

1 BEFORE THE ARIZONA POWER PLANT
2 AND TRANSMISSION LINE SITING COMMITTEE
3 IN THE MATTER OF THE APPLICATION)
4 OF SALT RIVER PROJECT)
5 AGRICULTURAL IMPROVEMENT AND) DOCKET NO.
6 POWER DISTRICT, IN CONFORMANCE) L-00000B-18-0265-00180
7 WITH THE REQUIREMENTS OF ARIZONA)
8 REVISED STATUTES, SECTIONS)
9 40-360, et seq., FOR A) LS CASE NO. 180
10 CERTIFICATE OF ENVIRONMENTAL)
11 COMPATIBILITY AUTHORIZING THE)
12 SOUTHEAST POWER LINK PROJECT, A)
13 DOUBLE-CIRCUIT 230KV TRANSMISSION)
14 LINE ORIGINATING FROM THE)
15 EXISTING SANTAN-BROWNING 230KV)
16 LINE TO A NEW SUBSTATION LOCATED)
17 EAST OF THE LOOP 202/STATE ROUTE)
18 (SR)-24 INTERCHANGE AND)
19 TERMINATING AT THE PERMITTED)
20 FUTURE ABEL-PFISTER-BALL 230KV)
21 LINE WITHIN THE CITY OF MESA,)
22 ARIZONA AND TOWN OF QUEEN CREEK,)
23 ARIZONA IN MARICOPA COUNTY.)
24 _____)

15 At: Mesa, Arizona
16 Date: September 7, 2018
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1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on regularly to be heard before the
3 Arizona Power Plant and Transmission Line Siting
4 Committee at the Mesa Convention Center, 263 North Center
5 Street, Mesa, Arizona, commencing at 9:35 a.m. on the 7th
6 day of September, 2018.

7

8 BEFORE: THOMAS K. CHENAL, Chairman

9 LAURIE WOODALL, Arizona Corporation Commission
10 LEONARD DRAGO, Department of Environmental Quality
11 JOHN RIGGINS, Arizona Department of Water Resources
12 MARY HAMWAY, Cities and Towns
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1 CHMN. CHENAL: Good morning, everyone. Before
2 we start, let's review what we're going to do today.

3 We're going to have some more testimony from
4 the applicant, SRP. Before that begins, Mr. Sundlof
5 wants to address -- clear up some of the -- answer some
6 of the questions we had.

7 And then the Inner Loop Owners will have their
8 witness at 2:30, thereabouts, and the Town of Queen Creek
9 will have a witness at approximately 1:00 after our lunch
10 break. But the rest of the time will be devoted to the
11 SRP case.

12 We'll have a better idea and make a decision at
13 the end of the day if we think we're going to finish on
14 Tuesday. If that's the case, we'll want to have the tour
15 on Monday. I think that's kind of what we've been
16 talking about. If it's pretty obvious that we aren't
17 going to finish by Tuesday, then we'll just keep the tour
18 on Tuesday.

19 So that's just a quick summary of I think where
20 we are.

21 Are there any matters that the Committee wants
22 to discuss before we turn it over to Mr. Sundlof?

23 (No response.)

24 CHMN. CHENAL: Now, Mr. Sundlof, if you'd like
25 to address the Committee to answer some of the questions

1 that were raised, we'd love to hear from you.

2 MR. SUNDLOF: Good morning, Mr. Chairman,
3 Members of the Committee.

4 I think most of you know me. I'm Ken Sundlof
5 with Jennings, Strouss & Salmon, co-counsel for the Salt
6 River Project.

7 And I think I told a lot of you at the last
8 hearing, the second Price Road Corridor hearing --

9 CHMN. CHENAL: Mr. Sundlof, let me interrupt.
10 We can't hear you very well. I don't know if it's the
11 volume or --

12 MR. SUNDLOF: Can you hear me now?

13 (Laughter)

14 MEMBER WOODALL: Stay close to the microphone.

15 MR. SUNDLOF: It's kind of hard because it's
16 down low.

17 Members of the Committee, Chairman, I'm Ken
18 Sundlof with Jennings, Strouss & Salmon, co-counsel for
19 the Salt River Project.

20 And I think many of you know me. I have done
21 many of these cases. In fact, I've done them since 1995.
22 The last case, I think I told most of you that that would
23 be my last siting case, and I meant it.

24 I'm here now, and the intent was to turn the
25 siting duties over to the very capable counsel that

1 you've seen sitting at the table, but I think that I
2 wanted to get up and clarify something that is partially
3 my fault of the confusion, and I'll explain why it's my
4 fault.

5 Part of my phasing-out plan was to do more
6 traveling, and so our entire family went to Guatemala for
7 a month this summer and we did Spanish immersion. And if
8 anybody wants to ask me about it, it's really
9 interesting. Really interesting. It's a great
10 experience. So my whole family did this Spanish
11 immersion.

12 I came back, and this project was fairly well
13 along, but I got involved in it because of some issues
14 that were involved. And one of the things that I looked
15 at was the corridors that we are requesting.

16 Now -- and the reason that I looked at that
17 particularly was Committee Member Noland and others have
18 raised this in other cases that we do not want to
19 unnecessarily burden property owners with wide corridors,
20 and I think that's a very legitimate concern. It's a
21 legitimate concern of mine. And I think Salt River
22 Project recognizes that it has to build critical
23 infrastructure, but it wants to tread softly and not
24 overdo it by tying up land that we don't need to tie up.

25 And so I've thought about this and I know every

1 case we've been in, we've had corridors. In fact, in the
2 old days, we used to have mile-wide corridors. And so in
3 every case, we had wide corridors. So I'm thinking this
4 case may lend itself to a better approach and it will be
5 less burdensome on the landowners.

6 And so I looked at this case, and we've got the
7 landowners along -- and I'm going to refer to Exhibit
8 SRP-2. The landowners along most of these routes are
9 fairly large landowners who have great plans for their
10 property. And some of them are carrying out their plans,
11 and others are working on it. So it is very important
12 that we are cognizant of those plans and that we work
13 closely with the landowners so that we can leave as less
14 footprints as possible while we're building this line.

15 So what I said is we've got a unique
16 opportunity here that we're following very, very distinct
17 features. Very, very distinct lines.

18 And I'll talk about the north part of the 202.
19 I said to the project group, What's your intent here?
20 And they said, Our intent here is to have a 100-foot
21 corridor that parallels the ADOT right-of-way; right?
22 Right here. And I said, Why are you asking for 500 feet,
23 then? And they said, Well, you know, we never know. And
24 I said, You're basically taking a 400-foot swath of land
25 and you are burdening it for some period of time, and we

1 need to try to avoid that. That's not a good idea. And,
2 frankly, you get sued over it. So it's not a good idea.

3 And I said, can we try a different approach?

4 And I know we've done these corridors for years, so let's
5 try a different approach. And the approach that works
6 really well here is that the default is that we will
7 parallel the ADOT right-of-way. And you can look at
8 this, and you can see that there's nothing in the way.
9 And so, presumptively, yeah, you can parallel the ADOT
10 right-of-way. That frees up the other 400 feet.

11 Now, the engineers will say to me -- and
12 they're right -- you never know, we might run into some
13 drainage and some underground things and something we
14 don't know about, and we need to have a little
15 flexibility. And we may actually need to have
16 flexibility working with the landowners because they may
17 not want us exactly there. And so I said, Okay. We'll
18 put in a little wiggle room in.

19 So what I did is in the draft CEC -- and this
20 is different from the application -- I put in very strong
21 that we will parallel the right-of-way. And then I put a
22 little bit of language in there "unless this and that."
23 And that's to account for the possibility that we may
24 have to move a little bit.

25 Somebody said yesterday, Well, that would allow

1 you to go 1,000 feet off of the right-of-way. That's
2 just not the case. First, we're dealing with the Salt
3 River Project. We don't work that way.

4 Second, we have this very strong presumption
5 that we have to report back. That just simply wouldn't
6 meet the presumption. So there really is, I think, a
7 very strong magnet that draws us right to the
8 right-of-way unless there's a really, really good reason
9 to deviate a little bit.

10 And to us, that was a better way of doing this
11 so that we don't burden the land. And I'll get to the 24
12 in a minute because you've got the same issue there.

13 So what we propose is two sides of the 202.
14 And I want to be clear here. There was some confusion.
15 We're not asking for both. We're giving the Committee a
16 choice. You can give us the east. You can give us the
17 west. We're not asking for both. We're not asking for
18 optionality. Everybody is telling us east or west. It's
19 going to be east because everybody is opposing the west,
20 and we're favoring the east and we don't see anybody
21 favoring the west, so I can hopefully assume that you
22 guys are going to go for the east also.

23 So let's talk about the east, which is pretty
24 cool because you don't have to cross, and you're going on
25 State Trust land for a lot of this. It's totally

1 undeveloped. So you're going across undeveloped land.
2 We already have a set ADOT right-of-way. We will be
3 paralleling the set ADOT right-of-way until we get to
4 about P3 here, which is right at the north part of the
5 substation site.

6 And you can't see it on this map, but there's a
7 small daycare center that's right there. And we are
8 obviously very sensitive to those kinds of things. And,
9 also, we have this large orange area that's the
10 substation site.

11 And so what we will do is we come off the
12 straight south part of the 202. We will veer off to miss
13 the daycare center by an appreciable amount and then come
14 right into the RS-31 Substation.

15 So we don't have a corridor there so to speak.
16 We'll come south off the 202, we'll go into the
17 substation, then we swing back over across the 24 to the
18 south side. So that didn't lend itself very well to a
19 corridor either because a corridor would have had to have
20 been huge. We would have been back in those 1-mile
21 corridors or something if we wanted to account for every
22 possible contingency here.

23 So the way our CEC is written, we come off the
24 202, we miss the daycare by a good amount, and we come
25 into the substation, wherever it is, and then we

1 immediately get back to the south side of the 24. So
2 that's why we did it that way.

3 When you get to the 24, again, we're very
4 sensitive to the landowners in here. The built part of
5 the 24 is the airport mostly, and then part that's
6 unbuilt is the Levine properties, who was at the
7 prehearing that's not here. And, of course, everybody
8 has great plans, and I think the plans are going to come
9 to fruition for all of those properties. And so the last
10 thing we wanted to do is burden any of the properties
11 with 500-foot thick corridors, so we did the same thing
12 here.

13 We said, Okay. We will go along the 24, and we
14 will parallel a hard requirement -- although there's some
15 wiggle room, we will parallel that feature, and then we
16 won't unnecessarily be tying up more land than we have
17 to.

18 This unbuilt part of the 24 is just a little
19 problematic in the sense that ADOT has not set its final
20 right-of-way boundary. It has done its environmental
21 assessment, it has a general area shown in the
22 environmental assessment. The planning is going on right
23 now. The final design is going on right now. It will be
24 sort of a phase-in deal.

25 But what I've told the guys what we need to do

1 is we need to get with ADOT right away and we need to at
2 least set that southwest boundary so that we know where
3 it is. We have a very good relationship with ADOT, very
4 cooperative, and I think we will have no problem in doing
5 that. So once we set the boundary of this unbuilt part,
6 then we operate on the presumption that we will build
7 paralleling the south side of the 24 and Mr. Levine's
8 property will be burdened as little as we possibly can.

9 Then we get to Crismon Road, and there we are
10 asking for optionality on either side. As opposed to the
11 north part and the 202, we're asking that you give us
12 east or west. Here, we're asking for optionality on
13 either side. Let me explain why.

14 First, we have the Abel-Moody case. That was
15 the Abel-Moody case. And so there's a final design as to
16 what's been done on that line. We're going to have to
17 connect to that line, and we're going to have to loop
18 into the RS-31 Substation from the south, like this
19 double-circuit, two circuits.

20 And so we don't know for sure exactly where the
21 pole locations will be along Crismon Road on the
22 Abel-Moody part. And so we want to leave a little
23 flexibility there so that if we have to avoid something
24 or that we can come in from either the east or west side
25 of Crismon Road. We also have a house that's located on

1 the west side right around Germann Road, the west side of
2 Crismon, and we definitely want to miss that house, so we
3 definitely want to be on the east side there.

4 And we've talked to the Vlachos Nursery, which
5 is on the east side, and they're okay with us putting it
6 on their property. I think Mr. Pat Adler talked
7 yesterday about that.

8 So we want some flexibility. We want to be
9 able to move back and forth as needed. But once again,
10 on Crismon Road, we don't want to unduly burden land
11 there either, and so we're asking for the same thing, a
12 corridor -- not a corridor, I'm sorry -- to match the
13 road boundary. Crismon Road is going to be widened.
14 We've met with Queen Creek. There are plans to widen it.
15 We are taking those plans into account.

16 And so the idea is that we will have a 100-foot
17 right-of-way that will parallel the Crismon Road
18 alignment as it's expanded, and it may be partially on
19 the west side, partially on the east side. If you were
20 to ask me to guess right now, I think it's all going to
21 be on the east side, but I can't say that because we
22 don't have a final design. That's why I'm asking for
23 that flexibility.

24 So I recognize that this is different, but
25 these things evolve. Like I said, we had mile corridors

1 in the old days. We don't want to go back to that.
2 Things evolve, and we are very sensitive to being as
3 careful as we can with landowner rights. It's very
4 important to us. We've been in the community for 100
5 years. We want to be here hopefully for another 100
6 years. We want to keep good relationships. We don't
7 want to unnecessarily have to use a heavy hand. And so
8 that is why that proposal is what it is.

9 I will say that if the Committee wants to go
10 back to corridors, we're fine with that, but we'll
11 probably propose to use some narrower corridors. 500
12 feet is too wide. If you're talking 500 feet on the
13 south side of the 24, that cuts right into developable
14 land, and we want -- so here's the other thing that we've
15 done in the CEC. And this is not my idea. This is from
16 an old -- another CEC.

