

12 Q. And what does that say?

13 A. (BY MR. LARSEN) No, that's --

14 Q. Do I have that wrong?

15 A. (BY MR. LARSEN) I am sorry. Which one is that?

16 Q. 18. I am sorry. I told you the wrong thing.

17 A. (BY MR. LARSEN) Okay, 18. It was a fairly long
18 letter basically supporting the project, talked a lot
19 about their data center, a lot of their features and the
20 high tech specialized cooling, conservation, a lot of
21 things not necessarily related to the power line. I
22 think just in general I would summarize it as supportive
23 of the project, obviously, but did not necessarily say
24 they preferred one route over the other.

25 Q. So in many ways it is a written version of what

1 we heard from Microsoft last night in person?

2 A. (BY MR. LARSEN) I think that's a good way to
3 characterize it.

4 CHMN. CHENAL: Member Gentles.

5 MEMBER GENTLES: I can't find the list of all
6 the stakeholders. Was there a longer list? I think
7 these were the main ones. I think you mentioned there
8 is a list somewhere else. I just don't see that.

9 MR. DERSTINE: It is under --

10 MR. LARSEN: H-2, H-2. I believe it is in the
11 original application.

12 MR. DERSTINE: So it is in APS Exhibit 1, the
13 application, found under Exhibit H. And it is the
14 second page of Exhibit H.

15 MEMBER GENTLES: Okay.

16 MR. DERSTINE: It contains a table of the
17 jurisdictions and agencies.

18 MEMBER GENTLES: Thank you.

19 Then I had another question I can't remember.

20 MEMBER NOLAND: It is getting late.

21 MEMBER GENTLES: It was really good, too. I
22 will come back to it.

23 MR. DERSTINE: We are happy to take it whenever
24 you want to send it back.

25 CHMN. CHENAL: We will wait for more than an

1 hour for you to recall the question.

2 MEMBER NOLAND: Speak for yourself.

3 BY MR. DERSTINE:

4 Q. And I take it, you know, we have talked about
5 the land to the south owned by Mr. Wagner, who we have
6 not met and we had not heard from in person. I think
7 you have summarized kind of in general your
8 communications with him. And is there anything more to
9 add beyond the communications that we have described and
10 that we heard?

11 And I guess we heard some, you know, flavor from
12 Mr. Rayner, who had his own separate communications with
13 Mr. Wagner that he stated in public comment last night?

14 A. (BY MR. LARSEN) Yeah. I would just summarize
15 that in the conversations with Mr. Wagner, he is willing
16 to work with us on the easements required for the
17 project, but he does rely on Mr. Rayner's opinion very
18 heavily, and he just wanted to minimize the impact to
19 the operations of the farming as much as possible.

20 Q. Okay. In terms of -- let's see. Is there
21 anything else that you think is important to add or to
22 note with regard to the stakeholder outreach
23 involvement, either Mr. Larsen or Mr. Petry?

24 A. (BY MR. PETRY) No.

25 A. (BY MR. LARSEN) Nothing further from me.

1 CHMN. CHENAL: Ask the panel quickly. I didn't
2 hear the ADOT SR 30 development. Do they have a
3 preference at all or not?

4 MR. PETRY: Let me review their letter one more
5 time. I know their letter indicated that the Link 1,
6 which is common to all alternatives, did seem to allow
7 for their future plans. If I may for just a moment.

8 CHMN. CHENAL: Sure.

9 BY MR. DERSTINE:

10 Q. And, Mr. Petry, you are referring to APS
11 Exhibit 24, correct?

12 A. (BY MR. PETRY) Yes.

13 MEMBER GENTLES: Mr. Chairman, I remember my
14 question.

15 CHMN. CHENAL: Member Gentles.

16 MEMBER GENTLES: Is there a similar letter that
17 Microsoft sent you, similar to this Stream Data Centers
18 letter on community impact brief under 18?

19 MR. DERSTINE: No.

20 MR. LARSEN: No. I would just add that they had
21 told us at one point they were going to provide a
22 letter. But then I think, in lieu of that, they had
23 their representative here last night to provide comment.

24 MEMBER GENTLES: Oh, okay. Sounds good. Good.
25 Thanks.

1 MR. PETRY: Mr. Chairman, in response to the
2 question there regarding the ADOT comment, I believe I
3 correctly stated that they did note that Link 1 -- which
4 is, again, common to all project alternatives -- did
5 seem to accommodate their future plans. But I don't
6 think I have seen any specific support for a particular
7 alternative, other than noting that that is the
8 preferred route or preferred alternative, as they
9 stated, as what they chose to overlay their project
10 alignment with in the map that they attached to their
11 letter.

12 CHMN. CHENAL: Right. Okay. Thank you.

13 MR. DERSTINE: I think that's all we have on our
14 stakeholder involvement process. And that kind of
15 concludes this chapter and might conclude our testimony
16 for the evening. If I could take care of some exhibits
17 and the admission of certain exhibits...

18 CHMN. CHENAL: Sure. Give me one moment. All
19 right.

20 MR. DERSTINE: I would like to move the
21 admission of APS Exhibit 8. That's the proposed route
22 tour schedule and protocol that we used. And we had
23 handed that out this morning, and some members of the
24 Committee took that with them. But we referred to it
25 and used that with regard to previewing the route tour

1 yesterday evening and followed that this morning, with
2 the exception of adding the introductory drive around
3 before we arrived at Stop 1. So I would like to move
4 the admission of Exhibit APS-8.

