BEFORE THE ARIZONA POWER PLANT AND

TRANSMISSION LINE SITING COMMITTEE

IN THE MATTER OF THE APPLICATION OF SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, IN CONFORMANCE WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES, SECTIONS 40-360, et. seq., FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AUTHORIZING THE CONSTRUCTION OF AN OVERHEAD DOUBLE-CIRCUIT 230 KV TRANSMISSION LINE FROM THE EXISTING HENSHAW SUBSTATION TO INTEL'S OCOTILLO CAMPUS, A NEW RS-28 SUBSTATION TO BE CONSTRUCTED ON INTEL'S OCOTILLO CAMPUS, AND AN OVERHEAD TRANSITION CORRIDOR AT THE EXISTING SCHRADER SUBSTATION, ALL WITHIN THE CITY OF CHANDLER, MARICOPA COUNTY, ARIZONA.	DOCKET NO. L-00000B-21-0322-00195 LS CASE NO. 195

At: Chandler, Arizona
Date: November 8, 2021
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REPORTER'S TRANSCRIPT OF PROCEEDINGS

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BE IT REMEMBERED that the above-entitled and numbered matter came on regularly to be heard before the Arizona Power Plant and Transmission Line Siting Committee at Hilton Phoenix Chandler, 2929 West Frye Road, Chandler, Arizona, commencing at 1:09 p.m. on the 8th of November, 2021.

BEFORE: PAUL A. KATZ, Chairman

JACK HAENICHEN, Public Member
MARY HAMWAY, Cities and Towns
LEONARD DRAGO, Department of Environmental Quality
RICK GRINNELL, Counties
JIM PALMER, Agriculture
JOHN RIGGINS, Arizona Department of Water Resources
ZACHARY BRANUM, Arizona Corporation Commission (Videoconference)
MARGARET "TOBY" LITTLE, Public Member (Videoconference)

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Osborn Maledon
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CHMN. KATZ: Most of you know who I am. I'm the new Chairman -- or, relatively new Chairman of the Line Siting Committee. My name is Paul Katz. I do have about 45 years of law practice, and about 21 of them as a Superior Court judge here in Maricopa County. And I'm starting to get to know the Committee Members, as well as the lawyers who are regularly appearing in front of us.

And I'd like to get us started, and I would begin by starting at my far right, working toward me and then to my left, for the Committee Members that are present to identify themselves for our record, if you would, please. Go ahead.

MEMBER HAENICHEN: My name is Jack Haenichen, and I'm representing the public. I have a background in electronics and semiconductors and things electrical in general, so that's my role on this Committee.

MEMBER HAMWAY: Mary Hamway representing cities and towns.

MEMBER DRAGO: Len Drago representing the Arizona Department of Environmental Quality.

MEMBER GRINNELL: Rick Grinell representing the counties.

MEMBER PALMER: Jim Palmer representing agriculture.

MEMBER RIGGINS: John Riggins representing Arizona Department of Water Resources.

CHMN. KATZ: And I'll have first Zachary, who's appearing virtually, identify himself, and then Member Little as well.

I think you're muted. I think you were muted. Try it again.

MEMBER GRINNELL: Still muted.

CHMN. KATZ: Go ahead, Member.

I don't know if we're having -- I can't hear -- we're just going to work on it.

Try it again, Member Branum. Go ahead, Member Little.

I think we're having audio problems. Just bear with me a minute.

MEMBER BRANUM: I can hear you, Toby.

MEMBER LITTLE: Yes.

CHMN. KATZ: Now I can hear both of you.

Go ahead and identify yourself for the third or fourth time, Mr. Branum.

MEMBER BRANUM: Zachary Branum, representing the Arizona Corporation Commission. Thank you.

CHMN. KATZ: And thank you.

And now Member Little.

MEMBER LITTLE: Toby Little representing the

public.

CHMN. KATZ: Thank you very much. I think that that takes care of things.

I will ask our attorneys, if they would, to identify themselves. We're not going to identify witnesses quite yet, but the attorneys to identify themselves and indicate on whose behalf you are appearing.

MR. DERSTINE: Good afternoon. Matt Derstine appearing on behalf of Salt River Power and Improvement District. Appearing with me is Karilee Ramaley, senior principal attorney for SRP.

CHMN. KATZ: And next.

MR. CROCKETT: Good afternoon, Chairman Katz, Members of the Committee. My name is Jeff Crockett, Crockett Law Group. I am representing the City of Chandler in this proceeding. And seated to my right is Kelly Schwab, who is the City Attorney.

CHMN. KATZ: And last, but not least.

MS. GRABEL: Thank you, Chairman Katz, Committee Members. Meghan Grabel of the law firm Osborn Maledon. I have been retained by three homeowners associations in this case: The Reserve at Fulton Ranch Homeowners Association, Pine Lake Estates Homeowners Association, and Southshore Village

Homeowners Association.

CHMN. KATZ: And I know that we probably have some members of the public that will be sitting through this hearing and some that may be appearing later this evening, this afternoon. We're going to have a public comment session at 5:30 this evening in this room. I would ask any members of the public who are listening in on these proceedings, either in person or virtually, to make sure that you don't engage in any conversations with any of the Committee Members. The open meeting law prohibits us from discussing anything with -- of substance with the parties or with members of the public. Everything we do has to be recorded by our court reporter during the course of an ongoing meeting.

And obviously, our hearings are going to be in this room. I'm hoping that we get done by this Wednesday. If not, we'll have to take a break Thursday, because it's Veterans Day, and come back on Friday. But in light of certain agreements that have been reached, I'm hopeful that we'll be able to get done by no later than Wednesday afternoon or evening.

The other thing that we haven't decided on is I don't know whether it makes sense or not to have an in-person, on-the-shuttle-bus tour versus having a virtual tour, because I don't think that it's going to

be overwhelmingly complicated for people to get an idea of what's going on and I know that the Intel site is under construction and we're not going to be touring the Intel site, as interesting as that might be.

But do you have any thoughts, Mr. Derstine?

MR. DERSTINE: Well, I would say that we have prepared a tour route. We're ready to -- and we have a vehicle that's large enough to accommodate all the Members of the Committee. So if the desire of the Committee is to take a tour, we're ready to do that and we can present and show the Committee the proposed route tour and the stops along the tour.

As you indicated, Mr. Chairman, you're correct that we won't have access necessarily to the Intel campus, and there's a number of spots where we'll have to -- at least on Old Price Road we'll have to drive down and turn around and come back the way we came, so there's some limitations and restrictions in terms of what we can do on a tour. But if the Committee would desire to have a tour, we're happy to do that.

CHMN. KATZ: Well, what I would like to maybe do is have a motion from a Member of the Committee to either take an in-person tour or to just do a virtual tour of the site. And it's my understanding that the

majority, if not all of the lines in question are going to be underground.

MR. DERSTINE: There are significant portions of the routes which will be underground. There is -- the one leg or segment from the Henshaw substation down to the Intel campus is an aboveground line to the point where it then turns onto the Intel campus, there it goes underground.

My only suggestion on the point of the tour would be that you may want to wait to consider whether you want to take a tour until you've seen the virtual flyover, which we hope to get to this afternoon, and at that point in time you may have more information, the Committee may be in a better position to decide on a tour.

CHMN. KATZ: I'm going to take your advice. I don't think we need a motion now. Let's go and get started with the evidentiary presentation. And if Members of the Committee, a majority of the Committee, feel it's appropriate to take a tour, we will do that.

I do have a couple of things we need to take care of. I believe that the City of Chandler has filed a motion -- or, request to intervene in these proceedings. And if that's the case, I'd like Mr. Crockett or Ms. Schwab to confirm that.

MR. CROCKETT: Chairman Katz, yes, that's correct. The City of Chandler has filed a notice of intent to be a party in this proceeding. The City of Chandler is an affected jurisdiction within the meaning of A.R.S. 40-360.05(A)(2), and as such is entitled, as a matter of right, to intervene in this case.

CHMN. KATZ: Do you expect that you will be either cross-examining witnesses that are called by SRP or presenting any witness testimony of your own?

MR. CROCKETT: Chairman Katz, we will be presenting one witness who has some brief testimony. I do not anticipate really any cross-examination of any of the SRP witnesses at this point.

CHMN. KATZ: I would then ask a Member of the Committee, if they would, to move to allow the intervention of the City of Chandler, which I think, under our statutes and rules, they have the right to be joined as a party. But I think we ought to, as a Committee, consider that. Do I have a motion from anyone?

MEMBER HAENICHEN: I move to have them be a party.

CHMN. KATZ: That was Jack Haenichen, Member Haenichen.

MEMBER PALMER: Second.

CHMN. KATZ: And we have a second. Who seconded that?

MEMBER PALMER: Right here.

CHMN. KATZ: Okay. Got you, Jim Palmer.

And all of those who are in favor of allowing this intervention please say aye.

(A chorus of ayes.)

CHMN. KATZ: Anyone opposed?

(No response.)

CHMN. KATZ: Hearing silence on that, I'll next hear from Meghan Grabel as well. I believe she has requested the opportunity to intervene.

MS. GRABEL: Thank you, Chairman Katz, Committee Members. Yes. As I mentioned earlier, I represent three homeowners associations, the residents of whom live in the segment along this route from the existing Schrader substation to Chandler Heights Road. They were initially -- they engaged me in this proceeding because at that time that segment was proposed to be aboveground. Since then, SRP has diligently worked with the City and Intel and have reached an agreement whereby Intel will pay to bury the power lines along those roads. So we would like to be allowed to intervene, but simply to monitor the proceedings and ensure that the status quo remains as

it is.

CHMN. KATZ: And at this point in time, if we allow the intervention, you would have the right to cross-examine witnesses if you choose. But are you intending to call any witnesses in these proceedings?

MS. GRABEL: Given what we know so far, Chairman Katz, no, I would unlikely cross-examine anyone or present a witness.

CHMN. KATZ: Okay. I'd ask one of our Committee Members, if they would, to move one way or the other to allow the intervention of the homeowners associations that are represented by Ms. Grabel.

MEMBER GRINNELL: So moved.

CHMN. KATZ: And that was -- Mr. Grinnell has moved.

Is there a second?

MEMBER HAMWAY: Second.

CHMN. KATZ: And that was Member Hamway, correct?

MEMBER HAMWAY: Yep.

CHMN. KATZ: All in favor say aye.

(A chorus of ayes.)

CHMN. KATZ: Anybody opposed?

(No response.)

CHMN. KATZ: Hearing silence, we're almost

ready to get going. And I just want to indicate again that any members of the public who aren't represented here will have an opportunity, at 5:30 this evening, to address this Committee. And if there's a whole host of folks that want to talk, we may end up with a time limit of about three minutes per person. And if we don't get that done within an hour this evening, we may have sessions on Tuesday as well, but I would hope that anybody that has a public comment will be able to make it this evening.

And now I'd like to just go ahead and ask the applicant, Mr. Derstine, to introduce the witnesses who are likely going to testify here on behalf of Salt River Project.

MR. DERSTINE: I'm happy to do that now, Mr. Chairman. Would you like me to do that in advance of doing our opening, or do you want me to introduce the witness panel now? I'm happy to take it either way.

CHMN. KATZ: I guess we could just go ahead and do the opening.

And then I will be asking the four current panel members if they prefer an oath or affirmation. If everybody is in agreement, we'll do it once. If somebody prefers an affirmation to the oath or vice

versa, we'll then do that.

But I'm happy to have you go forward with your opening remarks.

MR. DERSTINE: Thank you. Ms. Ramaley leaned over and said that she'll tutor me on how to say the full name of Salt River Project at the break, but for now I'll stick with Salt River Project.

Can we cue up the left screen for the opening or do I just advance the slide? There it is. And then on the right screen can we move to the map, please. Perfect.

I have handled enough of these cases to recognize that siting cases can be a little like life in that sometimes things don't always go as expected. For this case we anticipated a fair amount of opposition to segments of this project, and for that reason we scheduled it for two weeks. As we sit here today, and as you indicated, Mr. Chairman, I think we anticipate that we're going to be done much sooner, but however the case goes going forward and however long it takes I am looking forward and excited to present the case to you.

Let me start by telling you what the case is about. In March 2021 Intel announced that it was expanding its manufacturing operations on the Ocotillo

campus. Intel is adding two new semiconductor manufacturing plants, or fabs. Those two new fabs will increase Intel's energy demand from approximately 230 megawatts to a total of 630 megawatts, so an increase of 400 megawatts over the current load.

To serve Intel's load, SRP needs to construct new 230 kV transmission lines from two new existing -- or, two existing substations, the Henshaw substation, which is here to the north, looking at the right screen, of the Intel campus, and the Schrader substation, which is to the east of the Intel campus here. That's the case in a nutshell: Siting, constructing transmission lines, and a new substation, 230 kV substation on the Intel campus, which is needed to serve Intel's expansion.

This Committee has had several cases that are not unlike this, that is, new 230 lines needed to serve a high-load customer, but to my way of thinking this case is unique for a couple reasons. I think what makes it unique in the first instance is that there was early communication, collaboration, and partnership between SRP and the City of Chandler. SRP and the City worked together in planning and thinking about how best to serve the need at Intel with the objective of avoiding new overhead lines in residential areas. That

was the City's objective, and SRP shared that goal.

I think the other factor that makes this case unique is that, as the chairman mentioned, there are segments of this project that will be constructed underground. There have been a few prior cases in which the Committee has heard testimony about feeders being underground on a customer's site, but I think this is, to my knowledge, one of the first cases in which we have large segments of the overall project which will involve underground construction.

And that's the result of, one, early collaboration with the City of Chandler and the City's desire to minimize the impacts on residents who live in the areas surrounding the Intel campus. And then subsequently, after the project was announced and we engaged in some public outreach, Intel stepped up and decided to cover the cost of undergrounding the portion along the railroad, which was the focus of the -- focus of the HOAs who Ms. Grabel represents. And those communities around the railroad raised a number of concerns with having the project constructed as an overhead line along the railroad, even though there was an existing 69 kV line already in place along the railroad, and ultimately Intel made the decision on its own to write the check to cover those underground

costs. I think those two things make this case unique and different from some of the other high-load cases that the Committee has considered and heard.

So let me talk a little bit about the project and some of the facts and features. There's really three project components. As I mentioned, we have the segment -- the route from the Henshaw substation on down to the Intel campus. You have the separate leg, transmission line route going from the existing Schrader substation, which will travel along the railroad and then head east following the blue line shown here on the map on the right, which will be undergrounded all the way into the Intel campus. And the third component, as I mentioned, is the RS-28 substation, which is being constructed on a 23-acre parcel of land on the Intel campus itself. Those are the project components, but I'd like to spend a little bit of time giving you some more facts and what you'll hear in terms of the -- from the testimony from our witnesses on the two routes.

On the Henshaw to Intel campus, or the RS-28 substation route, you're going to have two new 230 kV lines from the Henshaw substation. That will be constructed as an overhead transmission line running along Old Price Road. Those two new lines will be

double-circuited on monopole structures, and they'll be co-located with the existing 69 kV line, which is on the west side of Old Price Road. We're going to be asking for a corridor that's wide enough to allow us to construct the new line either on the west or the east side.

And although we're still early in the final design and engineering hasn't been done, it may turn out that it's best and easiest to construct the new 230 line on the east side, while leaving the existing 69 kV line that serves Intel today on the west side of Old Price Road, and then once the 230 line is completed, bring the 69 over to the east side. But as I mentioned, those details and those final designs have yet to be worked out, but we'll ask for a corridor to give us the optionality, the ability to do either.

I think the other important thing to recognize about the Henshaw to RS-28 route is that the line will be undergrounded at the point where it turns east onto the Intel campus. Intel made the decision to underground that portion of the line and the other leg of the project on Intel's campus and they're paying for that cost. So on Henshaw you have a combination, largely overhead construction with this -- the turn onto the Intel campus being underground construction.

And let me talk about the Schrader piece of the project. This area, this box highlighted in green, surrounds the Schrader substation. We call it the Schrader overhead transition corridor.

CHMN. KATZ: I just have one question, and that is, I don't know -- I think that the people appearing virtually should be able to see the map. I don't know if they can follow the pointer unless we have a cursor.

MR. DERSTINE: Is it possible that the AV crew can follow -- when I'm using the laser pointer on the map on the right, can you follow me with your cursor or the mouse that would trace where I am? Perfect.

CHMN. KATZ: That would be very helpful. Thank you.

MR. DERSTINE: Thank you. Thank you, Mr. Chairman.

So Schrader -- Schrader substation is located here. We need to run two 230 kV lines or circuits over to the RS-28 substation to the west. That's being done -- the first circuit, which I've indicated on my slide on the left, Circuit 1, will leave the bay on the east side of the Schrader substation, will be probably the southern bay, and there it will go immediately from

that open bay position to a riser structure. And you'll see some photos of the riser structures in our photo simulations. It's very different than the standard tangent structure or monopole structure that you're used to seeing. It will immediately go from that open bay position to a riser structure, where it will go underground and follow the southern boundary of the Schrader substation. And at that point, it will follow along and remain underground along the railroad and then follow this underground path along Chandler Heights to Alma School and then work its way over to the Intel campus. That's the first circuit, Circuit 1.

Circuit 2, the second 230 kV line, will leave an open bay position again on the east side of the Schrader substation, but there it's going to be constructed -- will leave that open bay, move to a monopole as a single 230 kV line, and then immediately move to join this existing 230 kV line which travels along the north of the Schrader substation over to the railroad. That existing 230 kV line was certificated in the Line Siting Case 86. I think we've referred to it as the San Tan-to-Schrader 230 kV line.