17 But we have put SRP's feet to the fire -- and
18 this is condition 17 -- put SRP's feet to the fire to get
19 out there and determine what the right-of-way is going to
20 be working with the landowners. And so in condition 17,
21 we have a requirement that within 120 days of the final
22 CEC, Corporation Commission approval, 120 days, SRP is
23 obligated to go out and meet with the landowners and try
24 to negotiate a final right-of-way and use good faith
25 efforts. And the "good faith" is a really important term

1 because it means a lot to lawyers.

2 "Good faith" is a term of art in the legal
3 profession. It means you're going to do it. You're not
4 going to mess around. You're going to do it. And if you
5 don't do it, then there's a remedy. And we have to
6 report back to the Commission, and there's a remedy if we
7 don't on do it the right way.

8 So two ways of not burdening land: One is we
9 don't ask for any more room than we need; and then the
10 second one is we get down to the bottom line as quickly
11 as we reasonably can.

12 So that's our proposal to the Committee. I
13 think it's a good one. I'm very sorry that we didn't tee
14 this up better in the opening argument. And we're asking
15 the wrong witness -- and I don't blame anybody -- but the
16 right witness will be a panel that's coming up that's
17 going to discuss that in a little bit more detail. But
18 that's where we are.

19 I think that's all the issues that I remember
20 having been raised. Are there any questions of me?

21 CHMN. CHENAL: Member Noland.

22 MEMBER NOLAND: Thank you.

23 Mr. Sundlof, I appreciate your description, and
24 I know that SRP has always been good about corridors.
25 They have. And trying new things is commendable. So

1 sometimes, no good deed goes unpunished.

2 MR. SUNDLOF: I was going to say that.

3 MEMBER NOLAND: Yeah. And, thus, the name of
4 this Committee is the Line Siting Committee, not the Line
5 Let Them Put it Where They May Committee. And although
6 I'm -- and you know I don't like the mile-wide 750-foot,
7 even 500-foot corridors. But in some instances, those
8 are better, even a 500-foot, depending on if it's on both
9 sides of a road or whatever, people can plan around it.
10 And then you're making a good faith effort to get things
11 sited and nailed down. I appreciate that.

12 But I'm just not sure in my mind I'm
13 comfortable with saying, Okay, you just go ahead and put
14 it wherever you're -- parallel could be parallel a mile
15 out. That's too "iffy" for me. And that's just me, and
16 so that's my concern. I think we can come to a good
17 conclusion on what will work for everyone and do it with
18 a little more specificity.

19 MR. SUNDLOF: Committee Member Noland, I
20 appreciate those comments.

21 The language isn't put it a mile away parallel.
22 The language is that it be adjacent and not far out. And
23 so, to me, you're siting an exact -- you're siting it's
24 going to go adjacent to the freeway along the ADOT
25 right-of-way boundary. That's -- that is pretty good

1 siting. And then you're also requiring us to come up
2 with the final -- commence efforts at least to come up
3 with a final right-of-way. So I like our approach.

4 I appreciate and I respect what you're saying,
5 but I think we want to stick with it for now. We'll do
6 either one. And when we get to the point of doing the
7 CEC, we're going to have them both teed up, and we'll
8 probably come up with shorter or narrower corridors. But
9 we'll leave them both teed up, and you guys can decide
10 which way you want to go, and I think that's going to be
11 good.

12 MEMBER NOLAND: Thank you.

13 CHMN. CHENAL: Member Woodall.

14 MEMBER WOODALL: First of all, I want to just
15 say I regret teeing up this issue before the incorrect
16 witness, and I apologize if there was a distraction there
17 because of that.

18 The second thing that I wanted to say was that
19 I think that it would be important to hear the views of
20 the other parties, the intervenors on this, with respect
21 to this condition, and I would encourage them to
22 collaborate to determine if they have a perspective on
23 this.

24 Now, we're way ahead of ourselves because we
25 haven't got to deliberations yet. But I think it would

1 be worthwhile if we had sort of a joint position of the
2 intervenors with respect to this particular topic. And
3 that's my only suggestion.

4 CHMN. CHENAL: Member Haenichen.

5 MEMBER HAENICHEN: Mr. Sundlof, do you have any
6 idea what ADOT's practice is on which of the corridors in
7 their case?

8 MR. SUNDLOF: I don't think I could tell
9 exactly. I think the environmental assessment corridor
10 that they show is probably fairly close to what they're
11 going to do, but it might be narrower. And it depends on
12 final design.

13 So I don't want to be putting a right-of-way
14 and then having a gap between that and the ADOT
15 right-of-way. We want them to hug up against each other.
16 That's just a waste of land.

17 MEMBER HAENICHEN: That was the genesis of my
18 question. You're trying to go as far as you can. Now,
19 on the Crismon Road, you have to be cognizant of the fact
20 they're going to widen it, so --

21 MR. SUNDLOF: Right.

22 MEMBER HAENICHEN: -- that'll change things a
23 little bit, and I'm sure you're going to do that.

24 MR. SUNDLOF: We've worked with Queen Creek on
25 that.

1 MEMBER HAENICHEN: Thank you.

2 CHMN. CHENAL: All right. Mr. Sundlof, I have
3 a couple of questions --

4 MR. SUNDLOF: Yes, sir.

5 CHMN. CHENAL: -- just to clarify a few things.

6 The language of the most recent version -- the
7 most recent, current version of the CEC, which I believe
8 is Exhibit SRP-57, that was attached to the motion and a
9 hard copy of which was provided to the Committee today --
10 and thank you for that -- the language is the following:

11 From the Browning Santan junction, SRP will construct
12 adjacent to the east side of the Loop 202 right-of-way,
13 then continue to the RS-31 site, in a right-of-way
14 location as may be dictated by sound engineering,
15 construction maintenance, and cost considerations.

16 MR. SUNDLOF: Right. That's the wiggle room.
17 We --

18 CHMN. CHENAL: That is. Now, I'm going to use
19 my -- the green pointer.

20 Member Haenichen, hopefully, can see that.

21 I don't know how far the right-of-way for ADOT
22 extends east or west of the actual 202, but you're not
23 suggesting, are you, that the facilities will be placed
24 within the ADOT right-of-way?

25 MR. SUNDLOF: We are not.

1 CHMN. CHENAL: Okay. So you're -- just to be
2 clear, we're talking about an SRP east -- a right-of-way
3 that is adjacent to the ADOT right-of-way?

4 MR. SUNDLOF: We're talking about an SRP
5 easement that's 100 feet wide that -- its west line is
6 the east line of the ADOT right-of-way.

7 CHMN. CHENAL: Okay. Well, that adds a little
8 more specificity, I think, than the language in the
9 condition. That's precisely what I was getting at.

10 What does SRP feel about saying it as you just
11 said it, that it will be placed within a 100-foot
12 right-of-way directly adjacent to the east side of the
13 ADOT 202 right-of-way?

14 MR. SUNDLOF: Mr. Chairman, that is the intent,
15 but I've got to put a caveat on that. You have got
16 landowners that may have drainage plans or you're going
17 to have other things that could come up, so we want to
18 have some flexibility. And it's more working with the
19 landowners. If there's an obstacle or if there's -- I
20 don't know if there's any underground lines here, but
21 there might be, so that we have a little bit of a chance
22 to get around things.

23 But the idea of putting it way west is simply
24 not -- and we can tighten up that language, but we do
25 need some flexibility. We don't want a 100-foot

1 corridor, if you will.

2 CHMN. CHENAL: Well, I'm thinking out loud,
3 which is dangerous, but language that would say that it
4 would be placed within a 100-foot right-of-way directly
5 adjacent to the east side of the ADOT 202 right-of-way
6 with some language that would allow for some flexibility
7 within a corridor, frankly, some outside limit --

8 MR. SUNDLOF: We could do that.

9 CHMN. CHENAL: -- I think would give comfort to
10 me. I'm speaking of myself, but I suspect that other
11 Committee members may feel the same. Open-ended, because
12 you want to put -- you know, I know you don't want to put
13 it too far outside of the 100-foot area if you run into
14 difficulties or SRP doesn't, but totally open-ended,
15 just -- I mean, if you were sitting here as a lawyer on
16 this Committee, you would be shaking your head and
17 saying, That gives me a little angst.

18 So a little flexibility is fine, but open-ended
19 with the language that's been offered I think is a little
20 too open-ended.

21 MR. SUNDLOF: My preference, Mr. Chairman,
22 would be to tighten up the language and not use
23 corridors. If you want to use a corridor with that -- I
24 thought about that. It still kind of burdens land a
25 little bit. But if we could tighten up the corridors and

1 do it with that approach, we'd be fine with that also.

2 CHMN. CHENAL: Member Haenichen.

3 MEMBER HAENICHEN: I don't think we are
4 suggesting that, but there might be a better word than
5 "adjacent" because "adjacent" is somewhat ambiguous. The
6 word that's not ambiguous is "abut." That means it's
7 actually touching it, but then you have to put in some
8 additional language to give them the wiggle room for the
9 few contingencies that you asked -- Mr. Sundlof spoke
10 about.

11 CHMN. CHENAL: Thank you.

12 Member Hamway.

13 MEMBER HAMWAY: Thank you.

14 Has SRP purchased that SRP right-of-way yet?

15 MR. SUNDLOF: No.

16 MEMBER HAMWAY: Do you have to?

17 MR. SUNDLOF: At some point, we're going to
18 have to. We don't necessarily have to purchase it to set
19 it. We can agree with the landowner, here's where the
20 right-of-way is going to be, and we'll purchase it later.
21 I think, as a practical matter, the right-of-way will be
22 probably purchased fairly quickly. The question is, how
23 fast do we build the poles. And I want to talk about
24 that a second because that came up yesterday and how fast
25 we build the substation.

1 You remember the Abel-Moody case several years
2 ago. We still haven't built that one. And that's
3 because we had projections, load projections, that were
4 really high in the Queen Creek area. And then we hit the
5 recession, and then all of a sudden it stopped. And so
6 in order to not unnecessarily spend our customers' money,
7 if you will, we deferred them.

8 And so we always want to have that option here.
9 If, for some reason, this whole thing crashes -- I don't
10 think it will -- we want to have the option to delay
11 until it's needed. And I did want to respond on that
12 point. But as we're looking at it right now, I would be
13 surprised if we don't start acquiring the right-of-way
14 fairly soon.

15 CHMN. CHENAL: Member Noland.

16 MEMBER NOLAND: Thank you.

17 Mr. Sundlof, just forewarning, I'm a little
18 concerned about the squishiness of the line going into
19 the future substation area. And have they purchased that
20 land yet?

21 MR. SUNDLOF: Let me talk about the substation.
22 That's a big area. And we may need -- probably need
23 about 25 acres for the substation plus the 69 yard, but
24 we may have to acquire more because of the drainage
25 issues in that area. That's where that 40 acres comes

1 from. That was if we had to do drainage and we had to do
2 all that stuff.

3 We're in discussions with two landowners in
4 there. We don't want -- it's a real problem. You saw on
5 Price Road, we bought the property first, and then we
6 only had one option. So here, we want to have some
7 optionality so we can put it in the right place and get a
8 good price, but we don't want too much optionality.

9 So that's why we ended up with this.
10 Obviously, the line has to come in and out of the
11 substation. So wherever the substation goes, the line
12 has to come in and out of it.

13 I think that's pretty -- you could say at P3,
14 it veers off to the substation. And from the substation,
15 it veers back to P5. That works. But I don't -- I mean,
16 we could just say a corridor of the entire orange area.
17 We could do it that way, but it's up to you. I'm just
18 trying to retain the right flexibility.

19 MEMBER NOLAND: I think when we get into this a
20 little further and see where the daycare center is and so
21 on, it will probably jell a little bit more.

22 As far as I could see, I think a corridor of
23 some width along that section line would work to go in or
24 down near P5, same type of thing. But I understand you
25 don't have an absolute location yet.

1 MR. SUNDLOF: Right.

2 MEMBER NOLAND: So we have done it with larger
3 corridors or whatever else. So I just think about that.
4 It's a little squishy the way you're talking about, Well,
5 we're going to go around this and go here.

6 And, you know, if I were the daycare center,
7 I'd want to know where you're going to go and you're
8 going to go on the opposite side from where they are.

9 MR. SUNDLOF: Yeah, we are.

10 And that kind of goes without saying. We're
11 not going to put it over the top. Right now, the line is
12 showing right over the top of the daycare. We're not
13 going to build that.

14 And I appreciate -- whatever you guys want to
15 do is fine with us. We just have to get the line in and
16 out of the substation. That's all.

17 CHMN. CHENAL: Well, thank you. I'm looking
18 at -- you're in a suit without a tie as business casual,
19 and I've never -- the adage "old habits die hard," and I
20 guess my -- it's old habits die hard for me not having a
21 corridor. But I'll keep an open mind on it, and I think
22 we'll be able to come to something that's --

23 MR. SUNDLOF: I'll use the pointer.

24 CHMN. CHENAL: There you go. Just in case,
25 like a blanket, just ready to go.

1 I think we can come to some understanding, and
2 this does look like a project that could allow for some
3 innovative thinking.

4 I'm very interested, and I'm sure others are,
5 too, in what the intervenors think about that, however,
6 to Member Woodall's point and their reaction to, you
7 know, the flexibility that's been suggested in your draft
8 CEC and what tightening they might like on it. And
9 they'll have every opportunity to tell us that.

10 MR. SUNDLOF: Thank you, Mr. Chairman.

11 CHMN. CHENAL: Member Hamway.

12 MEMBER HAMWAY: So the map yesterday by the
13 aviation expert, every pole through the entire 7 miles
14 was coordinated out on his projection; right?

15 MR. SUNDLOF: Correct.

16 MEMBER HAMWAY: So, to me, we've already got
17 one of the most specific tools to understand where these
18 poles are going to go. Is that a true statement?

