

1 BEFORE THE ARIZONA CORPORATION COMMISSION

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3 IN THE MATTER OF THE APPLICATION OF ) DOCKET NO.  
4 ARIZONA PUBLIC SERVICE COMPANY, IN ) L-00000D-19-0196-  
5 CONFORMANCE WITH THE REQUIREMENTS OF ) 00183  
6 A.R.S. §40-360 ET SEQ., FOR A )  
7 CERTIFICATE OF ENVIRONMENTAL )  
8 COMPATIBILITY AUTHORIZING THE WILDCAT )  
9 AND CYCLONE TRANSMISSION LINE )  
10 PROJECT, WHICH INCLUDES THE ) CASE NO. 183  
11 CONSTRUCTION OF NEW 230-KILOVOLT )  
12 SINGLE CIRCUIT TRANSMISSION LINES, )  
13 WITH THE INTERCONNECTION ORIGINATING )  
14 AT THE EXISTING APS PALM VALLEY-RUDD )  
15 230-KV TRANSMISSION LINE (RUDD )  
16 TRANSMISSION LINE), PROCEEDING TO )  
17 THE TS15 SUBSTATION, NE QUARTER OF )  
18 THE SW QUARTER OF SECTION 21 OF )  
19 TOWNSHIP 1 NORTH, RANGE 1 WEST, )  
20 CONTINUING TO THE TS18 SUBSTATION, SE )  
21 QUARTER OF THE SE QUARTER OF SECTION )  
22 21 OF TOWNSHIP 1 NORTH, RANGE 1 WEST, )  
23 AND CONTINUING SOUTH TERMINATING AT )  
24 THE RUDD TRANSMISSION LINE LOCATED )  
25 WITHIN MARICOPA COUNTY, ARIZONA. )  
) OPEN MEETING

15  
16 At: Phoenix, Arizona  
17 Date: November 6, 2019  
18 Filed: November 8, 2019

19 REPORTER'S TRANSCRIPT OF PROCEEDINGS  
20 AGENDA ITEM NO. 6

21  
22 COASH & COASH, INC.  
23 Court Reporting, Video & Videoconferencing  
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24 By: Colette E. Ross, CR  
25 Certified Reporter  
Certificate No. 50658

1           BE IT REMEMBERED that the above-entitled and  
2 numbered matter came on to be heard as Agenda Item No. 6  
3 at Open Meeting before the Arizona Corporation  
4 Commission, in Hearing Room 1 of said Commission, 1200  
5 West Washington Street, Phoenix, Arizona, commencing at  
6 9:07 a.m. on the 6th of November, 2019.

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BEFORE:     ROBERT "BOB" BURNS, Chairman  
              BOYD W. DUNN, Commissioner  
              SANDRA D. KENNEDY, Commissioner  
10            JUSTIN OLSON, Commissioner  
              LEA MÁRQUEZ PETERSON, Commissioner

11

                  KACIE CANNON, Secretary

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13 APPEARANCES:

14 For the Applicant:

15            Mr. Matthew Derstine  
              Ms. Linda Benally

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17 For the Arizona Corporation Commission:

18            Mr. Stephen Emedi  
              Ms. Robin Mitchell

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1 CHMN. BURNS: Item No. 6. Per Rule 6.2 of the  
2 Commission Ethics Code, I make the following  
3 declaration.

4 According to information provided by Arizona  
5 Public Service Company, its parent company, Pinnacle  
6 West Capital Corporation, provided several million  
7 dollars through an independent expenditure that  
8 benefited my 2016 campaign for election to the  
9 Commission.

10 If there is any party to this item that believes  
11 I should recuse myself from voting on this item, please  
12 come forward, state your name and affiliation, and  
13 explain why you believe I should recuse myself.

14 (No response.)

15 CHMN. BURNS: Commissioner Dunn.

16 COM. DUNN: Thank you, Mr. Chairman.

17 With regard to this item and also the Code of  
18 Ethics, in accordance with the information provided by  
19 the Secretary of State's website, APS/Pinnacle West  
20 contributed several million dollars to an independent  
21 expenditure that benefited several candidates in the  
22 2016 election, including my candidacy.

23 Of course, any party in this matter that  
24 believes I should not proceed and recuse myself may  
25 state their reasons for recusal, and I will certainly

1 consider those.