So the new -- the second circuit will join and be co-located with the existing 230 kV line from Case 86 and follow that same alignment over to the

railroad where the San Tan-to-Schrader line heads north along the railroad, if I can find it back here. Sorry for the folks who are following me online with their pointer. There the San Tan-to-Schrader line heads north, and the new circuit will then -- will join the Circuit 1 and follow the railroad to the south using a riser structure located at or near the railroad.

Those two options, Circuit 1 and Circuit 2 that I've just described, assume that SRP is able to obtain a permit from Union Pacific Railroad to construct these 230 lines within the railroad right-of-way, and that hasn't been worked out. It will take some time to finalize those discussions and determine that that's feasible and that the railroad will allow us to construct along the railroad there.

So we're also requesting this east option that, if we're not able to obtain the permit from the Union Pacific Railroad, that those two circuits out of Schrader would travel east and just immediately go underground. So it would go from those two open bay positions to riser structures, go underground, and they'd travel to the east and follow the consolidated canal down and then make their way back to the route along Chandler Heights Boulevard. So those are the two routes, that's the Henshaw-to-RS-28 and the

Schrader-to-RS-28 transmission line routes.

I think this is one of the cases -- the few cases in which the Committee is being presented with extensive amounts of underground construction. And there's a good reason for that, and that is that this Committee only has jurisdiction over aboveground transmission lines. As you'll note, the line siting statute -- the statute that establishes this Committee, the statute that sets forth the process that we have to go through in order to obtain approval to construct the transmission line, it defines a transmission line as a series of new structures erected aboveground supporting one or more conductors designed for the transmission of electrical energy at 115 kV or more. So that definition defines the type of projects that this Committee hears, and it's for that reason that the application that we filed for this case only seeks approval from this Committee for the aboveground portions of the project.

But that doesn't mean we're not going to talk about the underground routes or the underground methods that we'll use for the construction. We will spend a fair amount of time describing the underground routes, where they are, why they're there, because we want you to have a full understanding of the project. We're

also going to cover the underground construction, because we want you to understand the methods and the costs associated with building a line underground.

And finally, we want you to have an understanding of why SRP doesn't bring forward projects and propose to underline segments of the project on its own. The only projects in which SRP, as an applicant, will look to underground the project is if there is a safety consideration, that is, we have conflicts with, say, an airport, that we can't build a project aboveground, or, as in this case, we have a third party that's willing to step up and pay the cost to underground those facilities. So you'll hear a significant amount of testimony on underground routes and construction. And I know that the Committee has some interest in that, so we're happy to share that with you.

So that's really the project, the components, what we're building, why we're building it. But let me talk about some other important aspects of the case.

MEMBER HAENICHEN: Before you do, Mr. Chairman.

CHMN. KATZ: Yes, Member Haenichen.

MEMBER HAENICHEN: Mr. Derstine, could you once again use your pointer and show the portions --

the aboveground portions that will be considered?

MR. DERSTINE: Yeah, the above -- thank you, Member Haenichen. The aboveground portions are the ones that are highlighted in green. So this segment from the Henshaw substation all the way down along Old Price Road, that's aboveground or overhead construction. And then where the line turns blue is where that segment will be undergrounded into the new substation on the Intel campus. Similarly, as I described, the Circuit 1 coming out of Schrader immediately goes underground, but the Circuit 2, the northern circuit that's going to be co-located with the existing 230 line, that will be aboveground along the northern edge of the Schrader substation until it moves over to the railroad track, and there it goes -- it will be placed underground.

MEMBER HAENICHEN: Thank you.

MR. DERSTINE: And then as you can see here, Member Haenichen, this entire segment noted in blue is underground construction making its way along Chandler Heights and then moving along over to the Intel campus. And we'll describe how that route was selected and why that's the best route and maybe the only route in which we can successfully have underground construction of the project.

MEMBER HAENICHEN: Thank you.

MR. DERSTINE: So turning to -- this Committee has to consider a number of factors in deciding whether to grant the CEC. Some of those factors relate to the environmental impacts of the project. And the testimony that you'll hear is that this project is being constructed entirely in a disturbed urban environment; and therefore, it's very low-quality habitat for any sort of wildlife and plants other than lawns and what's being planted in medians throughout the City of Chandler. There's no undisturbed habitat for threatened or endangered plants or wildlife.

An important consideration of the environmental impact side are the visual impacts of the project. As I mentioned, the new overhead construction that's happening along Old Price Road is going to be co-located with an existing 69 kV line. And this Old Price Road is a -- known as the Price Road corridor, is an industrial/commercial area. And this Old Price Road sits at the back of the aviation and other high-tech businesses that are here within the Price Road corridor to include the Intel campus. So minimal visual impacts there.

Here on Schrader you have an existing

substation. You can see that there's residential areas that surround the substation, but they've been co-existing there for some time. And so the -- there will be minimal change in terms of co-locating the new 230 circuit, the Circuit 2, as I mentioned, with the existing 230 line, and really the biggest change will be the riser structures. And you'll see those riser structures and how they are different from normal tangent or turning structures that the Committee is used to seeing. But I know transmission engineers, folks like Mr. Heim, love riser structures, and I assume that the communities who want this project underground will learn to love riser structures too.

Aside from environmental impacts, an important piece of every project is our public outreach and what we do in order to inform the public about the project and gain feedback and input. Although this project was on an accelerated timeline, SRP used a very robust outreach campaign. We publicized not only the overhead components of the project, but also described what would be constructed underground. We used mailers, e-mail, and social media to publicize the project itself in the early stages, the open houses that the company conducted, and this hearing. And it was a combination of a virtual open house to announce

the project, and then we had a number of live stream open houses that were used where members of the community could ask questions through the chat function.

So that's the case. That's what we're going to build, the environmental pieces, the public outreach piece.

Let me talk a little bit in terms of how we're going to present the case to you. The parties, as you know, based on the appearances of counsel, are Salt River Project, the City of Chandler, and the HOAs that surround the railroad segment, represented by Ms. Grabel.

In terms of the case presentation, we will have an introductory witness who's going to give some background testimony on Salt River Project, some of the history of the company, and talk a bit about the service territory and the relationship in terms of serving Intel and how SRP responded to the announced expansion and then worked with the City of Chandler.

After that introductory witness, we're going to turn the case over to the City of Chandler, and the City of Chandler will -- Mr. Crockett can present his witness. Because we thought -- as I mentioned, because of the early collaboration and partnership between the

City and SRP, we thought it was appropriate to have the City present its case and its testimony early in the case.

And then we'll turn back to the SRP witness panel, our other witnesses, who will carry the remainder of the case. Their testimony will be supported by our witness presentation slides. As I mentioned, we'll have a virtual flyover for you to see the project elements, including the underground sections of the project. And then you have the placemat, which I think is -- that map is easier to see and differentiate the aboveground and underground segments of the project using the placemat that's before you.

At the end of the case, I'm going to ask that you grant us a CEC for the project, that is, the overhead components of the project as we've discussed and identified. We'll ask you to approve also the alternative options out of Schrader. As I mentioned, if we're not able to secure the permit from Union Pacific Railroad, that we'll construct it underground heading east along the canal.

That CEC -- that form of CEC would also approve and authorize the co-location of the new 230 kV circuit with the existing 230 line, that essentially

amends CEC 86, to allow double-circuit of that existing now single-circuit line.

And we're going to ask that you approve an accelerated timeline for commencing construction, to essentially shorten the notice period. Intel has an in-service date that is going to require that SRP start construction as soon as possible so that we can meet their timeline and get them the energy they need in order to start those manufacturing facilities and commission them and then get them to full operation.

So that's the case. I think it's an important case. It's important because the Intel expansion is a multibillion-dollar investment in the state. Governor Ducey has mentioned that this is the largest private sector investment in the state of Arizona. The Intel expansion will generate somewhere around 3,000 permanent jobs, high-tech, high-paying jobs at Intel, as well as somewhere in the neighborhood of 15,000 additional local long-term jobs through other businesses that need to supply and support Intel.

I think it's a unique case for the reasons I mentioned. It involved early collaboration between SRP and the City of Chandler in terms of the planning of this project, and it involves undergrounding large segments of the project as a result of the City of

Chandler stepping up and deciding that it would cover some of the cost of undergrounding, something it didn't have to do, as well as Intel stepping up and deciding to cover some of the cost of undergrounding the project along the railroad, something it didn't have to do.

I think it's a good project. It's good because it really does what this Committee is asked to do, and that is, it balances the need for energy to meet the service needs of the new energy demand from Intel. At the same time, it minimizes the impacts on the surrounding community, the City of Chandler. So as I mentioned at the outset, I'm looking forward to presenting this case to you, I'm excited about it, and I thank you for your time.

MEMBER GRINNELL: Mr. Chairman, I have a question --

CHMN. KATZ: Yes, Member Grinnell.

MEMBER GRINNELL: -- of Mr. Derstine. I respect the fact -- our jurisdiction issue, but two questions. If there is, I guess, a conflict between underground and overhead, who has the jurisdictional veto and who is responsible for all the underground authorization? Is it the City of Chandler? Is it the Corporation Commission for underground utilities? Where do we run into potential conflicts?

MR. DERSTINE: Mr. Chairman, Member Grinnell, it's a good question. I will answer it this way, in that this Committee and the Commission's jurisdiction over line siting cases are defined by the statute, A.R.S. 40-360, and its definition of a transmission line that is within the jurisdiction of this Committee and projects that we bring before it.

I think what you're referring to is if there is a project in which there is a conflict, that is, maybe parties are demanding that a portion of a project be undergrounded, and the applicant is seeking to approve the project as aboveground construction, then who decides that. You don't have that before you today, and I'm hesitant to weigh in on that legal issue, but I would say that this Committee always has the -- you always have the right to deny the grant of an application for a CEC for a variety of reasons, but I don't think you have the jurisdiction or the authority to order that a portion of a project be constructed underground and I don't think that you have the authority to impose conditions on the portions of the project that are being constructed underground. That is beyond the jurisdiction of the Committee, in my view.

MEMBER GRINNELL: Well, I respect that part

of it, but my concern or my question is simply this. If there is a scenario where you have underground versus overhead, where does the line get drawn on who's -- who's responsible for the approval of an underground versus -- where does that authority come from?

MR. DERSTINE: Well, there's two pieces to it in terms of the funding for underground construction and then the approval of the underground construction. So as to your point on the approval, the approval would require that -- for example, along the Union Pacific Railroad, we will have to obtain a permit from Union Pacific in order to build underground along their railroad, just as we would from any private landowner. And so it will be through that private permitting process which would govern our right to construct a project underground.

In this case, many of the underground routes are being constructed within the streets of the City of Chandler, and so the City of Chandler would govern whether or not we would have the right to construct and how we construct and whether or not there's conflicts with other underground utilities. And that was part of the early collaboration and planning process between SRP and the City of Chandler in looking at what are the

routes and the options for getting from Schrader over to Intel. And if the project is to be constructed underground, what streets don't have underground conflicts, that is, existing sewer and other communications utilities, the other types of things that could prevent you from building a line underground. And Mr. Heim, the project manager, will spend a fair amount of time talking about some of that process and the things that have to be taken into account to build a line underground. But in this case, if you're building on City streets, you'd have to obtain the permit and the right-of-way from the City in order to construct the line underground.

MEMBER GRINNELL: Thank you.

CHMN. KATZ: And just to clarify things, I'll put my lawyer hat on, I think that we have a situation whereas if it's between underground and aboveground, we don't have the authority to compel a utility company or a power company to underground those lines, and our choices can either be to approve a route that is environmentally compatible, though maybe not popular amongst the neighborhoods of the community, or to just find that it's not appropriate to issue a Certificate of Environmental Compatibility. But we'll worry about that on another day.

MR. DERSTINE: Thank you.

CHMN. KATZ: Mr. Crockett, do you wish to make an opening statement?

MR. CROCKETT: Yes. Chairman Katz, Members of the Committee, again, my name is Jeff Crockett and I'm representing the City of Chandler in this proceeding, and we appreciate the opportunity to make some brief opening remarks.

The City of Chandler strongly supports SRP's High-Tech Interconnect Project. The transmission project is required to provide reliable power to Intel's planned $20 billion expansion of its Chandler campus. The Intel expansion is reported to be the largest private investment in Arizona history and will be a major economic boost for Chandler, the region, and the state, providing thousands of new high-paying jobs.

As you will hear from the witnesses, the City of Chandler and Salt River Project worked closely to reach an agreement which minimizes the impact of the transmission lines on Chandler residents and businesses, while delivering on the overall needs of Intel. As part of the proposed project, and in an effort to address Chandler's preference to avoid overhead transmission lines where reasonably possible, the Chandler City Council approved an agreement with

SRP to fund the difference between building certain segments of the lines overhead and the added cost of putting them underground.

In a recent press release, Chandler Mayor Hartke stated, "This agreement provides the means to minimize impacts on residents by building infrastructure underground where no transmission lines exist today."

Intel has also stepped forward to fund the cost of undergrounding that portion of the proposed transmission lines which runs along the Union Pacific Railroad tracks. The City of Chandler greatly appreciates Intel's substantial financial contribution in this project.

The remaining overhead segments of the transmission lines are located within areas that already have overhead transmission lines or are commercial in nature.

The evidence in this case will show, based upon the applicable factors outlined in A.R.S. Section 40-360.06, that the High-Tech Interconnect Project is environmentally compatible with the surrounding area.

The City of Chandler will have one witness, Ryan Peters, who is the City's strategic initiatives

director. Mr. Peters served as the City's representative in negotiating the undergrounding agreement with Salt River Project. Thank you.

CHMN. KATZ: Thank you. Just give me a second.

Ms. Grabel, is there anything that you wanted to say on behalf of the neighborhoods that are potentially affected by this project?

MS. GRABEL: Thank you, Chairman Katz, Committee Members. Just briefly.

Several months ago I was approached by members of The Reserve at Fulton Ranch Homeowners Association who expressed concerns about the segment of the SRP High-Tech Interconnection Project that would run adjacent, and in some instances extremely close proximity, to their residential communities, really a matter of feet from some homes. They explained to me that the City had agreed to fund the undergrounding of the vast majority of the line, but that the portion of the line bisecting their community and two other neighborhoods, the Pine Lake Estates and Southshore Village neighborhoods, along the Union Pacific Railroad right-of-way would remain aboveground for reasons that did not seem to justify the disparate treatment of those three communities compared to other City of

Chandler residents.

The Reserve retained me and a technical expert with experience in siting transmission lines to represent their interests both before the City of Chandler and before this Committee today. The Pine Lake Estates and Southshore Village Homeowners Associations then also engaged me to support them in this matter. Collectively, these three HOAs represent roughly 1,700 residents.

As noted in the CEC application, SRP conducted very thorough public outreach and was diligent about considering the interests of the communities impacted by the project. We very much appreciate SRP's the City of Chandler's, and Intel's early engagement with the neighborhoods, and we were delighted by the announcement in mid-September that Intel had agreed to pay to bury the proposed power line from Chandler Heights to the Schrader substation, including the segments near my clients' homes. We are incredibly grateful to the City, to Intel, and to SRP for listening to the neighborhoods and finding a workable solution, and we firmly believe that Intel's commitment to fund this portion of the line is exactly the right result.

Unlike other projects, this transmission line

is being built to provide energy to just one commercial customer, not the City as a whole. For an expansion that will benefit Intel, and the City economically, and of course will generate additional revenue for SRP, in such circumstances it is right that all city residents be insulated from the perceived consequences associated with a visible high-voltage transmission line running through the community, not just a select few, and we believe the solution reached did just that.

As a result of this outcome, my participation in this proceeding should be minimal. Our interest is simply that the segment of the line from the existing Schrader substation to Chandler Heights Road be constructed belowground and that the CEC application be approved as filed. Thank you very much.

CHMN. KATZ: Thank you. I would now ask, if you would, please, Mr. Derstine, to introduce your witnesses. And then once we've done that, I'll have them stand and ask who prefers the oath versus the affirmation.

MR. DERSTINE: All right. My introduction of the witnesses involves the use of some of their slides concerning their background and information. Would you prefer to just simply swear them in advance of them providing that testimony on their background and

education?

CHMN. KATZ: I think so.

MR. DERSTINE: Okay. So I think they're -- as a panel, we have the four witnesses there. We have Mr. Chris Janick, Mr. Zackary Heim, Ms. Kenda Pollio, and Ms. Samantha Horgen. I'd ask that -- you can swear them all, I don't know if they prefer an oath or an affirmation, and then we'll go through their backgrounds and go through their introductions.

CHMN. KATZ: And we can do both.

Is anybody opposed to the oath and prefer an affirmation?

MR. JANICK: An affirmation is preferable for all of us.

CHMN. KATZ: What? Say that again.

MR. JANICK: An affirmation would be preferred for all of us.

CHMN. KATZ: Okay. Is there anybody that's opposed to taking an affirmation?

(No response.)

CHMN. KATZ: Okay. We will do that. Just bear with me for a second. I should know this by heart after all these years, but I want to make sure that I don't screw it up. I'd ask you to all please stand, if you would, and to raise your right hands.

(Christopher Robert Janick, Zackary Heim, Kenda Pollio, and Samantha Horgen were duly affirmed en masse by the Chairman.)

CHMN. KATZ: You may be seated, and thank you.

You may proceed now in calling your first witness.

MR. DERSTINE: Thank you, Mr. Chairman. I think, as I mentioned in my opening, I'll go through and introduce all four of the witnesses and have them go through their -- introduce themselves to the Committee and provide some background, and then I'll proceed with Mr. Janick's testimony. And then at that point, we'll turn it over to the City. And then after the City's presentation, we'll proceed with our witness panel.