19 MR. SUNDLOF: Not exactly. And let me explain,
20 and the panel will explain this.

21 In order to make the FAA application, you have
22 to identify specific points. Final engineering has not
23 been done, so we're not absolutely positive where they're
24 going to be. But what the aviation consultant testified
25 was that we have surfaces. He called them the imaginary

1 surfaces, which is a good name, and these are planes.
2 And some of them are closer, and some of them slope away
3 from the airport. And we can very easily identify where
4 these planes are. So if we were to move a pole, say, 25
5 feet from where we say, that's not an issue as long as it
6 doesn't penetrate the plane.

7 And so I think the poles were there for a
8 specific reason to make that application. The
9 application has been, if you will, granted in the sense
10 that we've got no problem, but we still have flexibility
11 to put the poles where they need to be.

12 MEMBER HAMWAY: Okay.

13 CHMN. CHENAL: And then, I believe -- Member
14 Hamway, I believe the expert testified yesterday that if
15 the pole is moved more than, I think, 20 feet from -- if
16 it's within 20 feet, I believe is what he said, then
17 there doesn't have to be another determination made. If
18 it's more than 25 feet, then there would have to be
19 another determination for that specific pole, but he said
20 that's kind of routinely done is my recollection of his
21 testimony.

22 MEMBER HAMWAY: I remember that.

23 CHMN. CHENAL: Any further questions of
24 Mr. Sundlof before we turn it over to Mr. Olexa to begin
25 the next phase of the hearing?

1 (No response.)

2 CHMN. CHENAL: Thanks, Mr. Sundlof. That was
3 very helpful. Thank you for that.

4 Mr. Olexa.

5 MR. OLEXA: We are ready, Mr. Chairman.

6 CHMN. CHENAL: All right. Good. Please call
7 your next witnesses. I understand it will be the panel.

8 MR. OLEXA: Our next witness will be --

9 CHMN. CHENAL: Oh, Mr. Heim. Sorry.

10 MR. OLEXA: -- Mr. Heim.

11 CHMN. CHENAL: I was remiss yesterday when I
12 indicated business casual to specifically say that it
13 applied to the witnesses, so thanks for getting dressed
14 up, but let's have the next witnesses business casual.

15 MR. HEIM: Mr. Chairman, just for the record,
16 this is the only thing I had that was clean anyway.

17 CHMN. CHENAL: There you go.

18 Mr. Heim, do you prefer an oath or affirmation,
19 sir?

20 MR. HEIM: Affirmation would be fine.

21 (Zack Heim was affirmed by the Chairman.)

22 CHMN. CHENAL: Mr. Olexa.

23 MR. OLEXA: Thank you, Mr. Chairman.

24

25

1 ZACK HEIM,
2 called as a witness on behalf of Applicant, having been
3 previously affirmed by the Chairman to speak the truth
4 and nothing but the truth, was examined and testified as
5 follows:

6

7

DIRECT EXAMINATION

8

BY MR. OLEXA:

9

Q. Please state your name.

10

A. My name is Zack Heim.

11

Q. Please describe your professional background

12

and current position with SRP.

13

A. I currently manage SRP's transmission system

14

planning group. We are responsible for evaluating SRP's

15

transmission system and planning projects in response to

16

load growth and other changes that impact our system.

17

I've been in my current role for approximately

18

two years, and then I've been in the transmission line

19

industry for approximately 13 years. And in my other

20

capacities, I've been responsible for transmission line

21

design and construction in projects ranging from 69kV up

22

to 500kV.

23

Q. Is Exhibit SRP-16 a summary of your experience,

24

sir?

25

A. Yes, sir, it is.

1 Q. Mr. Heim, we've been through this before with
2 most of the Committee members, but before we get into the
3 details of the project, would you please provide an
4 overview of the SRP electric system.

5 A. Sure.

6 The SRP system, like the systems of most
7 utilities, is built on a series of voltage levels with
8 the ultimate objective of efficiently and reliably
9 delivering power to customers at lower voltages
10 appropriate for business and home uses.

11 Exhibit SRP-17, on the left screen, is an
12 exhibit of our 500kV system, which is more of the
13 statewide system that brings in generation from remote
14 sources into the Valley system.

15 Our 500kV system is really the mechanism we use
16 to get load into the area that SRP serves in its service
17 territory with the 230kV system.

18 On Exhibit SRP-18 -- I'll highlight with the
19 laser pointer here -- we have a series of 500kV
20 substations that are indicated by the larger text and the
21 green circles. These represent the 500kV stations where
22 we convert down to the 230kV voltage and then transmit
23 that energy throughout the 230kV system in the urban
24 area.

25 CHMN. CHENAL: Let me just interrupt. Member

1 Haenichen -- we'd like to have the volume up a little
2 more for the witness, please.

3 MALE TECHNICIAN: I'll turn it up more.

4 MR. HEIM: Okay.

5 So the next level is the 230kV system. The
6 general area of the 230kV system is also shown on
7 Exhibit SRP-18. This system is basically designed to
8 efficiently move bulk power through the service area.
9 The 230kV system links to a number of substations that
10 convert the voltage to a lower level of 69kV.
11 Exhibit SRP-18 shows the 230/69kV substation that's
12 currently on the SRP system. That's indicated by the
13 black dots as opposed to the big green circle that I
14 pointed out earlier.

15 These stations are generally the subject of
16 siting cases where the applicant seeks a new 230kV
17 interconnecting circuit. For example, the purpose of the
18 230kV transmission line in the recent Price Road Corridor
19 case was to bring power to a new substation called at the
20 time RS-27. You'll see that on SRP-18. It's since been
21 renamed to be the Henshaw Substation.

22 Q. BY MR. OLEXA: Can you describe to the
23 Committee what happens at the 230/69kV substations.

24 A. The 230kV substations feed the 69kV system,
25 which, again, is mainly a distribution system designed

1 for more local uses. The 69kV system provides power to
2 what we call distribution substations, which transform
3 the voltage to 12kV. The 12kV network is the local
4 system that SRP uses to serve commercial and residential
5 customers.

6 Q. When Mr. Jones testified, he mentioned the need
7 for this project is based on SRP's load forecasts. Can
8 you explain what this means?

9 A. Yes. SRP must anticipate future electric loads
10 in its service area. As lead times are long to build new
11 major facilities, our plans are based on a sophisticated
12 process of load forecasting. This project is a result of
13 revisions to a load forecast.

14 Q. Please explain the process of load forecasting.

15 A. At SRP, we use a multidisciplinary approach to
16 load forecasting. This involves working with new and
17 existing customers to predict their likely future
18 electric needs. We gather information from as many
19 sources as possible, including customers, cities, and the
20 County as well as business development organizations such
21 as the chambers of commerce.

22 We use this information to evaluate future
23 loads in undeveloped areas and load growth among
24 customers that we currently serve. We overlay this
25 information on the overall needs of the electric system

1 and the need to maintain reliability, power quality, and
2 redundancy. We update our projections on a regular
3 basis.

4 Q. How does this process relate to transmission
5 planning?

6 A. It is important to remember that the process to
7 build new 230kV transmission takes between three and five
8 years and, in some cases, even longer. This time period
9 includes initial planning, the public process, the
10 permitting processes, including those before this
11 Committee, land acquisition, final design, material
12 acquisition, and ultimately construction.

13 It is SRP's objective to serve the electric
14 needs of its customers. And for this reason, SRP must
15 begin to plan transmission well in advance of expected
16 load.

17 But on the other hand, SRP does not want to
18 build transmission that is not necessary or build
19 transmission well in advance of needs. That's because
20 SRP has the parallel objective of keeping customer prices
21 low. As such, SRP has to strike a balance where we build
22 transmission in time to meet customer needs but not so
23 early that it goes unused.

24 Q. Can you describe in a very basic way how SRP
25 plans transmission.

1 A. We generally plan the transmission system based
2 on a concept that we call saturated load in an area. And
3 what saturated load means is we compute the maximum
4 future load based on expected energy use per acre, and
5 then we apply that across an area of interest.

6 When we're planning the 230kV system, we break
7 our service territory into smaller sections that we call
8 operating areas. Each of these areas are generally
9 served by a pair or more of 230kV substations and the
10 69kV network between them.

11 Before an area is fully developed, we may be
12 able to delay 230kV infrastructure needs by serving it as
13 part of an adjacent operating area. Load growth in this
14 context ultimately requires the establishment of a new
15 operating area, particularly where load growth deviates
16 from the average.

17 Q. Does the Mesa Gateway area deviate from the
18 average?

19 A. Yes. As Mr. Jones described, the Mesa Gateway
20 area is an approximate 35-square-mile area adjacent to
21 and east of the airport.

22 MEMBER WOODALL: I had a question for you,
23 Mr. Heim.

24 Is the load that you are anticipating to be
25 generated by this particular area, is it reflected in

1 your current Integrated Resource Plan, which I understand
2 you post on the Western Area Power Administration's
3 website?

4 MR. HEIM: To a large extent, that's true.
5 There's a little bit of an apples-and-oranges comparison
6 there in the sense that the Integrated Resource Plan is
7 based on a different public process. In the case of the
8 saturated load study, we were looking at a land area use.

9 MEMBER WOODALL: I guess what I was trying to
10 get at is the load growth is not what you lovely sparky
11 engineers have come up with, but it's also based, in
12 part, upon your resource planning. They're consistent is
13 what I'm trying to get at.

14 MR. HEIM: That is correct. And, to be clear,
15 the load forecast that we're applying in this case was
16 developed by our forecasting group and not just the
17 engineers in my group.

18 MEMBER WOODALL: Thank you very much, sir.

19 MR. HEIM: So I'll continue on.

20 The Mesa Gateway area is depicted on
21 Exhibit SRP-003, which shows some of the users in the
22 area. We have reproduced this map, which is a map
23 produced by the City of Mesa in your placemats.

24 The area's most unique feature is the
25 Phoenix-Mesa Gateway Airport, which at present is

1 supported by a large -- or surrounded by largely
2 undeveloped land.

3 The airport will serve as a catalyst for
4 broader development in the area as it enacts plans to
5 expand both cargo and passenger operations. The City of
6 Mesa and the Town of Queen Creek both have development
7 plans that capitalize on the airport's expansion and the
8 potential to bring new industry and residents.

9 We understand from the City's general plans and
10 load requests SRP has received that at least a portion of
11 the new industry is likely to include data centers and
12 high-tech manufacturing. These industries tend to be
13 large electricity users. For example, it is not unusual
14 for a data center to have peak load in excess of 100
15 megawatts. And importantly here, these types of users
16 can develop new load on the system in a relatively short
17 period of time.

18 The system will serve these future users as
19 well as normal expansion on residential and business
20 development.

21 Q. BY MR. OLEXA: How do the unique features of
22 the area influence this project?

23 A. The timing of this project relative to
24 development allows us to maximize its compatibility with
25 the area and minimize costs. The combined features of a

1 growing airport and a new freeway corridor adjacent to
2 undeveloped land create an area that's poised for rapid
3 growth. SRP and the area stakeholders have a unique
4 opportunity to plan and construct these significant
5 pieces of infrastructure jointly.

6 Q. Please apply your transmission planning
7 concepts to the Mesa Gateway area.

8 A. Because the energy use forecast in the area is
9 well above the average, we are establishing a new
10 operating area; and it will be served by the 69kV network
11 emanating from the new substation RS-31.

12 As I will discuss, we feel that our approach
13 here results in the right balance between our need to
14 serve anticipated load and our desire to minimize
15 transmission construction. We are asking for a ten-year
16 CEC term so that we can monitor load growth and build as
17 needed.

18 Q. Regarding the question of timing, is there a
19 possibility that the need for this project is imminent?

20 A. Yes. In fact, I think you've already heard
21 that 80 percent of all the new load requests we have
22 received over the past year or so are in this area.

23 SRP has received load requests totaling over
24 500 megawatts over the past year alone, and we have had
25 several inquiries from customers who expect loads in

1 excess of 100 megawatts.

2 To put this in prospective, the entire area has
3 approximately 200 megawatts of load today.

4 CHMN. CHENAL: Mr. Heim, I have a question on
5 that. What is that area that's 200 that's projected to
6 increase to 1,600?

7 MR. HEIM: In general, when we talk about the
8 load forecast we applied to this area, we're talking
9 about the area that extends near the Browning Substation
10 located kind of in the northeast corner of this map and
11 extending as far west as Power Road and as far south as
12 where we intersect with the Abel to Pfister line, which
13 is down around Germann.

14 CHMN. CHENAL: So that's the area that's
15 currently 200 megawatts that's projected to increase to
16 1,600?

17 MR. HEIM: Yes, sir.

18 CHMN. CHENAL: Member Noland.

19 MEMBER NOLAND: I asked this question
20 yesterday, and I couldn't remember the name of the
21 project. Mr. Jones thought it was the Price Road
22 project, and I think Mr. Olexa said so.

23 Actually, it was the Abel-Moody project that we
24 did in 2009. Now, that's due to be finished with
25 construction about 2021, as I understand.

1 What will that do to increase the available
2 power?

3 MR. HEIM: So the way to think about the way we
4 plan our transmission system, it's a broader network.
5 And so that line certainly plays a role in serving the
6 1,600 megawatts that we're forecasting for that entire
7 area.

8 MEMBER NOLAND: How big a role does it play?

9 MR. HEIM: It's a portion of the role. That
10 line serves really two functions. So it does serve a
11 load-serving function. You'll remember on our ten-year
12 plan that we include plans to build a new Ball and
13 Pfister Substation. And those are intended to really
14 serve low growth down in the Queen Creek area, but it
15 also serves a secondary purpose of bringing bulk power
16 into the Southeast Valley as a way of bouncing flows
17 across our urban 230kV system.

18 MEMBER NOLAND: Okay. Can you be a little more
19 specific about how much it might increase? Because I
20 remember when we had those hearings that we were talking
21 about this area, not just Queen Creek. Mesa was
22 involved. Queen Creek was involved. And I'm not hearing
23 how much of that 1,600 this is going to help when it's
24 done in 2021, the Abel-Moody.