2 Thank you.

3 (No response.)

4 CHMN. BURNS: Okay. Thank you.

5 Commissioner Peterson.

6 COM. MÁRQUEZ PETERSON: Yes. Thank you.

7 Pursuant to Rule 6.2 of the ACC Code of Ethics,  
8 based on my best review of Federal Election Commission  
9 campaign finance data, I'm aware of a \$2500 donation  
10 received by my 2018 congressional campaign committee  
11 from PWC PAC and \$10,800 in donations received from a  
12 member of the PWC board and his spouse.

13 Any party to this matter who believes I should  
14 recuse myself may file the reasons for recusal. I may  
15 or may not recuse myself from this matter.

16 Thank you.

17 CHMN. BURNS: Okay. Thank you.

18 Okay. Could we have a summary from APS.

19 MR. DERSTINE: Good morning, Chairman Burns,  
20 Commissioners. Matt Derstine, with Snell & Wilmer, and  
21 Linda Banally appearing on behalf of Arizona Public  
22 Service Company. Joining us is Jason Spitzkoff.  
23 Mr. Spitzkoff is the manager of transmission planning,  
24 interconnection development, and facility siting for  
25 APS.

1 This case, the siting case, Case 183, involves  
2 an application by APS for the construction of 230kV  
3 lines needed to serve two new data center customers in  
4 the City of Goodyear. Microsoft and Stream data centers  
5 are being developed on adjacent parcels of real property  
6 southeast of the Phoenix Goodyear Airport along Broadway  
7 Road.

8 The Siting Committee took evidence over three  
9 days of hearings, that included a tour of the project  
10 area. At the conclusion of the hearing, the Siting  
11 Committee voted unanimously, nine to zero, in favor of  
12 granting a certificate of environmental compatibility  
13 for this project.

14 The CEC carries a term of 10 years and  
15 25 conditions, including the requirement that APS file  
16 an annual certification as to the status of the  
17 development of the project and that it is in compliance  
18 with the terms of the CEC.

19 Staff intervened in this case. Although there  
20 were no other formal intervenors, the Siting Committee  
21 considered evidence and comment from the City of  
22 Goodyear, local area residents, affected landowners,  
23 Arizona Department of Transportation, Western Area Power  
24 Administration, and various other Arizona State  
25 agencies.

1 Chairman Chenal isn't here this morning to  
2 present the case. I think they are actually, the Siting  
3 Committee is hearing another siting case in the east  
4 valley involving another data center. But we wanted to  
5 note our appreciation for the Siting Committee's careful  
6 and thoughtful consideration of our case. We also  
7 wanted to thank Staff for its participation.

8 We are here this morning to ask that you approve  
9 the CEC granted by the Siting Committee and to answer  
10 any of your questions. Thank you.

11 CHMN. BURNS: Okay. Any questions,  
12 Commissioners?

13 (No response.)

14 CHMN. BURNS: Okay. Any comments, Staff?

15 MR. EMEDI: Mr. Chairman, Commissioners, no  
16 comment from Staff.

17 CHMN. BURNS: Okay. Commissioners, I guess I  
18 already asked, questions. Any question for Staff?

19 (No response.)

20 CHMN. BURNS: Okay. Commissioner Dunn, would  
21 you move this -- this is the 1, 2, 3 option item?

22 COM. DUNN: Is it 1, 2, 3 or just approve?

23 CHMN. BURNS: Well, or -- form for Order 1  
24 approves the CEC.

25 COM. DUNN: Yeah. We are approving the

1 certificate, are we not?

2 COM. KENNEDY: Mr. Chairman.

3 CHMN. BURNS: Who is speaking?

4 COM. KENNEDY: Mr. Chairman.

5 CHMN. BURNS: Oh, I am sorry.

6 COM. KENNEDY: Mr. Chair, is there anyone from  
7 the Line Siting Committee here at all?

8 MR. EMEDI: Mr. Chairman, Commissioner Kennedy,  
9 the Line Siting Committee, there is actually another CEC  
10 application that is pending. The hearing is going on  
11 this week. So I believe everyone from the Line Siting  
12 Committee is at that hearing right now.