So, Mr. Janick, why don't we start with having you state your name for the record, name and address, please.

MR. JANICK: Christopher Robert Janick, PO Box 52025, Mail Station POB009, Phoenix, Arizona 85072.

MR. DERSTINE: All right. Take a minute and, using your slides on the right screen, introduce yourself to the Committee, please.

MR. JANICK: Sure. Chris Janick, I'm the senior director of power delivery at SRP, which is an organization that's responsible for operations, planning, design, engineering, construction, and maintenance of all of SRP's transmission and substation facilities, commonly just referred to as the transmission organization at SRP.

I have a bachelor's degree in chemical engineering from Arizona State University. And I've been working for about 25 years, 20 of that is with SRP, where I've primarily held leadership positions in a variety of roles, including environmental, power generation, engineering, compliance, and now transmission.

MR. DERSTINE: Mr. Janick, we filed a witness summary, but in general, in looking at your witness summary, my understanding is that you plan to provide the Committee with some background on SRP, a bit of its history, touch on its service territory. I think you'll also give the Committee background on Intel as a customer of SRP and how SRP serves Intel today. And then you'll finish with some discussion of the announced expansion, how SRP plans to serve the expansion, and some of the work that SRP did in collaborating and working with the City of Chandler on

how to serve Intel, is that right?

MR. JANICK: That's correct.

MR. DERSTINE: Okay. Mr. Heim, would you state your name and address for the record, please?

MR. HEIM: Zack Heim, address is PO Box 52025, Phoenix, Arizona 85072.

MR. DERSTINE: And as Mr. Janick did, why don't you take a minute to introduce yourself to the Committee, please.

MR. HEIM: Sure. Mr. Chairman, Committee Members, my name is Zack Heim, and I'm the director of transmission line design, construction, and maintenance at SRP. Unlike Chris' title, the title of my department tells you exactly what we do. Importantly for today, I'm also the project manager responsible for siting the High-Tech Interconnect Project.

As far as my background is concerned, I have both a bachelor's and a master's degree in civil engineering from Arizona State University. I'm a registered professional engineer in the state of Arizona. I have 22 years of experience -- I started when I was 13, in case you were wondering -- but 22 years of experience in the power system engineering business. I've done everything from leading transmission projects ranging from 69 kV up to 500 kV.

I have experience in both transmission line construction, as well as transmission system planning, and have served as principal investigator for a number of industry research studies, as well as forensic studies.

MR. DERSTINE: You mentioned you're the project manager. As a result, Mr. Heim, you're going to carry the testimony on a number of topics for our case, but those will include discussing the purpose and need for the project, an overview of the routes. You're going to narrate the virtual flyover tour that we're going to present to the Committee. You're also going to touch on the planning process. You're going to spend a chunk of time educating the Committee on underground construction methods and costs and where this project will be constructed underground and why. And you're going to give a detailed description of the aboveground components that we're going to seek approval from the Committee for in the CEC. And finally, you're going to touch on the structures that are going to be used to construct the aboveground portions of the project and the costs associated. Did I get that laundry list right?

MR. HEIM: You seem to have gotten it right. Good job.

MR. DERSTINE: Thanks.

Ms. Pollio, will you state your name and address for the record? I assume you don't have the same address as the gentlemen to your right.

MS. POLLIO: I do not. I have a different address. But my name is Kenda Pollio. I'm a principal with KP Environmental. My address is 280 Melba, Encinitas, California 92024.

MR. DERSTINE: And introduce yourself to the Committee, please. I know you've testified in a number of siting cases. And I'm reading the bullet right in the bottom of Slide R6. You've testified in 17 other cases. But reacquaint the Committee with who you are and your background.

MS. POLLIO: Yes. So I have a bachelor of science in environmental studies in urban and regional planning from Florida State University and a master's of science in environmental policy from the University of South Florida. I am an American Institute of Certified Planners, which is an AICP. And I have 32 years of environmental consulting experience, all of which is related to utility work and power plant and transmission lines, the environmental studies associated with those.

As I mentioned, I am a principal at KP

Environmental. Specifically, as I mentioned, I specialize in transmission line right-of-way assessment siting, permitting, and basically compliance of those projects. I've worked on over 175 transmission line and utility projects. I've testified before this siting Committee 17 times, and overall I've testified in other state siting cases 29 times.

MR. DERSTINE: You will cover the environmental studies that were performed to support the application. You also -- you and your firm also coordinated or handled a number of the matters relating to the notice that we're required to give, publication of the notice of hearing, et cetera, you'll cover those matters. And then I think to the extent that the Committee is interested in taking a tour, you've made arrangements for that and you can discuss -- provide an overview of what the route tour would be, correct?

MS. POLLIO: That is correct.

MR. DERSTINE: And Ms. Horgen, would you state your name and address for the record, please?

MS. HORGEN: Sure. My name is Samantha Horgen. My address is PO Box 52025, Phoenix, Arizona, 85072.

MR. DERSTINE: And introduce yourself to the Committee.

MS. HORGEN: I'm employed at SRP as a public involvement siting representative. I have a bachelor of science in business management from ASU. I also have a master's degree in business management from Western International University. I have been with SRP for 18 years, 15 of those in public involvement and three in government relations.

In this project I'm the lead in facilitating the public outreach process, and I also -- in this position we pursue constructive interaction with the public on these types of projects, but also on projects I've worked on such as sub-transmission 69 kV pole replacement projects, well site expansion, and other types of projects. We also -- or, I also provide feedback from the public to our management and our public team, public involvement team and project team. And we just are considered to be the kind of continuous thread for a project from the beginning to finish, so I will follow this project through to construction, both the underground and the overhead. And I coordinate the interactions with the public if we need specific meetings and work under the direction of the project manager.

MR. DERSTINE: Thank you for that. As the public involvement siting representative, you're going

to carry the -- present testimony and all things relating to our public outreach campaign, including the open houses, social media efforts, all the mailings that were conducted to notify the public, and the various briefings you had with jurisdictions and stakeholders, right?

MS. HORGEN: Yes, that's correct.

MR. DERSTINE: Mr. Chairman, that is our witness -- all of our witnesses. As I mentioned, with your permission, I'd like to proceed with Mr. Janick as -- to start us off. And then, as I mentioned, we'll turn it over to the City of Chandler.

CHMN. KATZ: That's fine. Mr. Crockett can then -- after you're done with this witness can give us whatever introduction of his only witness, okay?

MR. CROCKETT: Yes.

CHMN. KATZ: Thank you.

Feel free to proceed.

MR. DERSTINE: All right. Thank you.

CHRISTOPHER ROBERT JANICK,

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

DIRECT EXAMINATION

BY MR. DERSTINE:

Q. Mr. Janick, we thought it would be a good idea to give the Committee some background on SRP. Can you start us off there?

A. Certainly. So SRP, as an organization, has been around now for well over a hundred years, actually originated in 1903 when area landowners, farmers put up all of their land as collateral to secure a loan from the federal governmental through the National Reclamation Act to allow for the construction of Roosevelt Dam to ensure a reliable source of water for the Salt River Valley. The entity immediately started producing electricity with a hydroelectric unit at Roosevelt. Its primary purpose was to support construction of the dam. The actual entity that was created at that time was and continues to be known as the Salt River Valley Water Users Association.

Over the several decades that followed, additional dams and hydroelectric facilities and electric infrastructure was constructed, and in 1937 a separate entity was formed really to oversee operation of all of the electric facilities. The organization that was created was a community-based, not-for-profit public power political subdivision of the state of

Arizona, which is known as the Salt River Project Agricultural Improvement and Power District. And the entity that was created at that time was primarily for the purpose -- or, allowed for the issuance of tax exempt bonds to fund continuing operations of the electric system during the great recession. And the district and the water user association today are collectively referred to generally as SRP, or Salt River Project.

In the 1950s the Valley was really booming economically, and SRP built its first central fossil fuel-fired power stations in the Valley and associated transmission infrastructure. Continuing into the '60s and '70s, with continuing load growth, SRP, often in participation with other utilities, began building several remote coal-fired power generation facilities and well over a thousand miles of 500 kilovolt, or kV, transmission lines to bring all of that energy to the Valley load center.

During that same time, SRP began building out a 230 kV network of transmission lines -- sorry -- to move that energy through and around the entirety of SRP's service territory, which is roughly 3,000 square miles in size and includes well over half of the Phoenix metropolitan area, in addition to what we refer

to as the eastern mining area, which is where the dams that we operate and our large industrial copper mine loads are located.

And SRP has continued to grow our electric system in the decades that followed to become the water and power provider that we are today, delivering just under a million acre feet of surface water to agricultural and urban irrigation users, in addition to municipalities who turn that water into drinking water supplies, and a generation transmission and distribution provider of electricity with a diverse portfolio of resources delivering electricity to our over 1 million residential commercial and industrial customers, with a peak load in excess of 7,600 megawatts. And we work now every day to achieve our mission, which is to provide reliable, affordable, and sustainable water and power to the communities and customers that we serve.

Q. You mentioned -- the last bullet on Slide L5 shows the 2020 retail peak load of over 7,000 megawatts. Can you spend a minute talking about what SRP is experiencing on its system today in terms of load growth?

A. Sure. Maricopa County, as most of you know, is really experiencing record load growth and growing

at a higher rate than any other area in the country. In addition, Maricopa County has -- in terms of job recovery from the pandemic, is as strong as just about any other area in the nation. And the growth historically in our area has been driven by residential construction. What's a bit unique about current times is how much of that load growth is driven by large industrial users, data centers, traditional manufacturing sectors, and semiconductor manufacturing, which is the subject of our discussion as part of this hearing.

And what this slide illustrates is how our load forecast has changed in a relatively short period of time. The lower line towards the right of the graph shows the load that we were forecasting a bit over a year ago. And the red line at the top is showing our current longer-term forecast, which far exceeds even the most optimistic of pre-pandemic estimates. And obviously, all of that growth requires significant new electrical infrastructure to serve.

Q. You mentioned that a big component of that current load growth is being driven by larger commercial, industrial customers like Intel. Can you spend a minute kind of talking about how SRP serves Intel today?

A. Yes. SRP has had a relationship with Intel, actually, since the early '80s. And over the last 40 years we've partnered with Intel as they've grown from a single manufacturing facility in west Chandler to include the really world-renowned Ocotillo campus that we're talking about today and becoming one of the largest employers in the region, in addition to SRP's single largest customer. And over that period of time we've not only supported Intel in terms of their growing loads, but have actually partnered with them on innovative projects to improve the resiliency of their facilities to abnormal events on the electric system such as that we would encounter during monsoon thunderstorms.

Our service to the Ocotillo campus today, which consists of four fabs, they're numbered 12, 22, 32, and 42, is through a number of 69 kV sub-transmission lines which interconnect to two dedicated substations on Intel's campus which are shown on the slide on the right. Those substations are named Synergy and Hoopes.

Q. In March -- I think I mentioned in my opening, in March of this year Intel announced its expansion. Can you spend a little bit of time and touch on how the announced expansion -- means for SRP

and how that's driving this project?

A. Yes. As you mentioned, in the spring Intel announced their $20 billion planned expansion of the Ocotillo campus, which is forecasted to create approximately 20,000 permanent construction direct and indirect jobs to the local area. That project -- the transmission project that will serve their campus will consist of approximately 7 miles of new transmission lines to a new dedicated substation on their campus immediately adjacent to the Hoopes and Synergy stations.

The Intel expansion itself will include two new fabs and supporting facilities that will effectively triple the load of the existing facility, with the potential to grow to nearly a gigawatt of capacity. Those magnitudes of loads can't be reliably served through the 69 kV system that we serve them with today, which is why we're before the Committee today proposing this 230 kV transmission project.

Q. Can you give the Committee some insight in terms of how, once Intel announced its expansion, how SRP responded to that and approached the challenge of meeting Intel's increased energy demand and coordinated with the City of Chandler, if you will?

A. Yeah, certainly. Broadly speaking, SRP's

long history of developing water and power resources has really been foundational to the Valley becoming what it is today. And the way we essentially promote economic development today is based on our mission, as I alluded to previously, which is through the provision of reliable, affordable, and increasingly sustainable energy offerings in order to make the area an attractive place for businesses to locate or expand.

And since the time of the announcement in the spring, SRP began working really on a continuous basis with the City of Chandler and Intel to develop a transmission project that can both serve the growing loads of the Ocotillo campus and meet Intel's needs while minimizing the impacts on area residents and businesses. We're certainly very excited to support the City and Intel on this project, which is so important to the local community and the state as a whole, and certainly look forward to engaging with the Committee in our siting effort here today.

Q. Thank you. Is there anything else you wanted to cover in terms of the collaboration with the City of Chandler or have we done it?

A. I think we've done it, and I know Ryan will probably add a little bit of additional color to the discussion. It's really just been a great partnership

and we've really enjoined working with the City of Chandler and Intel over the last six months on this project.

MR. DERSTINE: Great. I'll make Mr. Janick available for any cross-examination from counsel for any of the other parties or the Committee. We are going to get into the details with the project itself and cover a lot of the other aspects of the project through the testimony of our witness panel. But if there's any questions that any Member of the Committee or the parties have of Mr. Janick before we let him relinquish his seat and turn it over to the City of Chandler, he's available for that.

CHMN. KATZ: I will first ask whether or not any of the attorneys who represent either the City or the neighborhood homeowners associations, if they have any cross-examinations of Mr. Janick.

MR. CROCKETT: Chairman Katz, the City of Chandler does not have any questions for Mr. Janick. Thank you.

MS. GRABEL: I do not either.

CHMN. KATZ: Do any of the Committee Members have any questions that they would like to ask Mr. Janick with respect to the testimony that he's given thus far?

(No response.)

CHMN. KATZ: Hearing silence, so to speak, if you wanted to present your first and likely only witness, Mr. Crockett, you're more than welcome to do so.

MR. CROCKETT: Chairman, thank you. We would. The City of Chandler calls Ryan Peters.

CHMN. KATZ: Before we begin, Mr. Peters, do you prefer an oath or an affirmation?

MR. PETERS: I have no preference, Mr. Chairman.

CHMN. KATZ: Say that again.

MR. PETERS: No preference, Mr. Chairman.

CHMN. KATZ: Okay. Well, I will proceed with administering the oath. Just bear with me. I've done this dozens of times, but I've got to make sure I get it right.

(Ryan Peters was duly sworn by the Chairman.)

CHMN. KATZ: Counsel, as soon as he is relatively relaxed, you may begin.

MR. CROCKETT: Thank you, Chairman Katz.

RYAN PETERS,

called as a witness on behalf of the Applicant, having been previously sworn by the Chairman to speak the

truth and nothing but the truth, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. CROCKETT:

Q. Good afternoon, Mr. Peters.

A. Hi, there.

Q. Would you please state your name and business address for the record?

A. Ryan Peters, Mail Stop 605, PO Box 4008, Chandler, Arizona 85244.

Q. By whom are you employed and in what capacity?

A. I'm employed by the City of Chandler. I'm the strategic initiatives director for the City.

Q. As the strategic initiatives director, what are your responsibilities?

A. I primarily do government relations. I oversee our transportation policy staff, that includes transit operations, as well as ADA coordination. I also am the lead negotiator with -- interacting with utilities and telecommunications companies.

Q. Would you please briefly describe your educational background?

CHMN. KATZ: Excuse me. You may want to pull

the microphone just a tad closer. You don't need to get on top of it, but just to make sure --

MR. PETERS: My apologizes, Mr. Chairman.

CHMN. KATZ: Oh, that's --

MR. PETERS: I don't want to shout into it.

CHMN. KATZ: We can always turn the volume down.

MR. PETERS: Sounds good.

CHMN. KATZ: Thank you. Go ahead.

MR. PETERS: So I have a bachelor's of science degree in political science, a bachelor's of science in psychology, and a master's in public administration.

BY MR. CROCKETT:

Q. Would you please briefly describe your work experience?

A. I've been employed by cities since approximately 2007. I've also worked for the Arizona Legislature. I've worked for the League of Arizona Cities and Towns as a lobbyist down at the Capital. And then with the City of Chandler since 2016 as a government relations professional.

Q. And Mr. Peters, are you familiar with the application for a Certificate of Environmental Compatibility that SRP has filed in this case?

A. Yes.

Q. Have you prepared a summary of your testimony in this case, which has been marked as Chandler-1?

A. Yes.

Q. Was Chandler-1 prepared by you or under your direct supervision?

A. Yes.

Q. Mr. Peters, are you authorized to testify today on behalf of the City of Chandler?

A. Yes.

Q. Did the City of Chandler and SRP have discussions regarding undergrounding a portion of the transmission lines that are being constructed to serve the new facilities at Intel's Ocotillo campus?

A. Yes.

Q. Were you personally involved in those discussions?

A. Yes.

Q. Mr. Peters, did those discussions ultimately lead to a written agreement between the City of Chandler and Salt River Project?

A. Yes.

Q. Do you have before you a document that has been marked as Chandler-3?

A. Yes.

Q. Is that document a true and correct copy of the agreement that was signed between the City of Chandler and Salt River Project?

A. Yes.

Q. Mr. Peters, have you prepared a PowerPoint presentation today?

A. Yes.

Q. Would you please walk us through that PowerPoint presentation?

A. I will try.

Thank you, Mr. Chairman, Committee Members. I'm happy to be with you today, proud to participate in this project. It's a very exciting time for the City of Chandler. As you -- unfortunately, I had a cover slide that did not -- there it is. So this is a cover slide that, unfortunately, because of the banner at the top, it's kind of hard to see, but it gives you a sense of the aesthetic character of the area. This is Chandler Heights looking at the railroad. Like I said, the picture really demonstrates that the City of Chandler has underground utilities and an underground -- just overall sense of aesthetic character in the area with a lot of trees and bushes and it looks really nice and we wanted to preserve that. So as we went into this project, that was of

primary importance to us.