25 MR. HEIM: So the -- probably a good way to

1 characterize that is the RS-31 itself will serve around
2 800 megawatts of the total 1,600-megawatt load, and the
3 remaining 800 megawatts will come from adjacent
4 substations such as Browning, Santan, Ball, and Pfister.
5 And the extent to which the Ball and Pfister substations
6 serve a portion of that 1,600 megawatts really comes down
7 to where it develops in the area ultimately.

8 MEMBER NOLAND: Okay. Thank you.

9 CHMN. CHENAL: One more question, Mr. Heim.

10 Of the projected 1,600 megawatts -- maybe you
11 just answered this, but I was going to ask: From what
12 you're the testimony that I'm reading that you're
13 explaining, the RS-31 Substation -- this is what it says
14 in what's been submitted. Because the energy use
15 forecast in the area is well above average, SRP is
16 establishing a new operating area served by the 69kV
17 network emanating from the new substation RS-31.

18 So the area that you've described that will be
19 the area that will -- at some future point you anticipate
20 will have a load of 1,600 megawatts, how much of that
21 will be served by the RS-31 Substation?

22 MR. HEIM: So this is a good distinction to
23 make, so thanks for bringing that up.

24 When I talked about the overall area we
25 studied, again, we're studying a network. And so the

1 goal is to look at the area where we think that
2 development will occur that would impact our system and
3 then come up with a plan to address that growth.

4 Now, the transformer capacity in RS-31 itself
5 will be on the order of 800 megawatts, and so we expect
6 that that substation itself will primarily serve an area
7 that extends from basically Signal Butte Road on the east
8 side and as far west as about Hawes Road. And then --

9 CHMN. CHENAL: Can you show approximately where
10 that is?

11 MR. HEIM: So I'm pointing to P3. The eastern
12 boundary is over here at Signal Butte. And then the
13 western boundary -- I won't be able to pick it up on this
14 map, but it's about midway between the canal and the Loop
15 202 freeway.

16 CHMN. CHENAL: And then how far south?

17 MR. HEIM: And then as far south as
18 potentially -- a little bit -- maybe a mile south of the
19 airport's runway or so.

20 CHMN. CHENAL: Thank you for that.

21 MR. HEIM: All right.

22 Now, as Mr. Jones mentioned, we don't entirely
23 rely on customer load forecasts and requests to plan our
24 system, but they are a major part of our overall planning
25 process.

1 Also, several recent announcements do bode well
2 for growth in the area. Notably, EdgeCore is under
3 construction with a data center. In addition, CyrusOne,
4 Digital Realty Technologies, and EdgeConnex made the
5 decision to purchase land for a future digicenter campus
6 development. The corridor also attracted its first major
7 manufacturing tenant recently as well with Niagara
8 Bottling, now in operations with its newly built
9 455,000-square-foot facility.

10 Q. BY MR. OLEXA: How do you develop the
11 transmission configuration in this application?

12 A. Though the concept seems simple, the ultimate
13 plan is the result of significant efforts both internally
14 at SRP and with outside consultants. The project
15 engineers and planners look at many factors to determine
16 the best design. The goal of design is it satisfies the
17 forecasted need and national reliability standards
18 balanced with broader system constraints, environmental
19 impacts, and cost.

20 Here, with assistance from the engineering firm
21 Teshmont Consultants LP, which specializes in
22 transmission planning, we developed the strong edition
23 that you see before you.

24 The proposed system links directly to four
25 230kV substations. This provides a high degree of

1 stability and reliability. The transmission links the
2 north and south parts of the East Valley system,
3 significantly increasing reliability in the East Valley
4 as a whole.

5 A diagram of the new circuits is shown on the
6 right screen with Exhibit SRP-19. And just to highlight
7 what we're talking about -- so, again, the RS-31 site is
8 located adjacent to the Loop 202 and the 24. And we've
9 proposed a double-circuit corridor going both north and
10 south of that substation.

11 The northern terminus will what we call loop
12 into the existing Browning-Santan line. So we'll cut
13 into that, and one leg will come down and one will come
14 up and proceed to our Santan Substation. And, similarly,
15 on the south side, we will cut into the future but yet
16 unbuilt Abel to Ball 230kV line. As you can see, by
17 doing this, we basically provide a more diverse set of
18 sources into the proposed substation.

19 The new transmission lines are relatively
20 short.

21 CHMN. CHENAL: Excuse me. Member Hamway has a
22 question for you.

23 MEMBER HAMWAY: Thank you.

24 Along Crismon Road, you're showing two lines,
25 and I think the gentleman yesterday in the public comment

1 is under the impression that's just going to be a single
2 line because you're going to collocate.

3 MR. HEIM: Correct. That's a good distinction
4 to make, so let me clarify.

5 What we're talking about here is the number of
6 circuits on a single-pole line. So we'll have two 230kV
7 circuits on the same pole, and then what the gentleman
8 was talking about yesterday is we have an existing 69kV
9 circuit which will be built underneath the 230 circuits
10 on the same structures.

11 MEMBER HAMWAY: Okay.

12 MR. HEIM: Another key point we wanted to make
13 here is that the location of RS-31 places basically the
14 facility that we'll use to serve new load directly in the
15 heart of the area that will be consuming that load. And
16 in doing so, we limit the amount of transmission lines
17 needed and are able to more directly and reliably serve
18 those customers.

19 Q. BY MR. OLEXA: Does the transmission planning
20 dictate that this project be built as soon as it is
21 permitted?

22 A. Probably, but we can never be certain, so we
23 need some flexibility there.

24 That is why we are requesting a ten-year term.
25 From a siting perspective, we believe that it is always

1 best to site early rather than later. If the siting can
2 be done in advance of the development, this is even
3 better.

4 By siting early, the jurisdictions, businesses,
5 and developers can plan knowing the location of the
6 future transmission. This approach greatly reduces
7 future issues and, frankly, future costs. Here, the term
8 may not be important, but ten years is reasonable.

9 Q. What is the saturated load forecast for the
10 project area?

11 A. The most recent and our current forecast is a
12 projected load of 1,600 megawatts.

13 Q. Can you describe the current electric loads in
14 the area, the limits of the current 69kV system, and the
15 increased load-serving capacity for this project?

16 A. So Exhibit SRP-20 is a figure we affectionately
17 refer to as the speedometer chart, and what that chart
18 shows is that today's load indicated by the red needle is
19 approximately 200 megawatts. And a key threshold to be
20 aware of here is as we grow load past 400 megawatts up to
21 a threshold of 700 megawatts, we'll begin to build 69kV
22 facilities that we would not otherwise need if we had the
23 230kV in place. Beyond 700 megawatts, we have to have
24 the 230kV in place to serve the ultimate load forecast.

25 Q. Just to clarify, could you continue to serve

1 the growth with more 69kV lines?

2 A. No, we cannot. Once we get above 700
3 megawatts, we're unable to support that load with just
4 69kV.

5 CHMN. CHENAL: Let me ask a question here.

6 Mr. Heim, how long do you forecast it will take
7 to get from the 200-megawatt to the 400-megawatt load for
8 that area?

9 MR. HEIM: That's a really challenging number
10 to put a timeline on just because it's dictated by
11 industrial customers who could develop load very quickly,
12 but it really comes down to how successful they are with
13 their business plans and moving forward with their
14 developments.

15 Q. BY MR. OLEXA: How will the area benefit by
16 this project?

17 A. The project that we propose will increase the
18 load-serving capacity to at least 1,600 megawatts. This
19 is an increase of 1,400 megawatts. This new system
20 provides the capacity needed for the development that is
21 planned in the area. Our forecasts show that this
22 capacity will be sufficient to serve the area at full
23 buildout, absent extraordinary developments.

24 Q. Is it possible the new businesses could
25 overwhelm the system that you have planned?

1 A. Anywhere on SRP's system, it is always possible
2 that unanticipated new load can cause us to adjust our
3 plans. We are fairly confident here that absent an
4 extraordinary development, we will be in a position to
5 reliably serve future load.

6 Q. Can you summarize your conclusion.

7 A. My conclusion is that this projected is needed
8 to serve the projected electrical loads in the Mesa
9 Gateway area. The project that we propose in this
10 application is an adequate and very reasonable way,
11 considering the best balance of all factors involved, to
12 provide the necessary additional capacity.

13 MR. OLEXA: Mr. Chairman, that concludes my
14 direct examination.

15 CHMN. CHENAL: Thank you.

16 Member Woodall.

17 MEMBER WOODALL: Mr. Heim, are there any other
18 planned transmission lines in this general area that are
19 listed in your ten-year plan with the Corporation
20 Commission? And what I'm trying to get at somewhat
21 inartfully is do you have other planned high-voltage
22 transmission lines in this area that might be able to
23 serve the same load although not necessarily in this
24 particular configuration?

25 MR. HEIM: We do not have anything in our

1 ten-year plan that would directly serve the load in
2 question here.

3 MEMBER WOODALL: And do you have anything in
4 your ten-year plan that is related to this general area?

5 MR. HEIM: The only thing in our ten-year plan
6 related to this general area would be the Abel to
7 Ball-Pfister 230kV line, which is as yet unbuilt but will
8 be built by 2021.

9 MEMBER WOODALL: Thank you.

10 CHMN. CHENAL: Member Hamway.

11 MEMBER HAMWAY: So this line that we're working
12 on today is going to be built before the Abel-Moody line
13 in 2021?

14 MR. HEIM: No. So this line -- we're currently
15 projecting that we would build it around 2024 I think is
16 our estimate in the case. And in order to actually build
17 this facility, we need to have the Abel-Ball-Pfister line
18 in service.

19 MEMBER HAMWAY: Okay. And so when do you think
20 you can get to the 1,600 megawatts? Is that in 2024?

21 MR. HEIM: No. The 1,600 megawatts is really
22 an alternate, long-term forecast of the area when it's
23 totally developed. So I expect it will be a very
24 significant amount of time before we actually see that
25 amount of load.

1 MEMBER HAMWAY: Okay.

2 CHMN. CHENAL: Member Woodall.

3 MEMBER WOODALL: On your resource planning,
4 what timeframe do you use? What period of time?

5 MR. HEIM: I believe -- I'm not in the Resource
6 Planning Department, but I think they look out about 30
7 to 40 years, something in that order.

8 MEMBER WOODALL: Okay. It would be helpful to
9 me if I can get kind of a more precise response since you
10 indicated this is not your area of expertise. I'm just
11 curious about that, if it's 25 or 30 years. And you
12 update your Integrated Resource Plans, which would be the
13 best predictor, I'm assuming, for what kind of load
14 you're going to have when, how often?

15 MR. HEIM: I believe that is on the order of
16 every -- something like between three and five years on a
17 recurrence interval.

18 MEMBER WOODALL: Okay. Thank you very much.

19 CHMN. CHENAL: Member Noland.

20 MEMBER NOLAND: Thank you.

21 Mr. Heim, do you recall how many years we gave
22 you on the CEC for the Abel-Moody-Pfister-Ball line,
23 whichever you call it?

24 MR. HEIM: That project was originally sited in
25 2009, and the CEC expires in 2021.

1 MEMBER NOLAND: Okay. Thank you.

2 CHMN. CHENAL: All right. Let's see if the
3 other parties have any questions on cross-examination.

4 Mr. Cloar.

5 MR. CLOAR: Just a few questions, Mr. Chairman.

6

7

CROSS-EXAMINATION

8 BY MR. CLOAR:

9 Q. Good morning, Mr. Heim. My name is Vail Cloar.
10 I represent the Town of Queen Creek.

11 It's your understanding, based on your
12 testimony earlier, I think, that SRP has agreed and
13 committed to collocate the requested 230 kilovolt power
14 line with the existing 69kV line on Crismon Road?

15 A. That is correct.

16 Q. Do you know what side of Crismon Road those
17 69kV lines are on?

18 A. My memory is that it's on the west side.
19 Apparently, it's on the east side?

20 Q. They are on the east side.

21 CHMN. CHENAL: There are bobbleheads there,
22 Mr. Heim.

23 Q. BY MR. CLOAR: We'll clarify that later with my
24 witness, but they are on the east side.

25 But just to be clear, collocating the 230kV

1 line with the 69kV line is absolutely feasible from an
2 engineering perspective?

3 A. That's standard practice.

4 MR. CLOAR: Thank you. Nothing further.

5 CHMN. CHENAL: Thank you.

6 Mr. Rich, any questions?

7 MR. RICH: No questions.

8 CHMN. CHENAL: Mr. Artigue, any questions?

9 MR. ARTIGUE: No questions.

10 CHMN. CHENAL: Any redirect, Mr. Olexa?

11 MR. OLEXA: No redirect, Mr. Chairman.

12 CHMN. CHENAL: Any further questions from the
13 Committee?

14 (No response.)

15 CHMN. CHENAL: All right. Thanks, Mr. Heim.

16 MR. HEIM: Thanks for the opportunity.

17 MEMBER WOODALL: Actually, Mr. Heim, did you
18 have a good time?

19 MR. HEIM: I did. You guys were nicer to me
20 than at Price Road Corridor, so I appreciate it.

21 MEMBER WOODALL: You looked very comfortable up
22 there, so I thought you were enjoying yourself.

23 Thank you.

24 CHMN. CHENAL: You look sparky. I think that's
25 the adjective that Member Woodall used.

1 MR. HEIM: Thank you. I appreciate the
2 compliment.

3 (The witness was excused.)

4 CHMN. CHENAL: All right. Maybe this is a good
5 time to take a morning recess before your next witness,
6 Mr. Olexa.

7 MR. OLEXA: That's reasonable.

8 CHMN. CHENAL: Let's take a 15-minute break and
9 resume.

10 (A recess was taken from 10:41 a.m. to
11 10:57 a.m.)