13 CHMN. BURNS: Okay. I just notice I have one  
14 person signed up here to speak. So we will get them up  
15 here before we proceed here.

16 Mike Gardner, Microsoft.

17 MR. GARDNER: Mr. Chairman, members of the  
18 Committee, thank you very much for allowing me to speak  
19 for just a couple minutes. Thank you very much for your  
20 consideration of this agenda item.

21 On behalf of Microsoft, I want to thank APS and  
22 their due diligence that they have gone through in this  
23 process. They have been a great partner for us.

24 Microsoft currently, the Microsoft cloud  
25 currently serves over a billion customers worldwide.

1 That demand is growing. And because that demand is  
2 growing, there is a need for Microsoft to build  
3 additional capacity in the regional southwest. They  
4 looked in many different states, and they chose Arizona  
5 because the very pro-business environment that we have,  
6 as well as the opportunity for good land and good energy  
7 prices, as well as good partners like Microsoft.

8 This data center that we are building in the  
9 west valley, you know, we are talking about phase one.  
10 There is anticipation that, as demand grows for cloud  
11 services, that will continue to expand and add value to  
12 the homeowners and the residents in the entire west  
13 valley, as well as just for the average consumer. We  
14 all have iPhones or cell phones of some sort. They are  
15 now using cloud services more than they ever have  
16 before. The internet of things, autonomous vehicles,  
17 the list of things goes on and on of things demanding  
18 cloud services. And Microsoft has recognized that. And  
19 our customers are demanding that we provide more  
20 services at a faster rate. So this data center we are  
21 building in the west valley will benefit all of  
22 Arizona's consumers, as well as those in the west  
23 valley.

24 We appreciate any consideration that you have of  
25 this, this item, and we are urge you to support it.

1 CHMN. BURNS: Okay. Any questions?

2 (No response.)

3 CHMN. BURNS: Okay. Thank you very much.

4 MR. GARDNER: Thank you.

5 CHMN. BURNS: Okay. Commissioner Dunn.

6 COM. DUNN: Mr. Chairman, with regard to Item  
7 No. 8 (sic), I move for the approval of the certificate  
8 of environmental compatibility in this matter.

9 Is that what we are doing?

10 MS. MITCHELL: Chairman Burns, Commissioner  
11 Dunn, you would be moving one of the sample orders. So  
12 Sample Order 1 is to approve the CEC with no changes. I  
13 think Sample Order 2 is to approve the CEC with  
14 modifications. And Sample Order 3 is the denial of the  
15 CEC.

16 COM. DUNN: Okay.

17 MS. MITCHELL: So you would pick --

18 COM. DUNN: I didn't have that in my notebook  
19 here.

20 So I will move the approval of Sample Order  
21 No. 1 approving the decision of the Committee, the Line  
22 Siting.

23 CHMN. BURNS: All right. You heard that motion.  
24 Any questions?

25 (No response.)

1 CHMN. BURNS: Kacie, call the roll.

2 SECRETARY CANNON: Commission Márquez Peterson.

3 COM. MÁRQUEZ PETERSON: Aye.

4 SECRETARY CANNON: Commissioner Olson.

5 COM. OLSON: Aye.

6 SECRETARY CANNON: Commissioner Kennedy.

7 COM. KENNEDY: Aye.

8 SECRETARY CANNON: Commissioner Dunn.

9 COM. DUNN: Aye.

10 SECRETARY CANNON: Chairman Burns.

11 CHMN. BURNS: Aye.

12 By your vote of five ayes you have passed Item

13 No. 6.

14 MS. MITCHELL: And, excuse me, Chairman Burns.

15 The Legal Division will prepare the order. There was a

16 little snafu with the last one, but we will prepare the

17 order to be circulated for signature. Thanks.

18 CHMN. BURNS: Okay.

19 (TIME NOTED: 9:16 a.m.)

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1 STATE OF ARIZONA )  
2 COUNTY OF MARICOPA )

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

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

12 I CERTIFY that I have complied with the  
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 7th of November, 2019.

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18 COLETTE E. ROSS  
19 Certified Reporter  
20 Certificate No. 50658

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

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25 \_\_\_\_\_  
COASH & COASH, INC.  
Registered Reporting Firm  
Arizona RRF No. R1036