Q. Mr. Peters, so -- if I could ask a follow-up question. So what is unique about that photograph is the absence of power lines and transmission lines, is that the point of the slide?

A. Yes, that's correct.

Q. Okay. Thank you. Go ahead and proceed.

A. Thank you. So I decided to present this based off our City Council's strategic goals. Every two years the City Council gets together and adopts a series of strategic goals, and one of those goals is being safe and beautiful. These goals really help the Council and the City leadership evaluate each project as they come across our desks and give us an approach as we work on representing the values of the community.

So being a safe and beautiful community is featured as one of those Council-adopted strategic goals. In fact, our City Code has required to underground utilities for nearly 30 years. We recognize that the Code does not necessarily cover transmission facilities, but it does help illustrate how committed Chandler is to minimizing overhead utilities wherever possible. To that end, we work with SRP to meet the City's preference to avoid new overhead lines in the proposed corridor.

I'm also going to present briefly a previous compromise that we met with SRP a couple of years ago. And this really illustrates the working relationship that we were able to establish with SRP, and we're grateful for that relationship. So when the HIP project you're considering today was brought to the attention of the City earlier this year, the City and SRP had the benefit of using that agreement, a similar type of project, as a starting point.

In 2017, the City and SRP entered into this agreement to underground 230 kV lines that were being installed to serve the power needs of the businesses in the Price Road corridor and Chandler Airport areas. This Price Road corridor project directly informed SRP and the City as we worked together on this HIP project. We learned what City rights-of-way had the least amount of underground conflict and which routes were not viable. We learned how to manage construction sequencing. We learned how to best coordinate our designs to achieve mutual efficiencies. And the agreement we entered into also served as a template for us to use as we engaged on finding an expedient path forward on this particular HIP project.

A second strategic goal of the City of Chandler is to attract a wide range of private sector

businesses. Economic development is extremely important to the City of Chandler. We recognize that it's how we pay the bills. We want to ensure that there's a balance of residential and economic opportunities in the city. So when Intel's announcement of what is reported to be the largest private investment in Arizona history -- it was extremely exciting to our City. It's certainly the largest in Chandler history.

Intel, the City, and SRP have long been tremendous partners with each other to ensure mutual successes. We all recognize that facilities like this require major infrastructure to support, and we have creatively worked together to ensure that needs are met. These investments are certainly beneficial to the City and to our residents; however, the City also strives to minimize the visual and other impact of the required infrastructure in order to preserve the visual aesthetics of the area.

So on to the agreement terms. To that end, the City and SRP entered in an agreement to underground the proposed 230 kV lines. This agreement was unanimously approved by our City Council in Open Session on July 24th. Using SRP aesthetic funds, the City agrees to pay the cost differential between an

overhead configuration and an underground route. The City will provide SRP with a dedicated easement in the City right-of-way and relocate City-owned utilities to create a clear space for the underground lines to occupy.

CHMN. KATZ: You may just want to slow down a little bit.

MR. PETERS: Okay. The agreement is also sensitive to the impact that construction can have on residents and businesses and provides guidance on sequencing, traffic management, and other construction activities. It is also worth noting that the agreement allows for overhead lines on the border of the Chandler Ocotillo Water Reclamation Plant, as there are no residences or businesses along that corridor. And just to note, the Chandler Ocotillo Water Reclamation Plant is that lined corridor off on the western border of our community.

So in summary, the agreement benefits that our City Council agreed to -- avoid new overhead route, it maintains the area aesthetics and minimizes construction impact, it utilizes available financial resources, preserves Intel's development track, and sets up future opportunities. We support the application.

CHMN. KATZ: Thank you.

Is there any cross-examination by SRP?

MR. CROCKETT: Chairman Katz, if I could, before we --

CHMN. KATZ: Oh, sure.

MR. CROCKETT: -- move to cross-examination.

BY MR. CROCKET:

Q. I was simply going to move the exhibits and just ask, Mr. Peters, the slides that you've been going over have been marked as Chandler-2, is that correct?

A. Mr. Chairman, that's correct.

Q. And were those slides prepared by you or under your supervision?

A. Yes, that's correct.

MR. CROCKETT: Chairman Katz, at this time, the City would move the admission of Exhibits Chandler-1, 2, and 3.

CHMN. KATZ: I'm assuming there's no objection?

MR. DERSTINE: No objection.

CHMN. KATZ: They'll be admitted. Thank you.

(Exhibits Chandler-1, Chandler-2, and Chandler-3 were admitted into evidence.)

MR. CROCKETT: And now Mr. Peters is available for any cross-examination. Thank you.

CHMN. KATZ: I'll first go to SRP and then to the neighborhood.

MR. DERSTINE: No cross-examination, Mr. Chairman.

CHMN. KATZ: Anything at all from you, Ms. Grabel?

MS. GRABEL: No, Chairman.

CHMN. KATZ: Thank you. May this witness be excused?

MR. CROCKETT: If there are no questions from Committee Members.

CHMN. KATZ: Oh, I forgot all my brothers and sisters here.

Do we have any questions at all from our Committee Members of this particular witness?

(No response.)

CHMN. KATZ: Hearing silence -- or, I guess you don't hear silence. But anyway, you are excused. If they need to recall you, they'll let you know. Thank you.

MR. PETERS: Thank you, Mr. Chairman. Thank you, Members of the Committee.

CHMN. KATZ: And let me just ask our reporter, what time did we get started?

THE COURT REPORTER: About 1:15.

CHMN. KATZ: We'll go probably about another 10 or 15 minutes and then take a 10- or 15-minute break.

You may call your next witness.

MR. DERSTINE: Mr. Chairman, we're going to start off with Mr. Heim.

ZACK HEIM,

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

DIRECT EXAMINATION

BY MR. DERSTINE:

Q. Mr. Heim, you're sworn and under oath. And during our introduction you introduced yourself as the project manager for this project, right?

A. That's correct.

Q. And as the project manager, I gather that means you're responsible for anything and everything having to do with this project?

A. At least the stuff that goes well.

Q. All right. I'm sure the other folks in the room connected with the project are taking note.

That included -- your responsibility included the drafting and the preparation of the CEC application, which is marked as SRP Exhibit 1, right?

A. That's correct.

Q. And to your knowledge, is the information that's presented to the Committee in the application CEC -- or, SRP Exhibit 1 true and correct?

A. Yes.

Q. As the project manager you kind of had lead responsibility or were involved in either the preparation and/or the supervision of the slides that we're going to use to support your testimony, as well as the testimony from our other witnesses, Ms. Pollio and Ms. Horgen. That slide deck is marked as SRP Exhibit 6, which is a left screen slides, and SRP Exhibit 7, which are the right screen slides. Before we go through those, to your knowledge, is the information that we'll be presenting in the witness slides, left deck and right deck, SRP 6 and 7, true and correct, to the best of your knowledge?

A. Yes.

Q. All right. With that business out of the way, let's talk about purpose and need. You've heard from Mr. Janick about the announced expansion and I touched on some of the project elements that we planned

to construct, but take us back and start over in terms of describing the purpose and need of this project.

A. All right. Let's do it. So Mr. Janick touched on earlier how the Intel Ocotillo campus is located in an area called the Price Road corridor. So that's a 5-square-mile area located in south Chandler, and it's highlighted on this schematic on Slide R20 on the right in this blue shaded region here.

So what's unique about the Price Road corridor is that it includes high-tech customers not just like -- not just Intel, but other high-tech manufacturers of semiconductors, aerospace equipment, data centers. And from an SRP perspective, there's a common thread that runs among all of the customers that are in that area that are in those types of industries in the sense that they require, in general, large amounts of electricity and also high-reliability electricity.

So to draw a finer point on that, specific to Intel, when we talk about higher reliability and what that means in the semiconductor industry, in their case even a short-duration outage or just a small deviation in power quality can result in significant or total loss of the equipment -- or, product that they have in production at any given point in time. And the cost of

that is, in part, the cost of the product that is lost during that outage, but also the time required to restart their entire process, which in a more severe situation could take several days. And so with that perspective, SRP takes significant efforts to avoid any type of disruption to not just Intel, but any customer within the Price Road corridor area. So that's the framework for how we view this small blue rectangle on the map before the Committee today.

So with that, let me step in a little more detail as far as what this map represents. When SRP plans the transmission system, and specifically the parts of our system that are within the Phoenix metro area, we break it into areas that are called operating areas. And that's, in essence, small, manageable chunks of our system that we can operate independently from one another. And the Slide R20 on the right represents the 69 kV operating area that serves the Price Road corridor itself, and so I'll just highlight a few of the important components of this part of our system.

So the first is that each 69 kV operating area is served by usually several 230 kV substations. In the case of this operating area, there are three. The first is the Corbell 230 kV substation; that's

located actually in the city of Mesa. And then we have the recently constructed Henshaw substation, which is immediately within the Price Road corridor itself. And then just to the east is the Schrader 230 kV station, which we'll also talk a lot about today.

So this overall operating area serves a total of 60 square miles within the Phoenix metro area, which is not too uncommon as far as SRP's system is concerned. And within that 60 square miles, we have a total load on the order of about 1,200 megawatts.

What makes this area unique is that of that 1,200 megawatts, 400 of those -- oops -- 400 of those exist within the Price Road corridor area itself, and that's current-day load. And so what that means is that the load density within this 5-square-mile area is roughly four times the density of what we see on more of a typical setting within our system. As Intel's expansion continues, as well as other development within the Price Road area continues, we expect that that energy density could reach as many as 10 times the density of what we see in other parts of our system.

So when you kind of merge the two concepts I talked about, one is the degree of reliability that is required of SRP in these areas, in tandem with the magnitude of energy density that we're serving, that

starts to sort of, I think, paint a picture for why this is such an incredibly important part of SRP's system.

With that, let me just talk a little bit more about how this part of our system functions. So I highlighted the 230 kV stations that serve the area, and then all of the other black dots in here represent other residential and industrial substations that are serving customers within the broader operating area, and then the lines between them represent the 69 kV lines that create the network that we use to distribute energy throughout all of those stations.

Specific to Intel, they sit here on the schematic. So Mr. Janick had mentioned the Synergy and Hoopes 69 kV stations; those are served by a total of four 69 kV circuits. And what that means for SRP is that, in general, we strive to always maintain at least three of those circuits in service at any point in time even if we're doing maintenance. But in general, we go to great lengths to make sure that all of the circuits serving Intel are in service as much of the time as we can make it. And even beyond just the circuits that are connected to Intel, but even within the substations that are adjacent to Intel, we go to a significant effort to maintain high reliability and limit the

outages that Intel is exposed to.

I've talked a little bit about the system that serves Intel from a physical standpoint. Let's talk about its capacity. The graph on the right, the upper bar chart on Figure R21, that represents the capacity of the existing 69 kV system that serves Intel today. Intel's current load is roughly 230 megawatts, and the capacity of that system is just 20 megawatts greater than that, so a total of 250 megawatts of capacity.

SRP does have the ability to introduce more 69 kV lines onto the Intel campus, which would increase the load serving requirement -- or, the load serving capability to their campus. But the reality is that with Intel's announced expansion, their load will increase to roughly 630 megawatts across the entire campus, which is well in excess of what any expansion to the existing 69 kV system could support.

Furthermore, Intel has the ability to expand beyond the manufacturing facilities that they've announced to date, and their ultimate load forecast is represented by this purple line on the lower cylinder chart at a total load of 900 megawatts. So that's the gigawatt that Mr. Janick referenced previously. If 630 megawatts is well in excess of what the 69 kV

system can manage, certainly the 900 megawatts is even further than that. So that supports the reason that SRP needs to connect Intel with direct connections to our 230 kV system in order to provide for their future load growth.

In addition to Intel's requirement, you'll note on R21 that there is additional capacity generated by HIP, which will go to serve all of the remaining customers within the Price Road corridor area. So the HIP adds another 250 megawatts of capacity beyond the ultimate load that we intend to serve at the Intel campus.

Q. So you laid kind of the foundation in terms of the Price Road corridor, this very energy-dense area of the City of Chandler, and then the specific needs of Intel and the fact that the existing 69 kV system simply doesn't have the capacity to serve the energy demand that's resulting from the two new fabs. Is there any timing considerations in terms of when SRP needs to build the infrastructure to serve Intel's expansion?

A. Sure. So let's go through the timing. So I mentioned capacity and reliability as key concerns for customers in the Price Road corridor area. Timing of infrastructure expansions is often not far behind that

consideration when we talk to these types of customers, and certainly this project is no exception to that.

As part of Intel's planned expansion, what they're actually striving to do is to address the global shortage of semiconductor chips that certainly probably all of us have heard about in the news recently. And with that, they're under a lot of pressure to get this portion of their expansion energized and ready to go sooner than later and have asked SRP to have the first phase of the 230 kV project in service by September of 2023.

So to add a little more detail to that, we'll focus on Slide R22 on the right screen. So we'll start at here, today, the CEC hearing, November 8th 2021. In order to meet September 2023 in-service date for Intel, SRP has a very near-term need to start construction. And so based on the timing of this hearing, if the Committee votes to proceed with approving this CEC, then the Arizona Corporation Commission meeting in mid-January would be the date that we would seek to gain final approval for the CEC and then have the intent of starting construction of the substation on Intel's campus effectively right after that ACC Open Meeting.

What you'll note from this timeline is that,

and we'll talk about this in more detail, Intel's Substation RS-28 is a substantial undertaking from a construction standpoint and will take roughly 20 months to complete construction. And in terms of energizing the first phase of Intel's project by September 1st of 2023, the substation construction will consume effectively all of that time window, and so that represents the urgency that SRP has to begin construction on the substation very soon. And so as we talk about the CEC language later in this hearing, we'll discuss some of the language that's specific to that time frame.

CHMN. KATZ: Thank you. I think this would probably be a good time --

MEMBER GRINNELL: Chairman.

CHMN. KATZ: Yes, Mr. Grinell.

MEMBER GRINNELL: Mr. Heim, may we go back a previous slide, sir?

MR. HEIM: The left or -- I'll do both. How is that?

MEMBER GRINNELL: This one right here on the right. Thank you. So the existing kV is supplying 250 megawatts, is that correct?

MR. HEIM: That's correct.

MEMBER GRINNELL: And that is to the existing

corridor as we see it today?

MR. HEIM: That is specific capacity to the Intel campus itself.

MEMBER GRINNELL: Okay. Now, the kV 230 addition to that, is that going to be a parallel circuit or is that going to be a series? Are you going to add 69 to 230 or are you going to run parallel circuits?

MR. HEIM: Let me see if I'm --

MEMBER GRINNELL: Maybe I'm not asking the right question here.

MR. HEIM: I think I might know the question you're asking, so let me take a swat at it and see what you think.

MEMBER GRINNELL: Okay. Thank you.

MR. HEIM: So you might be getting to a plot twist that I'm going to get to here shortly, which is that the intent of this project is to replace all of Intel's 69 kV service with this new 230 kV project. So by the time we're complete with the HIP 230 project, we will disconnect Intel from the 69 kV network and retire their existing 69 kV substations and they'll be served entirely from this new 230 kV project.

MEMBER GRINNELL: Okay. To that end, if you have 69 kV providing 250 megawatts, that's roughly

three to one. If you do three to one, is that going to be enough power, with the 230, to provide the potential 920 megawatts in the potential future, or will we be revisiting for another -- an additional -- do you see where I'm going?

MR. HEIM: I'm not sure I understand the three to one.

MEMBER GRINNELL: All right. Well, if you have 69 kV that's providing 250 megawatts, so you're basically a little bit -- three and a half to one -- do you see where I'm --

MR. HEIM: Are you talking about in terms of the voltage difference?

MEMBER GRINNELL: The voltage to the megawatt comparison. Will the 230 be adequate enough should the Intel property require the 920?

MR. HEIM: Sure. So the short answer is, yes. The little bit of color I would add to that would be that oftentimes on our transmission system the limitation, in terms of the capacity that we have to serve a specific area, is not always just unique to the circuits that are serving a given substation. It may be kind of the broader transmission network that has some other limiting factor that limits the capacity that we serve in any given location. And so just given

that, can't necessarily draw a straight line between, you know, a 69 kV line provides X capacity and a 230 line provides Y capacity. They're just a little more nuanced than that.

CHMN. KATZ: Thank you.

MEMBER GRINNELL: What about your customers on the -- are they going to be -- would that affect them in any way on your Price Corridor there?

MR. HEIM: Yes, but it is in a positive way. Because we intend to disconnect Intel from the 69 kV system and put them on the 230 kV system, that system is -- it's more robust in terms of managing a large load, like what we're talking about with Intel. So as they do things that might affect our system, the customers that are connected to the 69 kV network wouldn't necessarily see the same power quality fluctuations and so forth. In addition, by removing Intel from the 69 kV system, that frees up capacity on the 69 kV system for other customers to make use of.

MEMBER GRINNELL: Thanks.

CHMN. KATZ: Thank you. We'll take our break now. I have about five minutes to 3:00, and I'd like to make sure we're all back here, ready to go by 10 after 3:00, because we did get a late start, and I'd like to get as much in as we possibly can. We do stand

in recess.

(Off the record from 2:55 p.m. to 3:14 p.m.)