12 CHMN. CHENAL: We'll start with the panel.
13 Mr. Olexa, would you like for me to swear the witnesses
14 in?

15 MR. OLEXA: Yes, please, Mr. Chairman.

16 All right. We can do it individually if you'd
17 like. Do you prefer oaths or affirmations?

18 MR. SMEDLEY: Affirmation, please.

19 MS. POLLIO: Oath or affirmation, either one.

20 MS. VASKE: I prefer an oath.

21 (Grant Smedley was affirmed by the Chairman.)

22 (Kenda Pollio and Debbie Vaske were sworn en
23 masse by the Chairman.)

24 MEMBER NOLAND: You all are going to have to
25 pull those mics really close. First thing we learned in

1 the legislature was you have to get your mouth right up
2 to it because I couldn't hear your oath.

3 MR. OLEXA: Mr. Chairman, as you can see, we're
4 ready to present a panel of three witnesses: Kenda
5 Pollio, Grant Smedley, and Debbie Vaske.

6 CHMN. CHENAL: Please proceed.

7
8 KENDA POLLIO, GRANT SMEDLEY, and DEBBIE VASKE,
9 called as witnesses on behalf of Applicant, having been
10 previously sworn/affirmed by the Chairman to speak the
11 truth and nothing but the truth, were examined and
12 testified as follows:

13

14 DIRECT EXAMINATION

15 BY MR. OLEXA:

16 Q. Let me begin with Grant.

17 Would you please introduce yourself to the
18 Committee and explain your professional background.

19 A. (BY MR. SMEDLEY) Sure. Mr. Chairman, Members
20 of the Committee, good morning. My name is Grant
21 Smedley. I'm the director of power delivery engineering
22 at SRP. In that role, I have overall responsibility for
23 an organization that provides engineering support to
24 SRP's transmission business.

25 (Reporter clarification.)

1 A. (BY MR. SMEDLEY) So my name is Grant Smedley.
2 I'm the director of power delivery engineering at SRP.
3 In this role, I have overall responsibility for an
4 organization that supports SRP's transmission business,
5 as Exhibit SRP-28 summarizes my background and
6 experience.

7 Q. Thank you. What is your role with respect to
8 the Southeast Power Link Project?

9 A. (BY MR. SMEDLEY) I am the project manager. In
10 that role, I have overall responsibility for coordination
11 and permitting of the project.

12 Q. Is this your first environmental siting case?

13 A. (BY MR. SMEDLEY) Yes, it is.

14 Q. Okay. Let me turn to Kenda Pollio.

15 Please state your full name and professional
16 affiliation.

17 A. (BY MS. POLLIO) My name is Kenda Pollio. I'm
18 a principal of the environmental consulting firm ENValue.

19 Q. Please summarize your educational and
20 professional background.

21 A. (BY MS. POLLIO) As shown on SRP-029, I have a
22 bachelor's degree from Florida State University, a
23 master's degree of environmental policy from the
24 University of South Florida. I am an American Institute
25 of Certified Planners, or AICP. I have 28 years of

1 consulting experience. Specifically, I work in
2 transmission line right-of-way permitting, acquisition,
3 and government compliance.

4 I've worked on over 125 transmission line and
5 utility projects. I've testified before this Siting
6 Committee in 15 cases and, overall, in other states, 25
7 cases.

8 Q. Kenda, please describe your role in this
9 project.

10 A. (BY MS. POLLIO) I'm the project manager for
11 ENValue. We were the environmental consulting firm that
12 was selected by SRP for this project. We are assisting
13 in the process of routing and siting. We prepared the
14 CEC application. We're also responsible for assessing
15 the environmental impacts associated with the project.

16 Q. Debbie, please state your full name and current
17 position at SRP.

18 A. (BY MS. VASKE) I am Debbie Vaske. As
19 summarized on SRP Exhibit 030, I am the manager of public
20 involvement for SRP.

21 Q. Please describe your educational background and
22 experience.

23 A. (BY MS. VASKE) I have a master's and
24 bachelor's degree in business administration from Western
25 International University. I have been at SRP over 30

1 years. I am typically the project team member who
2 coordinates the face-to-face interactions with political
3 officials, stakeholders, and, most importantly, the
4 impacted public.

5 Q. Grant, as project manager, I want to begin by
6 discussing how you approach the potential airport
7 constraints in this project. Why did you hire Federal
8 Airways & Airspace?

9 A. (BY MR. SMEDLEY) From a safety perspective,
10 SRP knows that we need to build the line that meets all
11 applicable FAA requirements, so we needed to understand
12 those requirements and limitations that they impose.
13 Since SRP does not have expertise in this area, we hired
14 Federal Airways & Airspace to perform the same analysis
15 that the FAA would perform. We wanted to understand the
16 constraints that we had to address, such as the maximum
17 allowable pole heights, to make sure we could feasibly
18 build the line.

19 Q. From a transmission line engineering
20 perspective, describe how you used Federal Airways &
21 Airspace.

22 A. (BY MR. SMEDLEY) Sure. Federal Airways &
23 Airspace identified all of the applicable FAA surfaces
24 that define the height limits in this area, as
25 Mr. Pittman described in his testimony yesterday and as

1 shown in Exhibit SRP-015. This essentially gave us a map
2 of the height limits for poles located anywhere within
3 our study area.

4 MR. SMEDLEY: Perhaps we could pull up
5 Exhibit SRP-015, if you would, please.

6 Thank you.

7 Q. BY MR. OLEXA: Why did you submit the project
8 to the FAA for review?

9 A. (BY MR. SMEDLEY) We wanted to confirm that the
10 FAA would issue a determination that was consistent with
11 what we were expecting based on Federal Airways'
12 analysis. So, for example, we wanted to make sure that
13 the FAA was using the same surfaces as Federal Airspace &
14 Airways was using. We couldn't have had that in that
15 correspondence with FAA without submitting the
16 application.

17 Now that we have the FAA's determination, we
18 know what height limits apply, and that was always the
19 purpose of this analysis. It was not to evaluate
20 specific pole locations, but it was to confirm our
21 understanding of the FAA height limits and constraints in
22 this area.

23 Q. So if you had to relocate a pole beyond the 20
24 feet that Mr. Pittman referenced yesterday, could that
25 affect the feasibility of this project?

1 A. (BY MR. SMEDLEY) No. If we had to move a
2 pole, we would just need to determine what height limit
3 was at that location, and we could adjust the pole height
4 to stay below that limit.

5 Q. So even though you might have to resubmit the
6 project to the FAA, you're confident that it would be
7 approved and that it can be feasibly built?

8 A. (BY MR. SMEDLEY) Yes. Even if we moved the
9 poles, we are confident that we can design below these
10 FAA surfaces and that it would not change the FAA
11 determination.

12 We have a lot more flexibility with the new FAA
13 surfaces that are shown in Exhibit SRP-015. As
14 Mr. Pittman noted yesterday, the red portion of this
15 surface that I'm pointing to on Exhibit SRP-015 is the
16 most constraining, and that is the surface that we
17 originally thought was applicable throughout the entire
18 cyan-colored area that I'm showing on Exhibit SRP-015
19 originally on the left.

20 With the new surfaces, the yellow and the
21 purple portions of these surfaces are sloping and provide
22 a lot more headroom for our pole heights.

23 I also want to point out that in our CEC
24 application, before we found out about the new surfaces
25 on August 15th, we had come up with a design option that

1 could be built even with the most constraining surface
2 that we thought applied in the entire area.

3 The reason we had several pole designs in the
4 application was to address any uncertainty with respect
5 to the FAA determination. That involved much shorter
6 poles and spans, but we confirmed that it could be
7 feasibly built and would not penetrate any of the FAA
8 surfaces.

9 So the bottom line was we knew that we had to
10 bring a project forward to this Committee that could be
11 built that was feasible with the additional headroom that
12 we now have as a result of these new surfaces. We know
13 that we can feasibly build the project, and we are highly
14 confident that we would obtain FAA approval to build the
15 poles at the proposed height even without knowing the
16 exact pole placement in this area.

17 Q. Grant, let's move on to the route options
18 proposed in this application. We will get into the
19 details of the routes in later testimony.

20 At this point, can you summarize the
21 transmission that is proposed by the application,
22 beginning with the north portion of the project as
23 depicted on Exhibit SRP-21.

24 A. (BY MR. SMEDLEY) Sure.

25 The northern terminus of the project is the

1 existing 230kV transmission line that runs from Santan to
2 Browning.

3 CHMN. CHENAL: Mr. Smedley, I think the court
4 reporter is having a difficult time hearing you.

5 MR. SMEDLEY: Sorry. I'll get closer again.

6 The northern terminus of the project is the
7 existing 230kV transmission line that runs from Santan to
8 Browning, so I'm showing that on Exhibit SRP-21. We will
9 break this existing line, looping it south to our new
10 proposed substation RS-31. So I'm showing that now on
11 Exhibit SRP-19.

12 The proposed double-circuit line follows the
13 existing Loop 202, and the 230kV circuits that are
14 proposed are basically the single line in and out of the
15 substation.

16 Q. BY MR. OLEXA: Can you describe the two options
17 presented to the Committee.

18 A. (BY MR. SMEDLEY) Sure.

19 We present two options, which I will point out
20 using Exhibit SRP-21.

21 The first option is to construct on the east
22 side of the Loop 202. This alignment is relatively
23 straightforward. There is an existing 230kV pole right
24 at point P1 on the map that is on the east side of the
25 Loop 202 at the location where we would interconnect.

1 This route would also avoid a need to cross the Loop 202
2 as we can route the line directly into RS-31 on the east
3 side of the freeway interchange.

4 The other alignment is on the west side of the
5 Loop 202. Here, the nearest existing 230kV pole that we
6 would use to interconnect to Santan-Browning is located
7 further west about 500 feet. So we would have to run the
8 line across that land parcel to reach the desired
9 alignment adjacent to the Loop 202.

10 And I'll show that in a later exhibit. It will
11 be a little bit more clear.

12 We would also have to cross the freeway in
13 order to reach the substation area. In order to avoid
14 crossing at the high point of the interchange and to meet
15 FAA height restrictions in the area, we would plan to
16 cross at a point approximately 1,000 to 1,500 feet north
17 of Warner Road.

18 The pole heights in this segment range from 110
19 to 130 feet, and the spans are approximately 400 to 650
20 feet. The crossing would require slightly taller poles
21 in the range of 150 to 160 feet.

22 Q. I want to clarify a point for the record to
23 correct an item in Mr. Pittman's testimony yesterday.

24 Grant, which of these options was submitted to
25 the FAA?

1 A. (BY MR. SMEDLEY) Mr. Pittman testified
2 initially the route option that's submitted to the FAA
3 was for the west side, and then he testified that he was
4 not sure. He has since told us that he was thinking of
5 the south side of the SR-24. So there are two freeways
6 in this case, obviously, and as he noted, he was more
7 familiar with the coordinates than where they were
8 relative to the freeways.

9 So I wanted to clarify that we submitted the
10 route option on the east side of the Loop 202 to the FAA,
11 which is SRP's preferred option.

12 Again, our goal of submitting to the FAA was
13 not to evaluate specific pole locations but to gain a
14 general understanding of the FAA limits that apply in the
15 area. We did not feel it was necessary to submit all of
16 the different route options to the FAA.

17 Q. Okay. Grant, both alignments would cross State
18 Trust land. Does the State Land Department have a
19 preference?

20 A. (BY MR. SMEDLEY) Yes. The State Land
21 Department has indicated that it would prefer the east
22 side of the Loop 202.

23 Q. And I think you've mentioned it, but what is
24 SRP's preference here?

25 A. (BY MR. SMEDLEY) SRP would also prefer to

1 construct on the east side to avoid the freeway crossing
2 because of the ease of interconnecting to the existing
3 line on that side of the freeway and because of the
4 public preference, including the dairy owners to the west
5 side of the Loop 202, and the State Land Department.

6 Q. Please describe the proposed location for the
7 right-of-way.

8 A. (BY MR. SMEDLEY) Generally, a right-of-way
9 will parallel the Loop 202 on the east or the west side
10 and then enter the RS-31 Substation site. The ultimate
11 right-of-way location will be determined consistent with
12 sound engineering, construction maintenance, and cost
13 considerations with the general intent to parallel the
14 ADOT right-of-way. The ultimate right-of-way will be
15 approximately 100 feet.

16 Q. Please describe the proposed substation area
17 depicted in Exhibit SRP-31, which is on the right screen.

18 A. (BY MR. SMEDLEY) Sure.

19 SRP has not yet acquired land for the
20 substation. We are requesting the flexibility to site
21 the substation within the 226-acre orange area shown in
22 Exhibit SRP-31.

23 Our original application stated that 40 acres
24 would be needed for the substation. That was an initial
25 conservative estimate that included additional land for

1 managing drainage. The footprint of the substation
2 itself is the more typical 25 acres that we would build
3 for a 230kV station. That may change slightly depending
4 on the final location within the orange area as we do
5 expect to need some additional space for drainage.

6 Q. Do you identify alternatives here?

7 A. (BY MR. SMEDLEY) SRP would like to have the
8 flexibility to locate within that 226-acre orange area.
9 This gives us the flexibility for design and land
10 acquisition.

11 Q. Please describe the central portion of the
12 frontage, which is depicted on Exhibit SRP-24.

13 A. (BY MR. SMEDLEY) Sure. The central portion of
14 the project follows the SR-24 alignment coming out of the
15 RS-31 Substation. The part of the SR-24 from the
16 Loop 202 to Ellsworth is already constructed. We would
17 plan to cross the SR-24 at around Ray Road to get to the
18 south side of the freeway.

19 The portion of the SR-24 east of Ellsworth will
20 be constructed at a later time. And while ADOT has not
21 yet finalized the design and right-of-way boundary, the
22 anticipated location for the future freeway is shown on
23 the map.

24 The ultimate right-of-way location for our line
25 will be determined consistent with sound engineering,

1 construction maintenance, and cost considerations with
2 the general intent to parallel the ADOT right-of-way on
3 the south side of the freeway.