5 In addition to APS-8, I would like to, through
6 Mr. Larsen we touched on and would like to have admitted
7 APS-13, which was the August 30 newsletter; APS-14 --
8 no, skipping APS-14, that's tomorrow -- APS-15, which
9 was the email communications with the Federal Aviation
10 Administration dated July 22, 2019; the letter from the
11 Buckeye Water Conservation District, under the name
12 Pioneer 2005, LLC, which was marked as APS-17; the
13 letter from Stream Data Centers dated September 10,
14 2019, which is APS-18; the letter from the City of
15 Goodyear dated September 11, 2019, which is APS-19; the
16 APS corridor map and the narrative, which is APS-22 for
17 the preferred route; and the corridor map and narrative
18 description for Alternative Route 1, which is APS-23;
19 and the ADOT comment form and attached map, which is
20 APS-24; and the public comment spreadsheet and attached
21 copies that were collected as APS-25.

22 CHMN. CHENAL: All right. Applicant has moved
23 for the admission of APS Exhibits 8, 13, 15, 17, 18, 19,
24 22, 23, 24, and 25. Any objection?

25 (No response.)

1 CHMN. CHENAL: Being no objection, APS-8, 13,
2 15, 17, 18, 19, 22, 23, 24, and 25 are admitted.

3 (Exhibits APS-8, APS-13, APS-15, APS-17, APS-18,
4 APS-19, APS-22, APS-23, APS-24, and APS-25 were admitted
5 into evidence.)

6 MR. DERSTINE: Thank you.

7 CHMN. CHENAL: Okay. Just so we are in synch, I
8 have as not yet admitted, 9, 14, 16, 20 and 21; 9, 14,
9 16, 20, and 21.

10 MR. DERSTINE: That's correct. I would -- APS-9
11 is the draft proposed certificate of environmental
12 compatibility that we filed with all of our exhibits
13 back on September the 12th as required by the procedural
14 order. I am happy to move the admission of that or --

15 CHMN. CHENAL: We don't always admit those into
16 evidence. It is more just for identification. It just
17 confuses the record.

18 MR. DERSTINE: Right. That's fine.

19 And then APS-20 is the hearing presentation.

20 CHMN. CHENAL: Maybe we do that when we are
21 complete, when we are through it.

22 MR. DERSTINE: Done with the end of the hearing,
23 absolutely.

24 Then we are on -- if I failed to move APS-1, I
25 should do that now. That's the application.

1 CHMN. CHENAL: I have it admitted. But if there
2 is any question, we will -- I will admit 1 to make sure
3 it is clear. But I believe we went through that, and I
4 have it as admitted.

5 MR. DERSTINE: All right.

6 CHMN. CHENAL: So it is twice.

7 MR. DERSTINE: Thank you. All right.

8 Any other matters we need to discuss before we
9 break for the evening?

10 MR. DERSTINE: I think tomorrow will be a good
11 day. You will stop hearing from me and you will get to
12 hear from Ms. Benally, and she will be asking questions
13 of Mr. Petry. So it will be a good way to start the
14 day.

15 CHMN. CHENAL: All right. I am nodding my head
16 enthusiastically yes not because I agree with you, but
17 because it will be a good day.

18 We will finish the testimony and then we will
19 get into the deliberations in the manner that I had
20 discussed. And again, I just want to emphasize, so,
21 everyone, when you read the version that I have
22 submitted with edits, I just want to emphasize these are
23 just for discussion. And I concede right off the bat
24 that some may not be applicable. So I think we will
25 move through that pretty quickly frankly.

1 And if there is nothing else, then...

2 MEMBER DRAGO: 9:00?

3 CHMN. CHENAL: 9:00 a.m. And I want to confirm
4 there is breakfast at what time?

5 MR. LARSEN: Breakfast, there we go, breakfast
6 should be available 7:30, similar to today, 7:30, 8:00.
7 Whatever time you get down before 9:00 it will be.

8 CHMN. CHENAL: Okay. They won't shut it down
9 before 9:00, right?

10 MR. LARSEN: No, they will not.

11 CHMN. CHENAL: I was down here for lunch at
12 12:50 and they were shut down. So that's okay.

13 MR. LARSEN: That's not good.

14 CHMN. CHENAL: But they took care of me.
15 Excellent caterers.

16 All right. We are good?

17 MR. DERSTINE: We are good.

18 CHMN. CHENAL: All right. So we will adjourn
19 and we will see everyone tomorrow. Thank you.

20 (The hearing recessed at 5:27 p.m.)

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25

1 STATE OF ARIZONA)
2 COUNTY OF MARICOPA)

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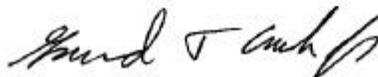
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12 I CERTIFY that I have complied with the
13 ethical obligations set forth in ACJA 7-206(F)(3) and
14 ACJA 7-206 (J)(1)(g)(1) and (2). Dated at Phoenix,
15 Arizona, this 29th day of September, 2019.

16 

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20 Certificate No. 50658

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