CHMN. KATZ: We can go back on the record and we can continue with our current witness' testimony.

MR. DERSTINE: Thank you, Mr. Chairman.

BY MR. DERSTINE:

Q. Mr. Heim, you were responding to questions from Member Grinnell kind of on the capacity and whether or not the new 230 system was going to have sufficient capacity to serve Intel if there's future growth, and I think you covered that.

Did you want to finish up and circle back to your discussion of the timing consideration?

A. Yep, let's do it. Okay. So I think where I left off, I was talking about the timeline to construct Intel's Substation RS-28. And that's the -- that's the critical timeline, in 19 and a half months, to energize the first phase of their project by September 1st of 2023. So I'll just touch on the last two scope elements, and then we'll move on from the timeline.

So the next item is the overhead line construction. Like we'll talk about later, there's actually less overhead construction on this project than there is underground. And also, the timeline to construct overhead lines is generally shorter compared

to their underground equivalent. So we view the overhead 230 kV lines consuming about eight months to construct on this project and can occur within the same time window as the substation construction.

The last element of this timeline, the longest one down at the bottom, is 22 months to construct the underground components of the project. So like we'll talk about later, in general, underground construction consumes a lot more time than overhead, and that certainly bears out on this project. We expect to completely energize the underground portions of the project by the middle of 2024, March, April of 2024.

Last thing I'll touch on in terms of the timeline, so circling back to the original concept, which is the urgency with which the semiconductor industry is trying to respond to the current semiconductor shortage. We've developed this project in such a way that it allows for some expandability in terms of capacity for Intel. And in doing that, that, like I've talked about before, adds flexibility for them to add additional fabs, but also the ability to just retool their existing factories within a shorter time frame than the initial build-out that we're talking here. So I'll add some more color to that

later in the presentation.

Q. All right. So you've given the background on Price Road corridor, the energy dense area, the transmission system that serves that area, as well as Intel, and then the fact that we simply don't have sufficient capacity on the 69 system that serves Intel to meet the energy demand for these two additional fabs that are going to be coming online, and you've covered the timeline that we need to meet in order to serve those two new fabs. We've covered all that kind of at a high level. Do you want to speak specifically about what we need to build in order to serve Intel?

A. Yes, sir. So this gets to the scope of what SRP is proposing. So on September 15th, 2021, SRP amended our 10-year transmission plan to include the scope of work that's shown on the map on Slide R23. Like Mr. Derstine already referenced, the plan is to construct a new double-circuit 230 kV line between the existing Henshaw substation that I'm highlighting now down to the proposed RS-28 substation, and then also a double-circuit 230 kV line from the existing Schrader substation over to the new RS-28 substation.

One note about the Schrader-to-RS-28 piece. So like Mr. Derstine already talked about, that's primarily underground. The other important piece of

that is that, at this point in time, the plan is to only construct one of these underground circuits. The Committee's probably aware in past cases that -- pretty common within the transmission industry to build double-circuit-capable overhead transmission lines, and then we add a second circuit at a future point in time, when needed, based on capacity requirements. And the reason we do that is because the economy of scale of adding a second circuit to a set of existing overhead structures is relatively straightforward. It doesn't cost twice as much to create a double-circuit overhead transmission line.

In the case of an underground line, like we're talking about from Schrader to RS-28, it literally does double the cost of the transmission line when we add a second circuit. So, and I'll explain this in more detail later, but the intent between Schrader and RS-28 is to construct the first circuit entirely, and then we intend to make some provisions for the second future circuit, but in general, that will be future construction to add capacity if Intel requires it.

Q. So that second circuit coming out of Schrader, the plan is to build, as I referenced, I think, in the opening slide, the first circuit, or

Circuit 1, with the intent to build Circuit 2 presumably either within the 10-year time frame of the CEC or you'll seek approval from the Commission to extend that timeline to bring on that second circuit, depending on Intel's energy demand and needs, is that about right?

A. That's correct.

Q. Okay. So you've talked about kind of the three components, the two routes -- the two legs from Henshaw, from Schrader, and the substation at a high level. I think we're going to now provide the Committee with some real detail on the routes themselves, right?

A. Yes, sir. Okay. So I already touched on the, in general, the overhead components of the project, so what I'd like to do first is step back a little bit and just talk about the overall geography of the area, some of SRP's existing system, and then we'll get into the scope of the project that we're proposing here. So I'll spend quite a bit of time on Slide R25 here.

Talked previously about the Price Road corridor on that schematic that we showed a few slides back. And I'll highlight on this slide, if I can get to the -- the laser button is precariously close to the

fast forward button. There we go.

So I'll use the laser to outline the existing Price Road corridor development area. So it's generally this area that's highlighted by the laser, so that's the 5 square miles that we've been referring to, and that's the City of Chandler's economic development corridor. So in general, industrial-type customers and commercial customers within this area. And then highlighted in yellow, at the south end of that corridor, is Intel's Ocotillo campus.

So their Ocotillo campus resides on roughly 700 acres of land at the southern end of the Price Road corridor and is bounded by the Gila River Indian Community to the west, the Sun Lakes Retirement Community to the south, and then residential communities along the entire eastern edge of the Price Road corridor. So that's a real high-level overview of the state of development in the area.

So let me talk a little bit about SRP's existing transmission infrastructure. So we have the Henshaw substation that was energized in April of 2021 and was actually the outcome of the Price Road corridor siting case that we had before this Committee a few years ago, and there's existing 230 kV lines that go off the map to the north from that substation.

Similarly, we have the existing Schrader substation located near Ocotillo Road and the Union Pacific Railroad. That has existing 230 kV lines that make their way north along the Union Pacific Railroad tracks, and then another set of overhead 230 kV lines that go to the northeast and off toward the east on Ocotillo Road here.

Zooming in to the 69 kV system, it in essence forms a box around this entire map. So we have existing overhead 69 kV lines that go north and south along the entire length of the Union Pacific Railroad and then along Germann Road and over to Henshaw substation, and then also existing double-circuit overhead 69 kV along the entire length of Old Price Road here. And then there, in fact, are no overhead existing 69 lines or 230 lines within the interior of the box that I just drew. So that's the overlay of SRP's system in the area.

So with that, rather than kind of talking about the overhead components using this map, I'll fast forward one more so that we can talk about the project more in its totality. So the map on L17 is the same one that we were just showing on the right screen, and the map on R26 is that same map with the overhead components highlighted in green and then the

underground components highlighted in the blue line style that's shown on our placemats as well.

So before getting into the routes themselves, just want to kind of highlight the point that we've already talked about, which is the unique confluence of cooperation between SRP, the City of Chandler, and Intel in terms of developing a project like this where, in fact, the magnitude of undergrounding is more than the overhead that we're here siting with the Committee today. And that just speaks to the degree of collaboration that occurred between those three entities. And certainly not something that I've seen in my career, and I'm not going to necessarily hold my breath for it to happen again. But it did happen in this particular project, and so we wanted to acknowledge how unique that was and the degree of cooperation that occurred there.

So with that, I'll just step through, at a high level, the proposal within each corridor. And I'll start at the Schrader overhead transition corridor. So for a person that talks about overhead transmission corridors all the time, that one is a little bit of a tongue twister. But what's occurring there is, on the east end of Schrader substation, that's where the 230 kV buses that the new circuits

need to connect with need to go to, and that connection needs to occur ultimately in an overhead position. And what the overhead transition corridor allows is for us to take the underground lines that will come up along the Union Pacific Railroad and transition them from the underground along the railroad corridor itself to the overhead connections at the east end of the Schrader substation.

The other thing that the transition corridor allows, and you'll note it in the language of our CEC, is that it allows for the placement of overhead structures within the eastern portion of Schrader substation itself if system conditions require us to reconfigure that connection at a future point in time. And I'll get into that in more detail later in the testimony.

The next phase of the project going east from west is the underground portion where we'll go underground along the Union Pacific Railroad corridor and then west along Chandler Heights Boulevard, north along Alma School, and then west on Lake and Chaparral Drive -- or, Chaparral Way into the Intel substation. Like I noted before, the intent is to build just one underground circuit at this point in time, with a few limited exceptions.

Most notably, where we go through Lake and Chaparral, that's more of a residential area than the major arterial roads that we see on Alma School and Chandler Heights, and part of the agreement that SRP and Chandler worked out was to fund the placement of an empty duct bank for the second circuit through this area. So what we'll do is we'll build the new first circuit, and then an additional duct bank through which we won't pull any conductor at this point in time. And the reason for doing that is so that we only have to excavate in that area one time. And then whenever the second circuit is needed in the future, we would then complete the duct bank through Alma School, Chandler Heights, and the Railroad, and similarly to RS-28 in order to complete that second circuit. But the intent there is just to limit the construction disruption that those neighborhoods would see in the event that we need the second circuit.

CHMN. KATZ: Let me just ask, is that ductwork basically concrete underground tunnels?

MR. HEIM: What it is is what we call a duct bank. So it 's a trench within which we place underground conduits encased in concrete, and then that allows us to pull the cable through underground but doesn't require any excavation once we're installing

the cable.

CHMN. KATZ: Understood. And I'll let you explain whenever we get to that later. I just was curious. Thank you.

MR. HEIM: I've got all kinds of good pictures on that.

MEMBER GRINNELL: Mr. Chairman, real quick, that neighborhood that you just addressed, is that neighborhood being powered by overhead 69 kVs right now?

MR. HEIM: Indirectly, yes. So the 69 kV network I highlighted along Old Price Road here, that continues south to Riggs Road. And then we have a number of existing 69 kV substations that are just off the map to the south, but those are serving this neighborhood through the distribution network that way.

CHMN. KATZ: And that was Member Grinnell.

And the purple that is there as you head west and then you zigzag up toward the Intel campus, is that all underground?

MR. HEIM: I'm not quite sure I understand the location.

CHMN. KATZ: Go to the purple or the blue that runs into the -- right there. Is that line underground or above?

MR. HEIM: This entire portion of the proposed project is underground.

CHMN. KATZ: Thank you.

BY MR. DERSTINE:

Q. Mr. Heim, this may be a point where it's easier to see on the placemat, but this section, using my laser pointer on the right screen, the leg that's along on the railroad, it's not as broad blue as this section along Chandler Heights and where it turns into the neighborhoods, but that is also underground here along the railroad, correct?

A. That is correct. The section along the railroad is going to be entirely underground. The reason it looks a little bit different on the map is that we have an overlapping line style there to represent the existing overhead 69 kV line.

Q. And in terms of the timing for Circuit 1 and Circuit 2, the intent would be to build the first circuit in that leg going underground along the southern edge of the Schrader substation and then to the railroad, south to the Chandler Heights. That would be constructed as the first phase. And then, depending on the energy demand at Intel and the need for the second circuit, that would be the piece that we'd be co-locating with the San Tan-to-Schrader 230

line, do I have that part right?

A. That's correct.

Q. Okay. All right.

A. Okay. So with that, that concludes the segment between Schrader and RS-28.

So I'll talk a little bit about RS-28 here. That's located at the southern edge -- not the edge, but the southern portion of the Intel campus on roughly 23 acres. It will be located roughly 650 feet to the north of the Sun Lakes property boundary here and fully enclosed within a 12-foot-high masonry block wall around the entire perimeter. As just a talking point, the existing 69 kV substations that will eventually be retired are located directly to the north of the RS-28 substation today.

From there, the intent is to continue constructing, in this case, two circuits from RS-28 roughly .3 miles to the west to the edge of Intel's property and the Old Price Road alignment. And from there, we would transition to an overhead double-circuit 230 kV line that will follow the Old Price Road alignment all the way to the existing Henshaw substation.

Couple things to note about that. Like I was talking about earlier, we have an existing

double-circuit overhead 69 kV line that exists through this entire corridor. And the intent is to co-locate those existing 69 kV circuits with the new 230 kV overhead line. Like Mr. Derstine talked about already, we do require flexibility to place the new line either on the east or the west side of the Old Price Road alignment. And regardless what alignment we choose, we'll place the new 69 kV circuits on the same tubular structures as the new 230 line will be on.

MEMBER HAMWAY: Mr. Chairman.

CHMN. KATZ: Yes, Ms. Hamway.

MEMBER HAMWAY: I have a quick question. So in a previous application we learned that these fabs were extremely sensitive to electromagnetic fields and they needed to be around -- the measurement needed to be about 1 milligauss. So by undergrounding it, does that take away that requirement, or does Intel have that same limitation about the vibrations?

MR. HEIM: So Intel has not had a discussion with SRP about any specific sensitivity to EMF.

And in direct response to the question about how undergrounding affects EMF, EMF exists whether you place the line overhead or underground, but the profile of the electromagnetic field is somewhat different. In general, what you find is that if you place a line

underground, the EMF profile tends to be more centered on the duct bank and dissipates fairly quickly as you move laterally away from the duct bank more so than you would see with an overhead line.

MEMBER HAENICHEN: Mr. Chairman.

CHMN. KATZ: Mr. Haenichen.

MEMBER HAENICHEN: Mr. Heim, this question has to do with the kind of disturbances -- electrical disturbances that would bother a semiconductor manufacturer such as Intel or others. That's what this question is about.

MEMBER HAMWAY: My question?

MEMBER HAENICHEN: No, my question.

MEMBER HAMWAY: Oh, okay.

MEMBER HAENICHEN: Don't you take my question.

MEMBER HAMWAY: No, I'm not taking your question.

MEMBER HAENICHEN: Here is the question: Has SRP or the electrical industry in general had enough experience at this point with undergrounding high-voltage transmission lines to say that undergrounding versus overhead -- in terms of those disturbances that would bother a semiconductor company, which one is better? Which one has a better record?

MR. HEIM: And to clarify, by "electrical disturbance" you're talking about an actual fault or --

MEMBER HAMWAY: Something that causes it to lose a whole batch of wafers that are in process.

MR. HEIM: So from an electrical industry perspective, and I think Intel would probably share this perspective, I wouldn't characterize one as better than the other. They're just different from one another.

So in the case of an underground transmission line, it's not exposed to the open environment, therefore if you're going to have an issue with an underground line, it's generally going to be related to something inherent with the undergrounding system itself, either a defect in a termination or a defect in a splice; whereas, with an overhead line, they're open to the environment, and so a lot of the disruptions that we experience with overhead lines tend to be related to weather events, whether it's debris or storms making their way into an overhead conductor and causing a fault condition.

So what tends to happen through the life cycle of an overhead line is we will have short-duration, intermittent outages or faults associated with things like weather disturbances or

contamination or something like that. In the case of an underground line, they tend to have failures or issues either when they're very new, so a recently installed -- if we have an issue with workmanship or material defects, those will generally become apparent in the near term as that line is operated, or they will have an experience as they reach the end of their life cycle, but generally not in the middle.

And so from that perspective, underground lines can offer a long duration period of time without interruptions. But the downside of that is that if you experience an issue on underground lines, generally the repair is going to be more time consuming because that is indicative of a failure of a splice or a piece of cable, which can take a lot longer to address and fix versus a tree limb or something that made contact with an over headline. So you're just trading one issue for another, from our perspective.

MEMBER HAENICHEN: Okay. Well, let me ask the question in a different way. I was really looking for statistics. From a customer's point of view, is he more or less likely to have a problem like the kind we were discussing with the underground as opposed to the overhead, or is there just not enough experience yet to tell?

MR. HEIM: So I actually have a slide on this later in the slide deck. The statistics on SRP's underground transmission faults or issues are slim. We've had underground systems installed since the mid-'90s, and to date we've experienced only two faults on those systems. Certainly we've experienced more faults on our overhead transmission system in that period of time. But back to the original point, the duration of the outages associated with those are fundamentally different from one another. And that's why we don't necessarily say one is better than the other; it's just trading one risk for another.

MEMBER HAENICHEN: But what would a company like Intel pick if they had their choice?

MR. HEIM: They, in our discussions with them, share the same perspective that I just reflected. It's not necessarily a preference for one or the other, just a recognition of the different risk profile that each one brings.

MEMBER HAENICHEN: See, I've been involved in a lot of these hearings over the years. And from the perspective of the public, the homeowners and so forth, it's a viewshed issue. They don't give a darn about the failure rate and all that kind of stuff. But from a manufacturer that has tens of millions of dollars

worth of in-process work at risk, it's a whole different ball game. They want to be sure that that electrical energy is going to be high quality and steady during the course of operating their facilities. So it's a different ball game altogether.

MR. HEIM: That is correct. And one of the things that we'll talk about is the level of redundancy that's built into the system that we're serving Intel with. And one reason for that is that if we were to experience an issue with one of the underground systems, the time to repair that could take a while. And so what we've developed is a system that has redundancy, that takes that into account, so that we're not interrupting Intel as a function of an issue with either on overhead or an underground line.

MEMBER HAENICHEN: What's the highest voltage underground lines that your company has put in, 230?

MR. HEIM: SRP's is 230 kV.

MEMBER HAENICHEN: Well, it's not an easy problem to make judgments on.

MR. HEIM: That's a true statement.

MEMBER HAENICHEN: Yeah. Thank you.

BY MR. DERSTINE:

Q. I guess on that point that Haenichen Member is raising, Intel has made the decision to underground

the new 230 lines on its campus, is that right?

A. That's correct.

Q. So whatever the calculus is on Intel's part concerning this project and these new 230 lines, they have elected to cover the cost and made the decision to go with underground construction?

A. Yes. And I'll touch on a little bit of why they took that decision a little bit later in the testimony. Just from a reliability perspective, I'll highlight that especially the Henshaw-to-RS-28 circuits are, in fact, a hybrid of an overhead/underground line. And so from that perspective, Intel and the service to their substation has a reliance upon both an underground and an overhead circuit. And so that, I think, speaks to their perspective, as well as ours, is that they don't necessarily treat the reliability of those two things separate from one another.