4 The ultimate right-of-way location -- the
5 ultimate right-of-way size, excuse me, will be
6 approximately 100 feet.

7 Pole heights in this segment will be in the
8 range of 110 to 150 feet, which includes the SR-24
9 crossing, which is the reason for the 150-foot pole, and
10 the spans will range from 400 to 650 feet.

11 CHMN. CHENAL: Member Woodall.

12 MEMBER WOODALL: The answer to this might be
13 self-evident, but I really don't know. But has ADOT
14 acquired lands that it will require for the right-of-way?

15 MR. SMEDLEY: ADOT is currently in the process
16 of right-of-way acquisition and also design of the
17 freeway, so it's not yet completed.

18 MEMBER WOODALL: But they don't have all the
19 land that they need yet?

20 MR. SMEDLEY: That's correct.

21 MEMBER WOODALL: Because they don't have the
22 precise determinants?

23 MR. SMEDLEY: That's correct.

24 MEMBER WOODALL: Okay. Thank you.

25 CHMN. CHENAL: Member Noland.

1 MEMBER NOLAND: I have a question that follows
2 on to that.

3 For the portion of 24 that they have built, do
4 you know what the right-of-way width is for that portion?

5 MR. SMEDLEY: Of the ADOT right-of-way?

6 MEMBER NOLAND: The ADOT right-of-way, sorry.

7 MR. SMEDLEY: I don't. It's actually fairly
8 wide. There will be another exhibit that will show it
9 better, and you'll see it in the Google flyover. But as
10 it exits the 24, it's quite wide, and then it narrows as
11 it gets closer to Ellsworth. So I think it's probably
12 500 to 700 feet at least, but I don't know the exact
13 number.

14 MEMBER NOLAND: Thank you.

15 Q. BY MR. OLEXA: Grant, have you confirmed the
16 future alignment with ADOT?

17 A. (BY MR. SMEDLEY) Yes. The area shown in
18 Exhibit SRP-24 is the proposed alignment as indicated by
19 ADOT. As we just discussed, the final designs are not
20 yet complete, so we do believe the alignment will be
21 within the area shown, and we would plan to coordinate
22 with ADOT regarding the final design.

23 Q. Do you have options here?

24 A. (BY MR. SMEDLEY) In our application, we showed
25 two options. One was with a single set of poles and one

1 was with a double set of poles.

2 The second option was directly a result of what
3 we understood to be the FAA height restrictions at the
4 time. As we no longer have those restrictions, as was
5 explained by Mr. Pittman in his testimony yesterday, we
6 don't expect to need the option of two sets of poles. So
7 we are only presenting one option in the central area.

8 Q. Did you explore other options other than the
9 SR-24 alignment?

10 A. (BY MR. SMEDLEY) Yes. But every other option
11 was clearly unacceptable to the City of Mesa, the
12 property owners and the developers in the area.
13 Ms. Pollio will explain that a little bit later in her
14 testimony.

15 Q. Please describe the southern portion of the
16 project, which is depicted in SRP-26.

17 A. (BY MR. SMEDLEY) Sure.

18 The southern portion of the project has a
19 single alignment, Crismon Road. This is shown in Exhibit
20 SRP-26. We propose to build the line parallel to Crismon
21 Road on either the east or the west side of the road. It
22 should be noted that Crismon is planned to be widened in
23 the future.

24 At the southern end, the line terminates at the
25 future Abel-Pfister-Ball transmission line. As we

1 discussed previously, this was permitted in the case we
2 called Abel-Moody. Again, the line will cause the 230kV
3 circuit to travel from Abel to Pfister up to RS-31 and
4 then over to the Ball Substation. The reliability
5 benefits of that approach were explained by Mr. Heim.

6 Again, the ultimate right-of-way location will
7 be determined consistent with sound engineering,
8 construction maintenance, and cost considerations with
9 the general intent to parallel the Crismon Road
10 right-of-way. The ultimate right-of-way will be
11 approximately 100 feet. The pole heights in this segment
12 would be approximately 100 to 120 feet with spans ranging
13 from 400 to 650 feet.

14 CHMN. CHENAL: Member Woodall.

15 MEMBER WOODALL: Sir, could you tell me what
16 are the nature of the land uses in the area that's
17 depicted on SRP Exhibit 026 as they relate to Crismon
18 Road?

19 MR. SMEDLEY: Sure. So most of the land here
20 is either agricultural or vacant at this point. There's
21 a company called Harris Cattle that operates this parcel
22 that I'm pointing to right now on Exhibit 26. The rest
23 of it is essentially vacant.

24 MEMBER WOODALL: Thank you.

25 Q. BY MR. OLEXA: Why do you only show one

1 alternative here?

2 A. (BY MR. SMEDLEY) We started out with quite a
3 few options. We considered several alignments further
4 east, as will be explained in Ms. Pollio's testimony, but
5 those options would have been more costly due to
6 additional distance. In addition, the land slopes up as
7 you go toward the east, which requires us to build
8 shorter poles to meet the FAA height restrictions. This
9 means shorter spans and, consequently, more poles, which
10 increases cost. The City of Mesa, the Town of Queen
11 Creek, and the adjoining landowners also preferred
12 Crismon. The process of narrowing the options will be
13 discussed later in this testimony.

14 Q. Thank you, Grant.

15 Let's switch topics and talk a little bit about
16 the public process.

17 Debbie, did you use a similar public process as
18 this Committee has seen before?

19 A. (BY MS. VASKE) Yes. As I will explain, we
20 first established a project study area and developed a
21 number of potential alignments. These are shown on
22 Exhibit SRP-032. We then began our public process to
23 evaluate the possible alignments. Later in the
24 testimony, we will explain the process of narrowing down
25 those alignments.

1 Q. Debbie, can you describe the public process.

2 CHMN. CHENAL: Excuse me. Member Woodall has a
3 question.

4 MEMBER WOODALL: I'm sorry. Would you be so
5 kind as to give us an estimate of dates for the various
6 phases of this process? Clearly, I don't mean calendar
7 dates, but in the spring of X or whatever.

8 MS. VASKE: Sure.

9 We started the public process in early February
10 reaching out to stakeholders, we held an open house
11 May 14th, and we kept meeting with stakeholders through
12 last week.

13 MEMBER WOODALL: So your public process started
14 in February of 2018?

15 MS. VASKE: Correct.

16 MEMBER WOODALL: Is that time frame typical to
17 start at February if you're anticipating a siting
18 proceeding in September? I mean, just in the past, I've
19 seen longer lead times is all I'm getting at. So is this
20 unusual or not?

21 MR. SMEDLEY: Can I add to that?

22 MEMBER WOODALL: Sure. Go ahead.

23 MR. SMEDLEY: So one of the things that was
24 previously expressed in some of the prior testimony is
25 the pace of development in this area is very significant.

1 So with ADOT eminently building the future extension of
2 the freeway, with some of the load growth developments
3 that you heard discussed, we felt it was imperative that
4 we move quickly in this process.

5 And we felt that there were some natural
6 alignments here that we could take advantage of and work
7 collaboratively with the stakeholders involved to site
8 the line early. So we moved a little more quickly in
9 this process than we have in the past.

10 MEMBER WOODALL: Thank you.

11 Q. BY MR. OLEXA: Debbie, if you would go back and
12 just describe in a little more detail the public process
13 that was undertaken in this case.

14 A. (BY MS. VASKE) Sure.

15 So, again, as I stated, we started in early
16 February. On Exhibit SRP-033, the project included a
17 robust and extensive public process.

18 As of July 31st, 2018, the process included the
19 following: We met 33 times with jurisdictional -- for
20 jurisdictional briefings. We met with over 30
21 stakeholders in the project area. When we had the open
22 house on May 14th, there were 49 attendees. We also had
23 the open house posted online at the project website. We
24 had 1,732 visits to that website. And we mailed 1,438
25 postcards via the U.S. Mail inviting people to the open

1 house.

2 We also used an e-blast where we had 132 emails
3 on a distribution list to provide updates on the project.
4 And we also reached out using social media for this
5 project.

6 Those were measured in reaches and impressions.
7 A reach is an individual person who actually saw the
8 post, whereas an impression is how many times people saw
9 the post. For example, we could have a reach of one but
10 three impressions.

11 And where we posted on social media was
12 Facebook, where we had 1,933 reaches. We posted on it
13 Twitter for 486 impressions, and we also posted the
14 project on LinkedIn, where we had 1,500 impressions.

15 Q. BY MR. OLEXA: Debbie, is it fair to say -- I
16 mean, there's -- generally speaking, there's not a lot of
17 individual homes in this area?

18 A. (BY MS. VASKE) That's correct.

19 Q. Debbie, did SRP develop initial potential
20 alignments?

21 A. (BY MS. VASKE) Yes. As you can see on
22 Exhibit SRP-032, we had initial map of possible
23 alignments that we discussed with the public. Kenda will
24 expand in her testimony on how we narrowed down those
25 alignments.

1 Q. Were these potential alignments narrowed down?

2 A. (BY MS. VASKE) Yes. Exhibit SRP-034 shows the
3 alignments that we presented in the prefiling conference.

4 Following the prefiling conference, we
5 continued to discuss alignments with our stakeholders.
6 It was clear that there was little or no support for the
7 alignments shown in yellow. And after further analysis
8 and consideration, SRP eliminated certain possible
9 alignments.

10 Q. Did SRP narrow the options further even after
11 filing its application?

12 A. (BY MS. VASKE) Yes. Following the submission
13 of the application, SRP did file a supplement removing
14 the alignment northeast of SR-24. The reasons for this
15 change will be explained in detail by Kenda.

16 Q. Kenda, did you conduct an analysis to support
17 routing decisions for this project?

18 A. (BY MS. POLLIO) Yes, we did. We conducted a
19 very robust routing and siting analysis and public
20 process to develop the possible route alignments for the
21 project.

22 The alignments were analyzed for physical,
23 natural, and social resources based on State regulation
24 and the environmental siting criteria.

25 Q. Exhibit 32 includes a variety of highlighted

1 roadways and areas. Were all of those highlighted lines
2 alignments that were analyzed in this application?

3 A. (BY MS. POLLIO) Yes. As you mentioned, it is
4 shown on SRP-032. We worked hard to conduct the
5 environmental analysis and public process to present the
6 best and most environmentally compatible alignment in the
7 application.

8 As part of the process, we evaluated numerous
9 alignment options. And, again, you can see those as
10 green, orange, and yellow on SRP-032.

11 With regard to each of these alignments, we
12 looked at a variety of factors. We weighed the
13 cumulative effects of the different siting criteria or
14 those factors, and then we narrowed down the alignment to
15 what has been proposed.

16 Q. We're here to go through the alignments that
17 were eliminated through our environmental analysis and
18 during the public and evaluative process. Exhibit SRP-32
19 includes those alignments that were evaluated and dropped
20 in orange. The yellow ones are the ones that were taken
21 through the public process and removed, and then the
22 green are the alignments filed in this application.

23 Kenda, please begin by discussing the
24 alignments in the northern portion, if you would.

25 A. (BY MS. POLLIO) Okay. So on Exhibit 032,

1 we'll start with Hawes Road, which I'm identifying it as
2 an orange alignment. It is the alignment -- the closest
3 alignment west of the 202.

4 This does have some conflict with the future
5 development plans of the City of Mesa Inner Loop District
6 that we've heard about. There are multiple residents
7 along this alignment. There are dairy operations, as
8 we've heard about, along this alignment as well.

9 Hawes Road is not a paved road in all sections,
10 and it's not nearly as strong as a linear feature like
11 the very paved and wide Loop 202.

12 This does require crossing Arizona State land.
13 And, again, it does -- it requires that crossing where
14 there's no freeway.

15 There are higher costs associated with this
16 alignment versus the 202.

17 Q. On Exhibit SRP-32, please point next to what
18 was the 80th Street alignment and describe for the
19 Committee what factors were weighed that resulted in its
20 removal.

21 A. (BY MS. POLLIO) So, again, we looked to the
22 west at the linear features that were present and 80th
23 Street. As I'm highlighting in -- highlighting with the
24 green pointer, it is an orange alignment that is due west
25 of Hawes Road.

1 This has similar factors to Hawes Road that I
2 just identified, but I'll go through those again. It
3 does, again, conflict with the City of Mesa Inner Loop
4 District. It even has more residences located on this
5 alignment versus Hawes Road. Again, dairy operations.

6 It is a paved road but not as strong as the
7 freeway, and it requires crossing the 202.

8 Q. Please point next to the former Sossaman Road
9 alignment and address what factors prompted its
10 elimination.

11 A. (BY MS. POLLIO) So this is the next linear
12 feature that is west of 80th, again, in orange.

13 This also has conflict with the development
14 plans previously mentioned. It does have multiple
15 residences. It also has dairy farms located along its
16 alignment.

17 It's one of the longer alignments with higher
18 costs, and it also requires crossing the 202.

19 Q. Please point next on Exhibit SRP-32 to the
20 canal alignment and explain what factors were weighed
21 that resulted in its removal.

22 A. (BY MS. POLLIO) So the canal alignment is in
23 yellow. It is, again, the next linear feature that is
24 west of Sossaman or, as you proceed west, it's that next
25 linear feature.

1 It is not as strong as the Loop 202.

2 It does have conflicts with planned area
3 developments. It has a high residential -- has some high
4 residential areas, and it is the longest of the routes,
5 as you see, because it is farthest to the west, and it
6 does require crossing the 202.

7 Q. Please identify the Ellsworth Road alignment
8 and then discuss the reasons it was eliminated from the
9 possible alignments.

10 A. (BY MS. POLLIO) So we just discussed the
11 alignments to the west of the 202. This is the alignment
12 to the east of the 202 that was considered.

13 This is not as strong of a linear feature,
14 again, as the 202.

15 It has the conflict of planned area
16 developments, specifically, DMB Eastmark. This has an
17 area where it's high percentage of potential residential
18 development mixed use that would be proposed for that as
19 part of the planned area development, and there's a
20 hospital along the west side of Ellsworth.