MEMBER HAENICHEN: One more question from me. Has your company considered the possibility, when you put in an underground system like this, that transmission voltage -- putting extra sets of conductors in there just in reserve? In case there is a failure, you can just quickly hook them up?

MR. HEIM: The answer is yes and no. And again, I'll talk about this in more detail later, but

the cost of the cable itself is so significant that we don't preinstall cables as spares. But we do include spare conduit positions within each duct bank so that if we need to replace a cable, we can. But then that allows us to keep a spare cable on hand off site so that it can be deployed to any specific failure locations.

MEMBER HAENICHEN: And these empty conduits that you have in there for future use, is there a pull thread or something going through them so you can --

MR. HEIM: Yes, sir. The industry term is a mule tape. Don't ask me why it's called that.

MEMBER HAENICHEN: Mule tape. Okay. Very interesting.

BY MR. DERSTINE:

Q. You've fielded some questions on the undergrounding segments. I think you've covered the Schrader section that is largely underground, and you were spending some time taking the Committee through the Henshaw route on down to Intel. Did you cover what you needed to cover there in terms of discussing that component of the project?

A. I think I did. And we'll have the opportunity to talk more later if I didn't, I think.

Q. Okay. The one thing I wanted to touch on.

When you were pointing to and showing the portion of the project from Schrader that goes through this residential area, you testified that you were going to install a second duct bank there to avoid tearing up those streets a second time when you're ready to bring in that second circuit, did I have that right?

A. That's correct. So that's just limited to the portion along Lake Drive and Chaparral between Dobson Road and Alma School Road as the only locations along the project route where we're more within a residential area as opposed to a major arterial road.

Q. And why are you going through the residential area anyway? Why don't you just bring that underground route straight along Chandler Heights Boulevard straight to the Intel campus?

A. At the intersection of Chandler Heights and Alma School, Chandler Heights Road stops here, so there's no actual roadway that makes its way east and west between that intersection and the Intel campus. It's just residential property. And therefore, the route that we're showing here is the only technically feasible route to make that connection.

MEMBER HAENICHEN: Mr. Heim, later in your presentation are you going to cover the need for cooling of the underground lines?

MR. HEIM: Yes, sir.

MEMBER HAENICHEN: Thank you.

BY MR. DERSTINE:

Q. So we've -- you've covered the routes. Is this the point in time where it makes sense to take on the flyover simulation and show the routes from the air?

A. Let's give it a go.

Q. Take a minute and tell us, in terms of how the flyover simulation is prepared, where we're going to start and orient the Committee to the starting point and where we'll go from there.

A. All right. I think the flyover should happen on the left screen. Let me see if I can get my map on the right here.

Megan, can you put this one on the left screen so I can have R27 up on the right screen? We can do that too.

Okay. So Mr. Derstine, to your question, we're going to start at the east end of the project at Schrader substation, and then we'll make our way south along the Union Pacific Railroad, west along Chandler Heights Road, north on Alma School, west through Lake and Chaparral, and then onto the Intel campus, and then from there make our way north along Old Price Road.

Okay. So here we are looking west toward the Schrader substation. And it's bounded on the east side by the consolidated canal, which is just out of the view behind us. And then the overhead transition corridor that we've noted ends at the Union Pacific Railroad alignment, which I'm highlighting on the right screen here.

CHMN. KATZ: Is there any way that we can follow that with a cursor so that the virtual folks can follow?

MR. HEIM: Yep, there we go.

So here is the Union Pacific Railroad corridor.

And before we start making our way along the corridor, I just want to highlight a number of important features in this frame so everybody can kind of orient themselves to the challenges that SRP is trying to solve in this particular location and some of the opportunities that exist there.

Like I touched on previously, the 230 kV buswork within Schrader substation is located at the eastern side of the substation, so that's what I'm highlighting here. And then in the center of the substation, that's where the existing 69 kV buswork is located. And then ultimately, at the extreme west end

of the station we have a distribution substation there that takes 69 kV down to 12 kV voltages that then go on to serve the neighborhoods in this immediate vicinity.

The transmission lines I talked about briefly that are connected to Schrader. Within this blue corridor here, that is where the existing Schrader-to-Corbell 230 kV line is located, so that goes west out of the substation and then turns north along the Union Pacific Railroad corridor. So that's the overhead line that SRP intends to reconstruct to a double-circuit corridor in order to make our transition to underground here at the Union Pacific Railroad.

BY MR. DERSTINE:

Q. And just looking at your legend in the top left, those big lime green Xs indicate what?

A. So these green Xs indicate the location of a riser structure, so that's where SRP makes a transition between an overhead transmission line to an underground duct bank.

And so we have two of those here. We've got one at what is basically the southeast quadrant of Schrader substation, and so this will be the approximate location of the first riser structure that SRP constructs. And that's to handle the first circuit that will go underground out of the station and then

follow an easement that SRP already owns along the southern edge of the substation all the way to the Union Pacific Railroad tracks. Like I noted before, for the northern circuit, which would be the one that SRP intends to build second, we would reconstruct the existing overhead line to handle the second circuit and then make that underground transmission line transition at the riser structure here at the Union Pacific Railroad corridor.

Couple other notes on this view before we get moving. There are a total of six 69 kV circuits that make their way west out of Schrader substation. Two of those exit from the southern edge of the substation and then turn south along the Union Pacific Railroad corridor, so that's the existing overhead line that we referenced previously. And then a total of four of them make their way west out of the northern side of the substation, and all of those then turn north to go north along the Union Pacific Railroad corridor also.

What's not in this view is there are two more 230 kV circuits that make their way to the east from Schrader substation, so they would continue a little bit further out of view, in essence, down the bottom of the screen and to the east along Ocotillo Road.

Last thing I'll note is the amount of

development adjacent to Schrader substation. So to the north, satellite imagery hasn't quite caught up with us yet, but these are all existing homes that were recently constructed. And so the imagery in this view isn't totally up to date. To the south is the existing Pine Lake community, and that directly abuts the southern edge of the Schrader substation.

And with that, I think we can start our flight.

(Virtual tour plays.)

MR. HEIM: Okay. Like I noted, the first circuit 60 SRP intends to build will be along the southern edge of that parcel and then it will join that future second circuit. And the intent is to build both duct banks along the eastern edge of the Union Pacific Railroad corridor. The reason for that is two things. First is the existing 69 kV circuit is located on the west side, so that would be a construction issue to deal with. And also, crossing underneath a railroad track requires fairly specialized construction, and it's easier for us to do that as we cross Chandler Heights Road versus doing it up by the Schrader substation itself.

As we make our turn to go west along Chandler Road -- Chandler Heights Road, the entire corridor is

fully developed, so there's residential and commercial development on either side of the road. And at this point in time, SRP is still working with the City of Chandler to define the location of those circuits within the roadway based on existing underground utilities and other technical constraints.

So here is where we approach Alma School, and if we could pause right there for a second. Maybe rewind a bit. There we go. Right there.

So here is where we make our turn to go north along Alma School Road. And this, I think, gives a good perspective on why we can't continue further to the west. This is where Chandler Heights Road dead ends and, therefore, the requirement to take a little bit of a more meandering path to get to Intel's campus.

And as we make our turn on Alma School, there's primarily commercial property on both sides of the roadway here until we get to Snedigar Park located here on the east side as then some residential development as we approach Lake Drive.

And then get ready with the pause button, Megan, as we turn left right here.

So here is our turn onto Lake Drive, and this is the first roadway that I mentioned where the intent is to build both circuits' worth of duct banks as

opposed to just the one. And what I'm highlighting here on the screen is the -- this is the parking lot for the Chandler Traditional Academy, so that's an elementary school. And that's a great example of why SRP and Chandler are striving to really limit repetitive construction disruptions in this area. The intent is to do all of the construction in this area during school and holiday breaks to eliminate the potential for issues with students, parents trying to get to the school during the school year. And with constructing both duct banks, that's going to be a lot of choreography that has to happen during the construction phase. And so the intent is, let's just do that the one time and have it over with, as opposed to doing that up to two times for the two circuits that we're going to construct.

BY MR. DERSTINE:

Q. I know you're going to get into this in our chapter where we're actually going through the methods for underground construction, but can you just define what a duct bank is or describe that for the Committee?

A. Sure. So a duct bank is a collection of conduits that we put in a trench within the ground, and it allows us to house a number of circuits underground and pull cable through those conduits between splicing

points. And so a duct bank is really kind of like an underground subway for underground transmission cables, is the best way I can describe it. So it acts as the vehicle for us to get cables from one location to another.

MEMBER HAENICHEN: And how deep are these buried?

MR. HEIM: So our standard burial depth for an underground 230 kV line duct bank is to have the top of the duct bank at about 4 feet deep. And then the duct bank itself consumes about two and a half feet of depth, and so the bottom of the trench is in the 6-and-a-half-foot range. That's what we strive for. Sometimes obstacles underground require us to go deeper than that, but our preference is to keep them as shallow as we can for heating purposes.

BY MR. DERSTINE:

Q. All right. Why don't you continue on.

A. Okay. So we're continuing west along Lake Drive, and then here comes Chaparral Way. And so we make a left-hand turn onto Chaparral. Very similar roadway to what we saw on Lake Drive. And this takes us out to Dobson Road, where we then transition onto the Intel campus itself.

As we get onto the Intel campus, the game

plan is to make our way toward the southern edge of the campus.

And then if we can pause, right about here would be good.

So this is the main east/west underground run along the Intel campus, and then you can see in the foreground is the outline of the new RS-28 substation. And so, again, that will be a 23-acre substation site surrounded by a 12-foot masonry block wall and is located about 650 feet to the north of the Sun Lakes property boundary that you can see with the tree line in the distance here.

One note about this simulation is that we don't have a representation of what the Intel campus will look like here. So currently this is showing the undeveloped state of the campus where Intel owns this parcel, but they've been subletting it for agricultural purposes. The intent, at this point, is for Intel to redevelop this entire parcel.

So to the west of the RS-28 substation, and we'll see this better as we fly along, that's where the new fabs will be located. And then to the east, here in the foreground, this will be administrative and support buildings. And the south, this entire stretch east to west will be parking and storm water retention,

with a landscaping barrier immediately adjacent to the Sun Lakes community. So that's a high-level overview of what the Intel campus will look like, even though we don't have a way of representing it in the rendering here.

So let's keep on making our way to the west. What you're seeing here is the existing retention basin that Intel uses. So this will remain in place, and then there will be another parking structure here.

As we reach the Old Price Road, this is where we get to our next riser structure. So this is the transition point where we then go to an overhead transmission corridor all the way to the new Henshaw substation -- or, existing Henshaw substation, rather.

So if we can maybe -- well, let's go a little bit further.

MEMBER GRINNELL: Mr. Chairman.

CHMN. KATZ: Yes, Mr. Grinnell.

MEMBER GRINNELL: Mr. Heim, that corridor is already in place, we don't have to address this at all?

MR. HEIM: We do. And I'll give a little bit of history on why that's the case. We did have a prior siting case that involved this exact -- well, a very similar corridor to this, and I'll take you through the history why we relinquished that application and

therefore need to seek approval from the Committee on that.

MEMBER GRINNELL: But there's already currently a 69 kV line on that corridor, correct?

MR. HEIM: There is an existing 69 kV line. So there's a double-circuit 69 kV line along this entire corridor. As a 69 kV line, like Mr. Derstine said, that's not subject to a CEC. And so as we redevelop this to be a 230 kV corridor, that's where the CEC comes into play.

MEMBER GRINNELL: Okay. And then on the Gila River Indian Community, I'm assuming there's cooperation all along on this issue?

MR. HEIM: Correct. We've been in coordination with the Gila River Indian Community. They're part of our notification area and are aware of the project. The proposed 230 kV line will not be located on the Gila River Indian Community, so they don't necessarily have jurisdiction over how we place it on the non-GRIC side of the fence there.

So before we move on, Megan, this is a good visual of how the corridor looks or will look. To the east here you can see this is Intel's existing fab. So this is the type of structure that will be replicated further to the south as they add their new fabs.

And then further in the distance, north of Ocotillo Road is the City of Chandler's water treatment campus. And that lends to -- really the overall view of this portion of the corridor is that we have industrial sites all along the eastern side of the corridor and then agricultural uses along the west side on the Gila River Indian Community.

All right. Let's keep going. So as we make our way north, the existing 69 kV circuits in this area are two of the four circuits that serve Intel's campus. And like I mentioned, there's a lot of sensitivity toward maintaining service to Intel as we go about the construction process for this line. And one of the reasons that we're requesting flexibility to locate the new 230 line either on the east or the west side of Old Price Road is to give us flexibility to manage outages on the existing 69 kV circuits as we go through the construction process.

As we approach Queen Creek Road, this is where Old Price Road stops, and then there's actually no roadway as we make our way for the final piece into Henshaw. This is the existing Wells Fargo campus to the east, and then there's a health care facility on the GRIC to the west. We expect development on these undeveloped parcels to look very similar to what we see

on the Wells Fargo campus. And the intention is to obtain an 80-foot easement behind those properties between the boundary with the Gila River Indian Community and the adjacent development to the east of the corridor.

And here we arrive at the freshly mowed lawn of Henshaw substation.

BY MR. DERSTINE:

Q. The routes that you've taken us down, starting at Schrader, working our way down the railroad and then onto Chandler Heights and then working through the neighborhoods to get to the Intel campus and then as we turned up along Old Price Road, were those -- those routes were what were essentially discussed and worked out with the City of Chandler or were these decisions made by SRP?

A. All of the routing that I just went through was developed in concert with the City.

Q. And the decisions about where to underground and where to build overhead, those were also coordinated and were part of that early collaboration with the City of Chandler?

A. Correct.

Q. Old Price Road, I think you indicated it ends at one point. I assume -- there's an Old Price Road.

Does that mean there's a New Price Road?

A. There is a New Price Road. So Old Price Road terminates at the intersection with Queen Creek Road right here. The New Price Road makes its way off the map to the north and then follows my laser pointer down until it intersects with Dobson right here.

Q. And so Old Price Road is kind of the back side of many of those businesses. You mentioned the Wells Fargo campus and the other businesses that are within the Price Road corridor. The portion of Old Price Road up to the point where it ends is kind of the back side of those businesses, and we'll be stringing this new overhead transmission line along kind of that backyard of those businesses and industries?

A. That's correct. And then as we go south from Queen Creek along Old Price Road, that's primarily just access for the water treatment facilities and Intel's campus itself. It's not generally used for any other purpose than that.

Q. All right. Anything else you wanted to mention or make note of for the Committee that wasn't in the flyover but they should understand concerning these routes?

A. I think that covered it.

Q. I think now we're going to spend a little bit

of time going back in time, right? You want to talk about some of the two prior siting cases that involved projects or proposed projects that were within this Price Road corridor area?

You and I have gone back and forth on this a little bit. I've continued to say, Zack, we really don't need to cover this old history. And you said, no, Matt, we really do. So let's talk about why we do, and then I'll have you cover it, okay?

A. So can we just acknowledge who won that argument?

Q. Yes. You are the winner, so let's talk about it.

A. All right. Well, I, for one, think that context is important. So for the Members of the Committee that think it is too, you're welcome. If you're not one of those Members, I apologize and this won't take too long.

So SRP has had two prior siting cases before the Committee that invoked the name Price Road corridor, and so I just want to give everyone a brief history for what those cases were and some of the relationships that exist between those cases and what we're proposing with HIP today.

So in 2015, that was the first case that SRP

came before the Committee with. That was Case No. 170 and was labeled as the Price Road Corridor Project, and it included some similar scope elements to what we're before the Committee with today. So the full scope of that project was to, focusing on R30 here, was to build an overhead double-circuit 230 kV line from the existing Knox substation, which is located near the Loop 202 and I10, and construct an overhead line to the, at that time, proposed RS-27 substation at Germann and Price Road. If you've been keeping track of our maps, this is now Henshaw substation and was energized in April of 2021, so not very long ago. And then from there, we would construct an overhead single-circuit 230 kV line to RS-28, which would be located on the Intel campus, and then a single-circuit overhead 230 kV line that would make its way north along the Union Pacific Railroad corridor all the way to Schrader substation.

The history on that project is that we came before the Committee, in a hearing like this, and gained approval for the portions of the project that are highlighted in green. So RS-28, the short segment over to Old Price Road, RS-27, and then the overhead piece along the Union Pacific Railroad. So the irony is that here we are again siting a line with you that

has gaps in it on the map, just for a different reason. The reason at this point in time is that all of the remaining portions of the project were located on the Gila River Indian Community, and therefore outside the jurisdiction of the Line Siting Committee.

The Line Siting Committee at the time voted to recommend approving the CEC on this project. Subsequent to that hearing, the Gila River Indian Community Tribal Council denied SRP's routes on the community itself, and that followed a four-year siting process to gain NEPA approval and all of the other approvals that are required to site a line on the Indian Community. So upon that denial, SRP withdrew our CEC application for Case 170. So that's part of the story.

Then we move to --

Q. Can I stop you there for a minute? Go back. If I'm looking at the map for the 2015 case, the highlighted segment in green, that is the same segment along the railroad that we're now going to be constructing the 230 circuits underground. Do I have that right?

A. That's correct.

Q. So in 2015 the Committee approved an overhead route along the railroad there. That was approved by

the Siting Committee. But by the time you got to the Commission, the Gila River Indian Community, the tribal leadership, denied the application for the permit or the right-of-way, whatever the correct terminology is, for the remainder of the project. And so you were left to withdraw that application and that project was -- the 2015 project was never constructed?