21 Q. Kenda, please discuss next why the northeast
22 portion of the State Route 24 was eliminated.

23 A. (BY MS. POLLIO) So on Exhibit SRP-032, as we
24 move from this northern portion, you can see the State
25 Route 24. The northern portion I'm highlighting again on

1 the figure.

2 The reasons this alignment was eliminated was
3 due to the conflict of future development plans,
4 specifically, Harvard Cadence, DMB Eastmark, Encore.

5 Q. Why did this happen after the application was
6 filed?

7 A. (BY MS. POLLIO) We discussed this throughout
8 the hearing thus far; but to respond to that question, we
9 wanted to make sure that the southwest side of State
10 Route 24 could be built given all the FAA requirements,
11 with the conclusion that it could be built. And this was
12 determined recently following extensive engineering
13 analysis of both the north and the south of the State
14 Route 24.

15 Q. Kenda, I would like to continue with the
16 southern alignments that were eliminated during the
17 public and evaluative process.

18 Let's start with the possible alignment that
19 once existed along Meridian Road.

20 A. (BY MS. POLLIO) Yes. So Meridian Road I'm
21 highlighting. And we'll start talking about the
22 alignments farthest to the west. So this is the farthest
23 west alignment that is in orange. East. Thank you.
24 Farthest east. We started west, so let's go to the east.
25 Sorry about that.

1 This conflicts with future development plans,
2 the Town of Queen Creek on the south side of Germann and
3 residential developments on the north.

4 There are some engineering constraints.
5 There's a Tri-Gas facility.

6 There are some FAA height restrictions that
7 Grant mentioned. It slopes up, and we would have to have
8 shorter poles with shorter span lengths the farther east
9 you go.

10 There are some communication towers, existing
11 transmission and distribution congestion, as well as some
12 well sites along this route.

13 There are also residential buildings in this
14 area.

15 It's the longest alignment with the highest
16 cost in this southern area, and it crosses the highest
17 number of parcels.

18 Q. On Exhibit SRP-32, again, please point to next
19 the Signal Butte alignment and discuss the reasons for
20 its elimination.

21 A. (BY MS. POLLIO) So Signal Butte is also in
22 orange. It is to the west of the alignment we just
23 discussed, Meridian.

24 This also has similar engineering constraints
25 that I just mentioned.

1 Again, FAA height restrictions, which would
2 require shorter poles and shorter span lengths.

3 This does have an added link compared to
4 Crismon, which, again, translates also into a higher
5 cost.

6 This also has conflicts with City of Mesa and
7 Town of Queen Creek future development plans.

8 Q. Kenda, next, please explain the reasons for the
9 elimination of the possible alignment along Merrill Road.

10 A. (BY MS. POLLIO) So Merrill Road is in yellow.
11 Again, this is the linear feature that is west of Signal
12 Butte, the line we just talked about.

13 This bisects some of the properties that we
14 have discussed, the nursery, which is south of Germann
15 Road. There are some residences and nonresidential
16 buildings along this alignment.

17 It's not as strong of a linear feature as the
18 Crismon Road alignment. Although Crismon Road is not yet
19 fully constructed in some places, plans for Crismon Road
20 or in the location of Crismon Road is known. The Merrill
21 Road alignment followed Merrill Road in the south and a
22 section line in the north.

23 So, again, this is not as strong of a linear
24 feature as the Crismon Road alignment.

25 Q. Debbie, were these alignments vetted in the

1 public and with the stakeholders?

2 A. (BY MS. VASKE) Yes. The yellow and green
3 alignments were taken to the public as part of the open
4 house. In addition, many stakeholder meetings were held
5 to discuss the possible routing options and the best
6 alignment to carry forward.

7 Q. Kenda, from your perspective, what were the key
8 factors supporting the proposed alignments?

9 A. (BY MS. POLLIO) So the proposed alignment that
10 we've included in the application is clearly the
11 strongest linear feature. We have a unique study area
12 with very strong linear features in this area.

13 It's the shortest alignment.

14 It minimizes impact to the natural environment,
15 planned area development, and residential developments.

16 For these reasons, combined with the public
17 response and working with the stakeholders, SRP presented
18 the proposed alignment that you have in your application.

19 Q. Grant, what criteria was used to identify the
20 location of the RS-31 Substation?

21 A. (BY MR. SMEDLEY) The location of the
22 substation is mainly driven by the location of electric
23 load that we expect to develop and the proximity to the
24 proposed transmission line.

25 We very quickly narrowed our search to the area

1 just to the east of the existing portion of the SR-24
2 near the Loop 202 interchange. This meets our criteria.
3 We have not narrowed it to a precise location as we would
4 like some flexibility in land acquisition.

5 CHMN. CHENAL: Excuse me. Member Noland has a
6 question.

7 MEMBER NOLAND: Yes. If you can put SRP-032
8 back up on the screen.

9 Well, if you can't, I can use what you had.

10 Okay. Along Warner Road -- this is 31, but I
11 can ask my question using this. There's a 69kV line; is
12 that correct?

13 MR. SMEDLEY: Yes, ma'am.

14 MEMBER NOLAND: Does it cross the 202?

15 MR. SMEDLEY: Yes, it does.

16 MEMBER NOLAND: Okay. So do you know what the
17 right-of-way currently is for that 69kV line on both
18 sides of the 202?

19 MR. SMEDLEY: I don't know what the -- on both
20 sides of the 2 -- sorry, can you clarify the question?

21 MEMBER NOLAND: Yes. What is the right-of-way
22 for this 69kV line as it extends both west and east of
23 the 202?

24 MR. SMEDLEY: Okay. Thank you. I don't know
25 the answer.

1 MEMBER NOLAND: Okay. Kenda, you said you --
2 part of the reason for dismissing the yellow portion of
3 the proposed alignment was because it had to cross the
4 202; is that correct?

5 MS. POLLIO: Yes.

6 MEMBER NOLAND: But you have the 69kV that
7 crosses the 202.

8 MS. POLLIO: So when comparing the alignment in
9 yellow versus the alignment in green -- very good
10 question -- but when we compare those two, that 202 that
11 is a more direct, shorter, and obviously very strong
12 linear feature is better than having an alignment that
13 would be longer and have to cross the 202.

14 MEMBER NOLAND: Okay. And if you would, I
15 don't really need to know the right-of-way for the west
16 portion of the 69kV on Warner Road, but I would like to
17 know what the right-of-way is for the east portion of the
18 69kV line on Warner Road alignment.

19 MR. SMEDLEY: We'll find out.

20 MEMBER NOLAND: Thank you.

21 Q. BY MR. OLEXA: Grant, can you please describe
22 in greater detail the substation.

23 A. (BY MR. SMEDLEY) Sure.

24 We will reserve about 25 acres for the
25 substation site itself. As I mentioned earlier, we may

1 need some additional space for -- to accommodate
2 drainage.

3 Exhibit SRP-35 shows a concept layout. There
4 it is. So as you can see on this layout, we planned for
5 four transformers, which will be adequate to serve the
6 load as described by Mr. Heim.

7 CHMN. CHENAL: Mr. Smedley, just for a second,
8 what -- how large is the area depicted in yellow on
9 Exhibit 31, SRP-31?

10 MR. SMEDLEY: It's about 225 acres.

11 CHMN. CHENAL: And then what's the footprint
12 that will be required for RS-31 Substation?

13 MR. SMEDLEY: So the station itself, what you
14 see in that diagram is about 25 acres.

15 CHMN. CHENAL: Thank you.

16 Member Woodall has a question.

17 MEMBER WOODALL: Okay. So you're going to
18 acquire 40 and take care of drainage, and the substation
19 site is going to be like 25? Is that what you're saying?

20 MR. SMEDLEY: We haven't fully completed the --
21 because the location isn't determined, we don't know
22 exactly what the drainage mitigation will look like. So
23 the 40 acres was an estimate based just on -- it may be
24 an overestimate. We may not need to acquire that much.

25 MEMBER WOODALL: Thank you.

1 And then the Land Department is going to lease
2 this to you as right-of-way, or you're going to buy it?

3 MR. SMEDLEY: This is not on State land,
4 so there are --

5 MEMBER WOODALL: I'm sorry. Never mind, then.

6 CHMN. CHENAL: Member Haenichen.

7 MEMBER HAENICHEN: Does one landowner own that
8 entire orange piece of land?

9 MR. SMEDLEY: No. So there are several
10 landowners in that area. So there's a company called
11 ViaWest that owns the majority probably until -- and I'm
12 drawing a line across just generally on Exhibit SRP-31
13 where their ownership ends. So they own a series of
14 parcels to the north of where I indicated. Sunbelt
15 Holdings owns the next kind of section of that. And then
16 there's another landowner, an LLC, that owns the third
17 portion.

18 MEMBER HAENICHEN: Okay. So my understanding
19 is that when you finally make the determination of the
20 footprint of the substation, you will actually purchase
21 that, not lease it or whatever?

22 MR. SMEDLEY: Yes, sir, that's correct.

23 MEMBER HAENICHEN: But then you'll have to deal
24 with lines that cross those other parcels, and those will
25 be, what, right-of-ways that you pay a leasing fee?

1 MR. SMEDLEY: We would actually acquire the
2 right-of-way the way we would on any other private
3 property. Yes, that's correct.

4 MEMBER HAENICHEN: You've had preliminary
5 discussions with those landowners?

6 MR. SMEDLEY: Yes, sir.

7 MEMBER HAENICHEN: Thank you.

8 CHMN. CHENAL: And, Mr. Smedley, how does SRP
9 acquire from the private landowners the right-of-ways?

10 MR. SMEDLEY: So --

11 CHMN. CHENAL: You start with negotiation;
12 right?

13 MR. SMEDLEY: That's correct. We negotiate --
14 we offer fair market value for that land, and then we
15 procure it from them.

16 CHMN. CHENAL: And if that fails?

17 MR. SMEDLEY: Well, if that fails --

18 CHMN. CHENAL: You have a right of
19 condemnation.

20 MR. SMEDLEY: We do.

21 MEMBER WOODALL: Is there a distinguishing
22 feature in SRP's condemnation that is not shared by other
23 public utilities, to wit, as a government entity, you can
24 get the right of immediate position? Is that your
25 understanding?

1 MR. SMEDLEY: You're stretching my knowledge
2 base a little, Member Woodall.

3 MEMBER WOODALL: But, basically, my
4 understanding is that you can get immediate possession of
5 the property while the lawsuit goes on. Does that
6 generally sound right to you? And if you don't know, you
7 don't know.

8 MR. SMEDLEY: I honestly do not know.

9 MEMBER WOODALL: Okay. Thanks.

10 CHMN. CHENAL: That's a good negotiation tool,
11 I suspect, but I ...

12 Mr. Olexa, go ahead.

13 MR. OLEXA: Okay. Thank you, Mr. Chairman.

14 Q. BY MR. OLEXA: Next, we'd like to move to a
15 detailed look at the facilities proposed in the
16 application, and I'd like to start with the north area,
17 which is shown on Exhibit SRP-21.

18 We'd like to go and do a Google flyover at this
19 point, which we'll mark as Exhibit SRP-37.

20 Please begin at the existing Browning to Santan
21 230kV line.

22 A. (BY MR. SMEDLEY) Okay. Sure.

23 So before we start the flyover, the quick
24 description of that, the Browning to Santan transmission
25 line is part of our 230kV delivery system. It has the

1 capacity to transport power from across our system. So
2 this could come from our eastern coal plants, our
3 combined-cycle plants to the southwest, the Palo Verde
4 hub, and our renewable and sustainable resources.

5 Because of the diversity of the sources feeding
6 this line, it's a very strong link in our system. So we
7 will break this line, as I described previously, and loop
8 it into the new RS-31 Substation.

9 Q. BY MR. OLEXA: Grant, please describe the
10 alignment along the western side of Loop 202.

11 A. (BY MR. SMEDLEY) Sure.

12 Just to get everybody oriented, the view you
13 see here on the right screen, we are looking south of the
14 Santan to Browning line.

15 Hold there.

16 So from there, what we would do is interconnect
17 an existing 230kV pole that I'm showing here on the
18 screen. As I described previously, that pole is about
19 500 feet west of the Loop 202, and so we would run that
20 line directly across to get to the 202 right-of-way so
21 that we can run directly south from there.

22 CHMN. CHENAL: Member Noland.

23 MEMBER NOLAND: Just to clarify, this is not
24 your preferred route; is that correct?

25 MR. SMEDLEY: That's correct.

1 MEMBER NOLAND: Thank you.

2 MR. SMEDLEY: So if we proceed from here, the
3 alignment will move southward and adjacent to the west
4 side of the Loop 202 as close as possible to the ADOT
5 right-of-way.

6 Between the existing transmission line and
7 Elliot Road, which you see there to the south, the
8 alignment will cross several parcels that are owned by
9 one property owner, and that's the future site of the
10 EdgeConnex data center.

11 CHMN. CHENAL: Mr. Smedley, I'm sorry. The
12 exhibit -- the flyover depicts a western alignment along
13 the 202. But when you're talking about the property
14 owners, you're talking about the east side of the 202;
15 correct?

16 MR. SMEDLEY: No. I was speaking about the
17 west side. So the property that we just passed is all
18 owned by a single property owner. There are several
19 parcels.

20 CHMN. CHENAL: So you're describing in the
21 flyover the route that's not your preferred route?

22 MR. SMEDLEY: Yes, that's correct.

23 Well, we're starting with this, and then we're
24 going to go to the east. That probably was not the best
25 choice in hindsight. Again, my apologies. I should have

1 clarified that.

2 CHMN. CHENAL: So you'll do both, and you're
3 starting with the west and you'll go to the east. Got
4 it.

5 MR. SMEDLEY: Saving the best for last.

6 CHMN. CHENAL: I just don't want Mr. Rich to
7 have a heart attack or some other attorneys.

8 MR. RICH: I appreciate the clarification.

9 MR. SMEDLEY: So from Elliot Road, the
10 alignment continues to the south adjacent to the Loop
11 202. It crosses a vacant parcel of land that's owned by
12 the Arizona State Land Department for approximately half
13 a mile.