A. That's correct. And I guess while we're on it, I should probably highlight one key difference between that case and this one is -- I noted how we only required a single-circuit from RS-27 to RS-28 and on to Schrader. That's a very important difference from what we're here with today, which is a double-circuit line for that entire distance. And that gets to part of the conversation we were having about the need for redundancy and capacity into Intel's campus based on their current development plan.

Q. And the 2015 case was -- the need for that was based on load projections to serve what was anticipated at the time would be new data centers and other sorts of businesses within the Price Road corridor that -- ultimately, I guess Chandler changed its land use and plans and so the load forecast changed after the 2015 case. Do I have that part right?

A. That's correct.

So that takes us to the 2017 case, so that's Case 175. And Mr. Derstine is correct, there's really two things that happened between 2015 and 2017. The first is that SRP went to work trying to find an alternative route that was not on the Gila River Indian Community; but in parallel, the City of Chandler was in the process of reevaluating their general plan.

The initial scope of Price Road corridor in 2015 was based on a general plan from the City which emphasized data centers to a higher degree than the plan that was published prior to this 2017 case. And in response to that, SRP lowered the load forecast as the City moved away from emphasizing data centers toward employment-based development that caused us to revise our load forecast downward. And therefore, what we determined is that we could actually serve the revised load forecast with a simplified scope of the project being just this double-circuit 230 kV line between Knox substation and RS-27, now Henshaw. And that's what led to -- that revision of the load forecast is what allowed us to serve the area with the simplified scope. The Committee then approved the CEC in September of 2017. And like I mentioned, we energized it in April of 2021.

Few items I just want to highlight related to

these topics. The first is, this project, the dashed black and green here between L2 and L3 and also between U1 and U2 here represent SRP's first installation of underground 230 kV transmission lines.

The other thing that's notable between these two cases is that in both cases the load forecast for Intel was the same. SRP's ultimate build-out -- or, Intel's ultimate build-out was forecasted to be around 470 megawatts of total load. And in this revision of the project in 2017, the intent was to serve Intel using additional 69 kV lines out of RS-27 to serve their growth. And that's the common thread between these two cases that we wanted to make the Committee aware of is just how different Intel's load forecast is with this new expansion compared to what we had talked about previously.

Q. When I listened to the City's witness, he indicated that the City and SRP had some experience in working together on a prior project. This was that project, right?

A. This was that project.

Q. And the smaller segment shown, L2, L3, that's undergrounded, why was that placed underground?

A. So the segment, L2 to L3, is located directly south of the north/south facing runway in Stellar Air

Park. And for safety reasons, SRP placed this segment of the project underground to allow aircraft in and out of the airport.

Q. And the other piece, U1 to U2?

A. So U1 to U2 is located within the Price Road -- New Price Road road right-of-way. And that is the similarity between the agreement that SRP had with the City of Chandler with this case -- "this case" being the 2017 case -- in comparison to the agreement for HIP.

Q. And so Case 175, the 2017 case, is really where SRP and the City gained some experience on how to work together in terms of planning a project and how to minimize the impacts of a project and make sure it works for the City and for the community. Do I have that right?

A. That's correct.

Q. Anything else the Committee should know about Case 175?

A. I think that about sums it up.

Q. All right. So I guess you were right. It made sense to cover that. I apologize.

A. I don't want to point fingers.

Q. All the time we spent arguing about it.

So we've talked about the history. I think

you want to now turn to the planning process. And you and I mentioned that SRP gained and learned from the experience from the 2017 case in terms of how to work with the City of Chandler, and probably the City learned from that experience as well. Why don't you talk about the planning process for this project.

A. Sure. So I think what we wanted to do is highlight the degree of collaboration between SRP, the City, and Intel as we've developed the scope of this project, and importantly, give a sense to the Committee how the project has evolved from the point in time that we first started working with the City to what we're before the Committee with today. And so we just want to provide a little bit of context for how that whole process went. And I'll use the timeline on the left to kind of go along with the changing map on the right screen to help folks understand how that process went.

So let's contemplate the first iteration of HIP. And so focusing on Slide L24 on the left screen, I'm highlighting the shaded region on this timeline that represents the period in time from March 2021, when Intel first announced their expansion, to August 2021 as encapsulating the period of time between Intel's announcement to SRP's first virtual open houses where we were having our first dialogue with the public

about the scope of the project.

So the way the project looked at that point in time, similar routing to what we're showing the Committee today, but the key differences being along the Union Pacific Railroad corridor south of Schrader here highlighting on R34, that component of the project was proposed to be overhead. And similarly, the east/west piece on the Intel campus was proposed to be overhead. And I'll go through the decision making that got to where we are today on both of those segments, but let me first give a little bit of context for the decision making with the City of Chandler.

So following Intel's announcement in March of 2021, SRP immediately set about evaluating their load request and how our system would respond to the magnitude of load that Intel was requesting, the 900 megawatts. And what we quickly determined was that we really needed four 230 kV circuits to serve the Intel campus. But given the similarities that we already knew about from the prior Price Road corridor siting cases, we were able to draw upon that and develop the scope of work here where we would increase the number of circuits between Schrader and RS-28 to include a second circuit, and that would provide the capacity needed to serve both Intel's near-term growth

and their long-term growth.

Once we had determined that, that's when we held our first meeting with City of Chandler staff to alert them to the infrastructure requirement that would come along with Intel's expansion. And the City staff alerted us to their desire to keep from building new overhead transmission lines in areas where they don't already exist. And so as a reminder for where they already exist, we have the existing double-circuit 69 kV lines along Old Price Road and we have the existing 69 kV lines along the Union Pacific Railroad north and south on R34.

So a high-level takeaway from that conversation with the City of Chandler is that, based on that criteria, what we were really on the hunt for was a way to get east and west from Schrader over to the Intel campus as a way of honoring the City's requirement. And so we evaluated a number of underground routing options with City staff. Obviously, City staff have a very good understanding for the City's infrastructure within these roadways, and so we worked with them to understand what kind of the underground landscape was in terms of utilities and things that would be in the way of our proposed transmission line if we were to place it underground.

So I'll kind of start with the routes that got us to the route that we're proposing. If you were to look at this map without the lines drawn on it, probably an intuitive way to get east and west from Schrader over to Intel would be to follow Ocotillo Road as the only contiguous arterial road that gets you between those two points. And so we took a hard look at that.

What's unique about Ocotillo, it's not like most arterial roads when you look at it from an underground utility perspective. The reason for that is that it's a major thoroughfare for water treatment facilities that feed into the City of Chandler's water treatment campus here just to the north of the Intel campus. So most, I would say, arterial roadways have what I would call the usual suspects in terms of underground utilities. You'll have a sewer line, a water line, a storm drain. In the case of Ocotillo, there's 11 parallel pipelines within that roadway, and that's the usual suspects, plus brine lines, force main, reclaimed water, all of which are related to the water treatment campus in Chandler. And there's just simply no space to put an underground duct bank within that roadway, and City of Chandler staff was very helpful in helping us understand that early on in the

project.

So then that put us to Chandler Heights Road, which, as we talk about Chandler Heights and Alma School, those represent more of what I would call the usual suspects of underground utilities. There's not a high density of underground utilities in that roadway.

Now, we did evaluate with City staff alternatives to going overhead along the Union Pacific Railroad corridor here. Principally, the main alternative would be to go down Arizona Avenue. Arizona Avenue, from an underground utility perspective, looks a lot like Chandler Heights. There is space within Arizona Avenue to place an underground duct bank there. The challenge is that you still have to get to Arizona Avenue, and the pathway to do that is along Ocotillo Road, which has all of the same conflicts that I already stepped through.

So recognizing those conflicts and the requirements of the City to avoid new overhead lines where they don't already exist, as far as the City of Chandler and SRP were concerned, the underground route that we're proposing here met the criteria of no new overhead lines where they don't exist and was financially and technically feasible to accomplish for both parties. And so this represents the map that we

first launched the project in June of 2021 with and then was reflected in our first virtual open houses that we posted in July.

Let's step forward to the next place in time here. So this represents the period of time between August and September of 2021, and that was the point in time when SRP was getting ready to have our first live online open houses. And we'll talk a little bit more about the difference between a virtual open house and a live open house later. But, in essence, the virtual open house was an enhanced version of our website where we used videos and so forth to give folks a little more color as far as what the project really was, whereas the live online open house was a Zoom meeting, like we're doing here, where folks had the opportunity to interact with project staff and ask questions.

Immediately -- well, during the time that SRP and the City of Chandler were working to evaluate this east/west route, similarly, Intel was working to understand the land use on their campus itself. Probably wouldn't surprise anybody to know that developing a 700-acre semiconductor manufacturing campus is a complex and iterative process, to put it very mildly. And during that phase and time, Intel identified that placing the east/west portion of the

project on their campus underground would provide some important benefits to them.

First one being is that our underground easements are narrower than an overhead easement. So from a land use perspective, it was to Intel's advantage to limit the amount of land that was dedicated to our transmission easements for their own use as they develop their parcel. And also, if the design process of a campus like this is complicated, so is the construction process. This is going to be a very active construction area for Intel, with lots of overhead cranes and equipment. And again, from the Intel perspective, having our lines underground and out of the way of overhead cranes and other construction equipment was an advantage that they valued. And so for those two reasons, they elected to fund the cost difference to place this portion of the project underground to realize those benefits.

Then we fast forward one more time to the version of the project that we're before the Committee with today, and so that starts back in September of 2021 and encapsulates the point in time when SRP had our second round of live online open houses. And probably the main takeaway that SRP, the City of Chandler, and Intel heard relative to the prior

iteration of the project is that there was a lot of public interest in the proposed overhead segment along the Union Pacific Railroad. And during this point in time, Intel again elected to step in and fund the cost differential to place this remaining 1 mile segment underground.

So one last point I just want to make on the Union Pacific Railroad corridor itself is that -- we already talked about the City of Chandler's criteria in identifying where they would fund undergrounding versus overhead based on the fact that there's an existing overhead line in that corridor today. The other challenge associated with the Union Pacific Railroad corridor is that it is a railroad corridor. As such, SRP cannot get a dedicated easement to locate our transmission facilities within that corridor. That's something that SRP has done for overhead transmission lines.

The difference is that, when we talk about an underground transmission line, you're now talking about an asset that is, in order of magnitude, more costly to install in the first place, but then if the railroad were to require that to be relocated in the future, then SRP would incur probably an even higher cost to relocate those underground lines to another place at a

future point in time. So from a cost and risk perspective, that was not a tenable risk for either SRP or Chandler, as the funding entity, to take on.

So as part of the agreement for Intel to fund the cost differential to go along the Union Pacific Railroad, they've also agreed to take on the long-term relocation risk associated with that as the party that's funding the undergrounding in this location.

Q. I guess I'm curious, and maybe Members of the Committee are. Did SRP go to Intel and encourage Intel to pick up the cost of undergrounding along the railroad in light of what we were hearing from the neighborhoods along the railroad, or did that decision by Intel come about in a different way?

A. That was a decision that Intel took on their own volition. As our customer, SRP can't put Intel in a position to fund off-site undergrounding or aesthetic improvements to our system that are, one, not located on their campus, and two, doesn't have a relationship with the capacity that they require. So we were very careful not to apply pressure to Intel to take that decision.

MEMBER HAENICHEN: Mr. Chairman.

This might be a good time, Mr. Heim, to tell us what it does cost to underground a high-voltage line

per foot.

CHMN. KATZ: And that was Member Haenichen.

MR. HEIM: Sure. So we've testified before that the cost to underground a transmission line is generally 10 to 15 times more than the equivalent overhead line, and that's true in this case. So in the case of an overhead 230 kV transmission line, those cost anywhere from a million to a million and a half dollars per mile to construct. In the case of a single-circuit underground 230 kV line, same math applies, it's 10 to $15 million per circuit mile. Like I talked before, that's --

MEMBER BRANUM: Looks like the room had left briefly.

CHMN. KATZ: Is that Mr. -- or, Member Branum?

MEMBER LITTLE: Yeah, I think it came back on.

MR. DERSTINE: Did we lose the feed to the Committee Members? Are we okay, George?

MEMBER LITTLE: We can see them, but we can't hear them.

CHMN. KATZ: Can you hear me now?

MEMBER LITTLE: Yes.

MR. DERSTINE: Can Member Branum hear us?

MEMBER BRANUM: Yes, I can. Thank you.

MR. DERSTINE: We apologize for the interruption.

MR. HEIM: Okay. Good to go? So where was I?

So anyway, so the cost for a single underground 230 kV circuit is about 10 to 15 million per mile. But like I noted, when we add a second underground transmission line, it's literally double that. Versus if I were to build an overhead single-circuit transmission line at 1 to 1 and a half million a mile, adding a second circuit to that might only add 30 percent to the cost as opposed to a hundred percent. So that's where the economic benefit of overhead versus underground comes in.

MEMBER HAENICHEN: So in the case of the underground, then, the bulk of that cost is the conductors themselves?

MR. HEIM: That is a large chunk, but it is not the only major cost. The underground excavation is very expensive by itself, utility relocations. The labor associated with building an underground line is significant. So there's really -- I can't think of a single component of an underground line that's actually cheaper than the equivalent of the overhead.

CHMN. KATZ: You also have concrete expenses, correct?

MR. HEIM: Correct. And it's not even usual, normal concrete.

BY MR. DERSTINE:

Q. And you have -- coming up in your presentation you have a whole chapter on underground construction methods and costs, right?

A. We're actually at that chapter right now.

Q. That would be the next chapter after we get through the planning process?

A. Yeah, as we turn this page.

CHMN. KATZ: And just for a timing perspective, we'll be at an hour and a half in about five minutes. I don't know if we want to go a few minutes past that or break at 4:45?

MR. DERSTINE: Whatever you prefer. Maybe it would be helpful if we could finish Mr. Heim's discussion on the planning process, looks like he's near the end of it, and then we can break there, and then come back quickly and take on the underground construction piece to finish out the day before public comment.

MEMBER PALMER: Question, Mr. Chairman.

CHMN. KATZ: What is your thinking, our

reporter's thinking?

THE COURT REPORTER: I'm fine.

CHMN. KATZ: It you get too weary, let us know, because we'll then take a break. And at 5:30 we're going to have public comments, if there are any, and I think there's at least one or two.

MEMBER PALMER: Mr. Chairman, just a quick question. Are we going to discuss, before we break for the evening, whether we do the tour in the morning?

CHMN. KATZ: We can either discuss that this evening or we can do it as our first order of business tomorrow morning, sleep on it.

MR. DERSTINE: Well, Mr. Chairman, it may be helpful if we can have that decision today so we know if we need to have the bus and the transportation, et cetera, ready for tomorrow morning.

MEMBER PALMER: They would need to know that tonight.

CHMN. KATZ: That's fine. I just think that we don't want to go too much longer before we discuss that item -- issue that was just brought up by Mr. Palmer.

MR. DERSTINE: Well, if we can finish the planning section, which I think we've just about done, and then take a break, when we come back if you want to

go right to a discussion of the route tour and then see if we have any time left to address anything else.

CHMN. KATZ: That's fine. You can just finish this section, we'll take about a 10-minute break or so, and then just briefly discuss whether or not we want to do a tour or not.

MEMBER PALMER: Very good. Thank you.

CHMN. KATZ: Please proceed.

MEMBER HAMWAY: Could I ask a quick question? So along the railroad track that Intel's paying for, is that a double-circuit also or just one 230?

MR. HEIM: So Intel is funding the construction of the first circuit, and the second circuit is kind of held for future negotiation with them. The intent would be to follow the same alignment, we just haven't gotten to the funding of that piece yet.

MEMBER HAENICHEN: But given that, would Intel be willing to pay for more conduit for a future circuit?

MEMBER HAMWAY: That was my question. Are they laying the conduit for the second line at the same time?

MR. HEIM: No. So same mindset along the railroad corridor as Chandler Heights and Alma School,

particularly even more so, the construction aspect of the railroad corridor itself, we don't have traffic to contend with or road closures. And so from the Intel perspective, doesn't bring the -- it doesn't avoid the same downsides that adding a second duct bank through Chaparral and Lake has, where we have all of the challenging logistics with the school and the neighborhood. And so from an Intel perspective, that's a fairly substantial amount of capital investment that isn't necessary required right now and doesn't bring any immediate benefit.

MEMBER HAENICHEN: But what about the benefit to SRP? Would they be willing to put those extra plastic pipes in there? It wouldn't cost that much.

MR. HEIM: The duct bank that we will install will have two spare conduits in it just in case we experience a cable failure or some kind of issue. But when we talk about double-circuit underground transmission lines, that's actually two separate and distinct underground duct banks, so separate trenches, everything. So there's no economy of scale that comes along with putting in additional conduits for that second circuit.

MEMBER HAENICHEN: Because you wouldn't want two 230 lines real close to each other, is that it?

MR. HEIM: For heating purposes, we keep them separated.

MEMBER HAENICHEN: Yeah, and you're going to go into the heating.

CHMN. KATZ: Those questions were from Member Haenichen, and there was a brief question or two from Member Hamway.

You may proceed.

BY MR. DERSTINE:

Q. Tying up our discussion on planning --

MEMBER HAMWAY: I just want to make one other comment. Sorry, Mr. Derstine. So the amount of undergrounding that Intel is taking on themselves looks to be about 2 miles. Is that what you are calculating?

MR. HEIM: That's pretty close. So it's almost perfectly a mile from Schrader down to Chandler Heights, and then the east/west portion along their campus is about a mile. Where it gets a little murky in terms of the math is that this piece between H2 to RS-28 is, in fact, double-circuit, so the amount of circuit miles they're installing is a little bit more than that. But that's pretty close as far as the trenching distance is concerned.

MEMBER HAENICHEN: So it's about 30 million bucks' worth?

MR. HEIM: About, yeah.

MEMBER HAMWAY: You did that fast.

MEMBER HAENICHEN: I just guessed.

CHMN. KATZ: I don't think we need to make a record of any small talk between the parties, but let's go ahead.

BY MR. DERSTINE:

Q. Anything else you wanted to add on the planning, Mr. Heim.

A. I think that covers it.

Q. All right. We're at the end of the bar graph and the end of the discussion of the planning process. Let's get to the topic of the day. What does it take to put a transmission line underground, I guess, in terms of costs and methods?

A. So did we want to do this or take a --

MR. DERSTINE: Oh, we want to take our break. Thank you for reminding me. Yeah, this is the right time. I know our court reporter --

CHMN. KATZ: And I'm showing it's just about 4:46, we'll say 4:45. Maybe back here at 5:00 and then run probably only for about 15 minutes or so, so that we're rested and prepared to handle public comments.

MR. DERSTINE: All right. Thank you.

CHMN. KATZ: Thank you.

(Off the record from 4:46 p.m. to 5:00 p.m.)

CHMN. KATZ: The first thing I'd like to take up is whether or not we're going to do a tour. And then we'll perhaps get into some additional testimony, depending on the time. I've asked Mr. Derstine to give us maybe a little overview of what would be done with the tour, the pros and cons of it. And then I'll take up a motion to either do a tour or not do a tour, and if it gets seconded we'll have a discussion and make a decision.

MR. DERSTINE: All right. Thank you, Mr. Chairman. Yeah. As I mentioned, Ms. Pollio worked out in advance, in anticipation of the possibility that the Committee would want to take an actual drive-around tour of the project, worked out a proposed route tour. The screen on the right shows what we initially conceived of as being that route tour and the stops along the way. But it's my understanding that we have some road closures and other restrictions that have come into play that may limit even what we had initially conceived of as the route tour.

But I'm going to turn it over to Ms. Pollio to kind of talk about what we can see and what we can't and where we can go and where we can't go on this route tour, and that may make a big difference for the

Committee in terms of whether you decide to spend the time driving.

MS. POLLIO: Okay. Thank you. I'll go ahead and reference, this is included in SRP Exhibit 14, so we did prefile this route tour. So what I'll do is just briefly go over it and then also talk about some of the restrictions. We actually had -- our construction manager was out there today on Intel's campus, who just sent us this information about what some of the restrictions are because of the active construction, so this is hot off the press. Literally minutes ago we received the information, so it's very appropriate.

But what I'll do is -- again, on the left screen are the directions, not necessarily that you need to read those, but if we did go on a route tour that kind of gives -- prints out the written directions. But on the right screen you will see the map that you've seen many a times, but with some bright pink lines. And those bright pink lines are basically what we are proposing the route tour would be.

So coming from the hotel, basically you're going to come down -- we would basically come down Arizona Avenue and we would then turn to go into the Schrader substation. So there is a road that traverses

the Schrader substation, kind of goes in between the existing Schrader substation and the vacant -- there's a vacant SRP-owned lot. So we would be able to pull off and see that Schrader substation. It was very clear in the virtual route tour. I think you were able to see what that Schrader substation looked like. So that would be -- that's our proposed Stop 1.

Then we would come out -- obviously, we cannot follow the railroad corridor down. So instead, you would come out and go down Arizona Avenue, and then basically we would follow the underground route segment that Mr. Heim spoke in detail about, so, you know, from Chandler Heights Road and basically following that in the virtual route tour.

From this point, the Intel campus is under active construction. So we originally were trying to come into Intel's campus here, but that is not available right now because of that active construction. So the alternative was for us to go up Dobson and then try to pull into the main entrance of the Intel campus. Here you would be able to see the Intel campus. But again, this is all of the existing facility, so it is somewhat hard to see the RS-28 substation, but you would be able to see Intel's campus. So that was kind of the best we could do based

on those construction constraints.

We would be able to turn around, come back up Dobson, and then basically what we're looking at doing is trying to come over -- again, this is New Price Road, this is Old Price Road. So we would come over and go down Old Price Road. Here is where we're getting -- again, our construction manager was there. About at Ocotillo, which is about right here, there is a roundabout. It is blocked right now with construction vehicles and active construction and they've closed this road because of construction. So we would need -- we could stop safely, we could be in the roundabout, you could get out and see the campus, but we would not be able to go further down the road. So we would have to use that roundabout to then make a U-turn, come back up Old Price Road. So that -- instead of our third stop being down at the -- down at the southern portion of Intel's campus, it would have to be at this roundabout. So that would be the third stop.

Oh, okay. Zack said he doesn't think we'd be able to stop at the roundabout. So we would just have to actually go through the roundabout and then back up and go up New Price Road. And then we would be able to see the existing Henshaw substation, and that would be

our fourth stop, and then we would head back to the hotel.

So again, apologize for the modification, but we're glad that we were out there today. It would probably be a lot of off roading. And with a very large -- I think we have a 27-passenger vehicle that we'd all be in, this is the best that we can do without getting stuck or having any type of safety issues.

CHMN. KATZ: I don't know --

MEMBER HAMWAY: Are you thinking about an hour, hour and a half?

MS. POLLIO: We had planned that it probably would be more like two, two-plus hours. And I'm thinking that just because, while it doesn't seem like a very long route, getting everyone in the van, if you did want to stop and get out and walk around and look, that's what we were kind of taking into consideration. If you think that we just want to drive it and make a U-turn and come in, I think we can probably do it in less time.

CHMN. KATZ: Would you point out for us where the aboveground lines would be located once again?

MS. POLLIO: Yes. So this one area right here is this overhead transition corridor that Mr. Heim has been discussing. This is where the riser

structures -- if you remember in the virtual route tour, there were two riser structures that would be inside of this, and there's some existing poles along that north side of Schrader substation that would be utilized. But that's the -- in this area, that is the aboveground portion. Then the additional aboveground portion is from Henshaw, which is here at H1, down Old Price Road to H2.

The remaining pieces are all underground. So all of the railroad corridor, Chandler Heights, and basically coming through Alma School, Lake, Chaparral, onto Intel's campus is all underground.

CHMN. KATZ: And none of the aboveground goes through residential -- or, close to residential neighborhoods, is that correct?

MS. POLLIO: That is correct. The overhead transition corridor is all within the existing Schrader substation and the existing SRP-owned disturbed area. And the Old Price Road is bound by all of the Price Road development to the east and the Gila River Indian Community to the west.

CHMN. KATZ: Okay. Well, unless there's specific questions to ask Ms. Pollio, maybe we go ahead and get a motion either to take the tour or not take the tour. And then if there's a second, we'll go ahead

and discuss it.

Mr. Haenichen.

MEMBER HAENICHEN: I just have a comment. Normally, I'm a champion of these tours because I think they add a lot to the thing, but this is an unusual situation because Thursday we can't meet anyway. And so if that caused us to spill over into Friday, it would be a -- because I've got a four-hour drive to get home -- it would be a great inconvenience for me. But if that's the will of the Committee, I'll go along with it.

MEMBER GRINNELL: Mr. Chairman, I would move that we dispense with the tour.

CHMN. KATZ: There's a motion on the floor to dispense with the tour. Is there a second?

MEMBER HAENICHEN: Second.

CHMN. KATZ: Okay.

MEMBER PALMER: Can we have some discussion, Mr. Chairman?

CHMN. KATZ: Yes, we --

MEMBER PALMER: Because I was about ready to make a motion that we have the tour, because I -- you know, these virtual tours, they've served us well when that's all we could do, but I've looked forward to the day when we can get our eyes and feet out on what we're

doing. And I think they're invaluable, and if it means taking two extra hours I think it's worth doing and I'm strongly in favor of it.

CHMN. KATZ: Okay. And again, we'll just consider this part of the discussion. If the majority of the Committee feels that we should dispense with the tour, they will prevail. And if the majority of the Committee thinks that a tour is going to be valuable here, you can make -- you or someone else can so move.

MEMBER HAMWAY: Could I ask another question? Taking two hours to do the tour, will that make us spill over to Friday?

MR. DERSTINE: It's a good question. We would certainly do our best to finish on Wednesday -- by Wednesday. I don't have a good sense of how -- you know, oftentimes the route tour involves stops along the way, the court reporter gets out, and then we take some testimony where we're pointing out viewpoints or observation points and that sort of thing. I think if we're going to -- the inclination is to -- the vote is to take a tour, then I think we should maximize what we can out of that process and show the Committee what there is to see.

As Ms. Pollio mentioned, we're restricted in terms of our access to portions of the project, but you

would have the ability to see certainly where the overhead will be constructed on a segment of Old Price Road, although we will get down all the way to the Intel campus, and you'll get to see around the Schrader substation where the risers will be constructed and where we will be co-locating the second circuit with the existing 230 line. So those would be visible. And the rest is driving along the routes where there won't be anything to see because it will be under the road.

But I think the -- I agree with Member Palmer, I find that oftentimes the route tour has a lot of value and that you see things getting out and making those stops and pointing out locations. I don't know that -- in terms of this project, it's too bad that we're limited in terms of all of it and that we don't have full access to the project area. So I leave it to the Committee.

To your question, Member Hamway, if we spend the two hours on the route tour will that push us into Friday, I can't guarantee that we won't, but we would certainly do our best to complete our case and present our case in an efficient way so we'd be able to complete it by Wednesday.

CHMN. KATZ: Mr. Haenichen.

MEMBER HAENICHEN: Well, let me suggest this.

Isn't it true that the only things in the tour that are germane to this hearing are two spots where there are overheads, right? So we could just visit those, and that would take much less time.

MR. DERSTINE: Member Haenichen, you are right in terms of the project components that are before the Committee were the overhead portions along the Schrader -- around the Schrader substation and the Old Price Road. I think Ms. Pollio's point is that it will take us some time to drive to those two locations from the hotel.

So Ms. Pollio, if we were just to visit -- well, and rather than driving the underground segment along Chandler Heights and through the neighborhood over to Intel, is there a way to shorten the route tour to simply what we can see of the overhead components and does that shorten the estimated time of the tour?

MS. POLLIO: I think that what we could do, just thinking this out loud, I guess one is we do have the van coming at 8:00 a.m. So I just wanted to mention that. We do have the ability to do the route tour at 8:00 just as an option.

Secondly, I think what we could do is come down and go into Schrader. This is obviously, you know, this transition corridor. We could go back up

and go directly over to Queen Creek and then down and back up and then literally go to Henshaw and, you know, all the way. As Mr. Heim mentioned, we cannot get out at the roundabout. So that would basically have us getting out at one stop. And then if we do not need to come down here to just see -- and this is --

I will say, Stop Number 2 is just to show you Intel's campus. We were trying to get as close as we could. But that really is nothing that is -- as was mentioned, you would not be able to see any of the segments or the pieces of the project that are part of this case. So it may be time beneficial to just come straight over, go down to the roundabout, come up, and go up. I think that would -- that would minimize the time.

MR. DERSTINE: Well, I'm assuming the Committee would like to at least see the Intel campus as a point of reference. I guess we can give some thought to ways in which we can still show the Committee the Intel campus and shorten our stops.

MS. POLLIO: And I would say that coming back up over to Queen Creek, it is not that difficult to drive -- because we're not stopping, I think we could get -- you know, come over and if -- again, you see the campus, but we don't all get out on the campus, which

is probably a better option anyways, just to drive in so you can see Intel's campus, and then continue on. So maybe, again, just have the stop at Schrader and the stop at Henshaw, and the rest of the time would just be driving, but use the same route tour, I think you could do that.

CHMN. KATZ: Member Haenichen, do you want to move to amend the motion?

MEMBER HAENICHEN: No. I think what I'm going to do is just go along with whatever the Committee decides.

CHMN. KATZ: Okay. That's fine.

Any further discussion?

MEMBER HAMWAY: I'm fine with 8:00. Is that something we needed to notice?

CHMN. KATZ: Yeah, I think we probably can't start until 9:00 in case --

MEMBER HAMWAY: We noticed the tour at 8:00?

MR. DERSTINE: The hearing is noticed to start at 9:00.

CHMN. KATZ: And I have mixed feelings. I don't want to be too influential one way or the other. But I generally feel that tours would be very helpful, particularly when we have a lot of overground lines

that are running through major intersections or through neighborhoods. I don't know that we gain all that much by looking at a substation where we had an aerial view of that today. And it might be nice to see the Intel campus, but I have mixed feelings. I don't know that it's all that productive with so much going underground and nothing interfering with really traffic or neighborhoods, but I'll shut up.

Anybody else have any comments?

(No response.)

CHMN. KATZ: All of those who are in favor of not taking the tour -- I think we want to talk a roll call vote or we could -- all those who don't want to take a tour or think it wouldn't be productive say aye.

(A chorus of ayes.)

CHMN. KATZ: All those who want to take the tour would say nay or no. Is there anybody that says nay?

MEMBER PALMER: Nay.

CHMN. KATZ: And that's Mr. Palmer.

Anyone else?

(No response.)

CHMN. KATZ: I guess we won't be taking a tour. But for those of you who regularly participate in these proceedings, I generally would like to have

tours, and on the last couple of hearings I sat through it might have been helpful. But we no longer have the serious COVID issue; although, NPR was talking this morning about Arizona has the highest rate of infection now in the country despite -- well, we have a fairly low rate of vaccination. Nothing further.

Do we want to do anything further? It's now 20 after.

MR. DERSTINE: I think our AV team needs some time to switch over and be prepared with our virtual connections for public comment, so this is probably the right place to stop, unless -- well, I guess I could make Mr. Heim available for any cross-examination if there are any questions on what we covered to this point.

CHMN. KATZ: Is there anything, Ms. Grabel?

MS. GRABEL: I do have a couple of questions. But I think, if it's all right with you, I'd like to spend the evening formulating how I want to phrase them.

CHMN. KATZ: I'd just as soon have us take the break to make sure the court reporter is fresh.

Also, if there are any members of the public who are already in this room, you need a sign-in sheet just so we know who's present, and I guess we'll

probably have a microphone that gets set up to allow you to address the Committee. We won't be able to answer questions. It's just an opportunity for you to give -- express your concerns in support or against the project, but we don't engage in question and answer with Members of the Committee or the parties.

We'll take a recess until 5:30. Thank you.

(Off the record from 5:20 p.m. to 5:36 p.m.)

CHMN. KATZ: My understanding thus far is that we have at least one member of the public that's filled out a comment card. I don't know whether or not she's going to want to address us. I'll know that in a few minutes. And we have somebody that's appearing by telephone that I believe wants to comment.

MR. DERSTINE: I think we were having some issues with our Zoom feed for public comment, but --

CHMN. KATZ: I think that they've remedied that.

MR. DERSTINE: -- I think we're good to go.

And in terms of -- my understanding is we have someone here or maybe two individuals who want to give public comment here in the hearing room. And then do we have -- how many do we have on the virtual feed for public comment? Just one. Okay.

CHMN. KATZ: Where do we want to have, if

there are people here --

MR. DERSTINE: So we have our mic set up here in the corner so they can address the Committee.

CHMN. KATZ: Okay. If there is anybody that wishes to speak -- just because you filled out a comment card, you don't have to. But if you do want to speak, you have to fill out a comment card, because the public records -- or, the open meeting law requires us to know the name of the person that is making the comment if they're doing so on the record. And if we haven't gone on the record, we're back on.

If we have a member of the public that wishes to address us, you may approach the microphone. The microphone is over there.

MR. DERSTINE: Do we have anyone in the hearing room who would like to provide public comment?

(No response.)

CHMN. KATZ: Does anybody want to --

MR. DERSTINE: I guess we do not have anyone here in the hearing room.

CHMN. KATZ: That's fine, but this may be the last opportunity. You're all welcome to continue to observe these proceedings either online or in person, but I don't know whether we're going any more public comment opportunities.

MR. DERSTINE: Right. And so I guess that leaves our one commenter on --

CHMN. KATZ: Right. There's a lady or gentleman on the telephone -- or, on the Zoom link that would like to make a comment, I believe. And if he or she wishes to do so, the individual should identify him or herself by name and then feel free to address to the Committee whatever comments they might wish to make.

(No response.)

CHMN. KATZ: Do we have that person available on Zoom and does he or she wish to make a comment?

Oh, I see. Mr. Morgan, do you wish to make a comment for the Committee's consideration?

MR. MORGAN: I guess. I'm in support of this project. I think Intel is an important part of our local economy and needs to -- we need to support them.

CHMN. KATZ: Thank you kindly. Anything else that you'd like to add or any concerns that you'd like to share?

MR. MORGAN: No. I think the design is the best possible solution. Thank you.

CHMN. KATZ: Thank you kindly for joining us.

And again, I understand so far we do have some spectators, some might even be dignitaries. But if you don't wish to address us, that's fine. We

appreciate everybody being here, and we're going to stand in recess until 9:00 tomorrow morning.

(The proceeding recessed at 5:41 p.m.)

STATE OF ARIZONA)

COUNTY OF MARICOPA)

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

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

I CERTIFY that I have complied with the ethical obligations set forth in ACJA 7-206(F)(3) and ACJA 7-206 J(1)(g)(1) and (2). Dated at Phoenix, Arizona, this 15th day of November, 2021.

KATHRYN A. BLACKWELDER
Certified Reporter
Certificate No. 50666

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

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