14 And then, as you continue to the south, the
15 alignment will traverse additional privately owned
16 parcels and then would cross the Loop 202 freeway
17 approximately 1,000 to 1,500 feet north of Warner Road.
18 You can see that there as I'm pointing at it.

19 There's an existing dairy located to the south
20 of the proposed freeway crossing, the Van Rijn Dairy that
21 we heard from yesterday, on the west side of the Loop
22 202.

23 So the alignment from there would continue
24 south along the east side of the Loop 202, and it would
25 pass the existing daycare facility that Mr. Sundlof

1 mentioned this morning. And that's the facility I'm
2 circling here.

3 Let's pause for a minute while we lighten that
4 up.

5 We've talked with -- we've met with the daycare
6 center. It's called the Jump Start Learning Center.
7 We've talked about the project. We would plan to avoid
8 that facility by locating the line 2- to 300 feet to the
9 east of it. So -- I'm sorry. I'm going to pause here.

10 Q. BY MR. OLEXA: Can we get back to the prior
11 one?

12 A. (BY MR. SMEDLEY) We're going to go on the east
13 now. Can we back up a little bit, Susan?

14 There we go. A little more. More. I'm trying
15 to get back to the west.

16 MEMBER NOLAND: Let's just go to the east side.

17 MR. SMEDLEY: Let's go to the east side, then,
18 because after that point, it's the same for both.

19 Okay. So starting with the east side. So now,
20 again, before we get started, we're looking south.

21 This is the existing Santan to Browning
22 corridor. At point P1 here, there's an existing 230kV
23 pole that we could interconnect to and run down from
24 there south, so ...

25 Go ahead and press "play."

1 So the alignment crosses several privately
2 owned land parcels as you go from the corridor to Elliot
3 Road. Again, those are in the Elliot Road Technology
4 Corridor, so those are zoned for manufacturing and
5 high-tech development.

6 When you get past Elliot Road, that land is all
7 owned by the State Land Department right up until kind of
8 where Warner Road is, which you'll see if you want to
9 continue the route.

10 So this parcel that we're passing here is all
11 State Land Department owned, and it just continues along
12 there until we reach the point where we were previously.
13 Where we crossed the freeway was right about here from
14 the west side.

15 So now, on the east route, this is the existing
16 daycare center that we were referring to. So the line
17 would basically pass on the east side of that about 2- to
18 300 feet to the east of it to avoid the daycare facility.

19 CHMN. CHENAL: Member Noland has a question,
20 and then I have a question.

21 MEMBER NOLAND: Yes. Now, looking at this as
22 the line would go to the east of the daycare center, it
23 crosses over Warner Road. And this is where you would
24 potentially want to put the substation; is that correct?

25 MR. SMEDLEY: Yes. Anywhere in the orange

1 area, that's correct.

2 MEMBER NOLAND: No, I'm looking at the green
3 area within the orange area. And so the alignment would
4 shift if you couldn't get that property just to the south
5 of Warner Road; is that correct?

6 MR. SMEDLEY: Well, if we -- I think it just
7 depends ultimately where RS-31 would be located. So
8 we're looking for 25 acres within a 225-acre parcel. So
9 it could be down to the south part here, say, tucked into
10 the 202-24 interchange, in which case --

11 MEMBER NOLAND: Can you get a little closer to
12 that microphone and speak just a little slower?

13 MR. SMEDLEY: Sure.

14 MEMBER NOLAND: Thank you.

15 MR. SMEDLEY: My apologies.

16 So if we acquired land for RS-31 further south
17 of there, say, kind of at the point where the freeway
18 interchange is tucked back there, we would potentially
19 run the line just as you see here. It would run south
20 into the substation.

21 It just really depends where we procure the
22 land for RS-31.

23 MEMBER NOLAND: Okay. So if you didn't have
24 this parcel that is just south of Warner Road, would you
25 run the line along Warner and then down adjacent to the

1 202 alignment?

2 MR. SMEDLEY: Possibly, yes.

3 MEMBER NOLAND: Possibly. Okay.

4 That's what makes this difficult to figure out,
5 as you probably know. It makes it difficult for us to
6 figure out how we would describe a corridor to give
7 property owners the certainty or somewhat of a certainty
8 of where the line was going to be located and where the
9 substation would be located.

10 I guess that's the way it is at this point.

11 MR. SMEDLEY: And if I may, I mean, part of the
12 rationale that Mr. Sundlof laid out this morning was to
13 give us the flexibility to work with those landowners in
14 that area to determine how we can reach that substation
15 site with the least impact to that overall area without
16 trying to define a corridor.

17 CHMN. CHENAL: Then I have a question,
18 Mr. Smedley.

19 What discussions has SRP had with the daycare
20 center regarding the placement of the line?

21 MR. SMEDLEY: So we met with them back in
22 April, several of our team members, and have been
23 providing them with information and updates on the
24 project since that time. We met with the director of the
25 center.

1 CHMN. CHENAL: Does the proposed route on the
2 east side cross land owned by the daycare center?

3 MR. SMEDLEY: No, it does not.

4 CHMN. CHENAL: All right. Thank you.

5 MR. SMEDLEY: So let's see where we ended up.

6 So we would cross Warner Road and enter into
7 the substation as we described. And, again, that's
8 just -- the visual is a bit -- it's not exactly
9 descriptive. It just describes the line that would enter
10 the substation and would then leave towards the south.

11 Q. BY MR. OLEXA: Kenda, do you have simulations
12 for the west side?

13 A. (BY MS. POLLIO) Okay. So we do have one
14 correction to make on this exhibit, and it is a
15 correction to Exhibit SRP-038.

16 The key observation point -- so I'll explain
17 that on Exhibit SRP-038, it identifies key observation
18 points. We've identified four: two in the north, one in
19 the central, and one in the south. And a key observation
20 point is where an observer, a traveler, or a resident
21 could see the line.

22 So we've tried to identify two in the north.
23 On Exhibit 038, you can see the numbers that identify
24 where those key observation points are. You can also see
25 the directional arrows to show which direction, where the

1 photo point was taken, and the view of the photo. That's
2 on 038.

3 039 is an existing view and a proposed view.
4 The correction that I was referring to on 038 is key
5 observation point 1 and 2 need to be reversed. So I will
6 explain which ones these are. But when we talk about the
7 east and the west, this will -- try to be as clear as
8 possible.

9 So let's start with SRP Exhibit 039. So this
10 is actually key observation point -- it's labeled as 1,
11 but it's actually No. 2.

12 So this photo was taken on the east. It's
13 looking west. And this is actually the line on the
14 western side, not our preferred alignment.

15 The existing view on 039 is at the top of the
16 page, so you can clearly see the 202. The proposed view
17 is on the bottom of the page, and you can see in the
18 background the structures have been simulated into the
19 photograph. Again, this is the western side of the 202.

20 So the next photo -- so, Susan, if you can go
21 to SRP-040.

22 Q. This would be the east side?

23 A. (BY MS. POLLIO) Correct. So this is photo
24 point No. 1 or key observation point No. 1.

25 This was taken from the east side looking --

1 sorry, here I go. This was taken from the west side
2 looking east. You can see the line simulated on the east
3 side of the 202. This is the preferred alignment along
4 the 202.

5 So the existing view is at the top of 040. The
6 proposed view, or you can see the simulated structures,
7 are on the bottom of 040.

8 Q. Grant, do you have any other comments about the
9 development of these alignments or SRP's preferences?

10 A. (BY MR. SMEDLEY) I just want to reiterate that
11 SRP prefers the east alignment. The ease of
12 interconnecting, the fact that we don't need to cross the
13 freeway, and the public support for that really make it
14 our preferred route.

15 Q. Grant, do you have an example of a substation
16 you can show us?

17 A. (BY MR. SMEDLEY) Yes. Exhibit SRP-46 is a
18 photo of a similar substation. This photo shows the Orme
19 Substation, which is located in Southwest Phoenix. You
20 can see the four transformers. I'm pointing to them in
21 Exhibit SRP-36 in this photo.

22 Q. Let's turn to the central section of the
23 proposed alignment.

24 Grant, is the Harvard Investments property
25 along this proposed alignment?

1 A. (BY MR. SMEDLEY) Yes. As you can see --

2 CHMN. CHENAL: Excuse me.

3 Member Woodall.

4 MEMBER WOODALL: I'm sorry for interrupting
5 this, but back on the substation site, I see that the
6 photograph that is illustrative of the type that you
7 build, it appears that -- I mean, if there's a fence
8 there, it's a chain link fence. And that's what you're
9 contemplating here as well?

10 MR. SMEDLEY: Yes. We have not yet determined
11 whether it will be a fence or a wall.

12 MEMBER WOODALL: Okay. What is the typical
13 practice?

14 MR. SMEDLEY: Right now, our standard is for a
15 chain link fence, but we work with the area. And if,
16 ultimately, we determine based on security considerations
17 and other needs, we may build a wall.

18 MR. OLEXA: And, Member Woodall, we do have a
19 condition proposed for the CEC addressing that, and we
20 have agreed with the City of Mesa on that proposed
21 condition.

22 MEMBER WOODALL: And with respect to that, are
23 SRP aesthetic funds going to be used for that enhancement
24 or not?

25 MR. OLEXA: It's -- the CEC provision or

1 condition isn't that specific. It's very similar to the
2 provision that was agreed to in the PRC matter or Price
3 Road Corridor. So we could address that.

4 MEMBER WOODALL: That's fine. It's been
5 responded to. Thank you very much.

6 MR. OLEXA: Okay.

7 MR. SMEDLEY: So as you can see in
8 Exhibit SRP-41, Harvard Investments has a planned
9 residential development to the edge of the SR-24
10 right-of-way on the north side. In SRP's August 3rd
11 supplemental CEC application, which is Exhibit SRP-001A,
12 SRP removed an option to build on the northeast side of
13 SR-24 so as to not interfere with this development.

14 Q. BY MR. OLEXA: Grant, next, if you could do a
15 Google flyover for the alignment of the southwest portion
16 of the State Route 24.

17 A. (BY MR. SMEDLEY) Sure. So the alignment would
18 exit RS-31 and head south. It would cross the existing
19 segment of the SR-24 right at approximately Ray Road. So
20 you could see the crossing there and Ray Road a little
21 bit to the south right here as I point to the exhibit.

22 After crossing the 24, the alignment would
23 parallel the southwest side of the existing 24 freeway,
24 which you can see extends right up to Ellsworth, which is
25 the street I'm pointing to right here.

1 The land on the south side of this existing
2 section of SR-24 is essentially owned by the airport
3 exclusively. There is an existing drainage channel that
4 will be relocated. You can see it in this photo here.
5 So we're coordinating with the airport to place our poles
6 in conjunction with the future location of that drainage
7 channel.

8 So the alignment continues -- and you can't
9 see, of course, the future portion of the SR-24, but the
10 future -- the part of the alignment that you see there
11 ahead is all following the south edge of the future SR-24
12 freeway.

13 We can press "play" there, if you want. Thank
14 you.

15 So that travels along there. All of the
16 property to the south is owned by Pacific Proving or
17 Levine Investments. The property to the north is the
18 land that will be developed for the Harvard development.

19 And so that travels along that path all the way
20 until we reach Crismon Road, which is where you see the
21 line heading south right at this point.

22 Q. Grant, do you have any other comments about the
23 development of these alignments or SRP's preference about
24 the central portion of this proposed route?

25 A. (BY MR. SMEDLEY) Just that we feel we've made

1 significant efforts to work with the stakeholders in this
2 area and with the FAA issue to ensure a good solution. I
3 think this is the best route for the project.

4 CHMN. CHENAL: Mr. Smedley, let me ask if we
5 could back up with the -- back up the flyover back to the
6 central portion again.

7 Explain to me where the Cadence development is.

8 MR. SMEDLEY: Sure. So it's right on the north
9 edge of this future 24 alignment. So it's a little north
10 of what's shown in the route because the route is on the
11 south side. So it's over here, essentially.

12 CHMN. CHENAL: Okay.

13 Now, Member Noland; and I have another question
14 as well.

15 MEMBER NOLAND: Can you back up just a little
16 bit so I can see where you put the potential alignment as
17 compared to the freeway. That looks not adjacent to me.
18 That looks like it's way off of adjacent. I would assume
19 the right-of-way line is around here where I'm pointing
20 with the green pointer, yet it looks like this is another
21 100 feet or more over.

22 Can you -- is that just because that's the way
23 you did it for the flyover, or is that what you're
24 thinking of doing?

25 MR. SMEDLEY: I believe this was based on what

1 we had designed preliminarily, and I believe that's based
2 on where the airport intends to relocate that drainage
3 channel. So it's not shown as its future state there,
4 but that's why the line looks like where it is.

5 So there's a drainage channel. We would need
6 to locate along it instead of necessarily right adjacent
7 to the 24 freeway.

8 MEMBER NOLAND: So now we're not adjacent to
9 the freeway. We're going to be adjacent to a potential
10 future drainage feature location; is that correct?

11 MR. SMEDLEY: That's a fair point.

12 MEMBER NOLAND: Okay. Thank you.

13 CHMN. CHENAL: Member Woodall.

14 MEMBER WOODALL: That was a pretty exciting
15 topic, so I wanted to ask something kind of mundane,
16 which is the ever popular paint on the structures. Do
17 you know what it's going to be, or are you going to work
18 with the cities on that?

19 MR. SMEDLEY: No discussion to date. We would
20 work with the cities.

21 MEMBER WOODALL: All right. Thank you.

22 CHMN. CHENAL: We're at a little after 12, and
23 I'm wondering if this might be an appropriate place for
24 our lunch recess.

25 MR. OLEXA: I think this is an appropriate

1 place for a stoppage.

2 CHMN. CHENAL: I have some questions that I
3 think will take a while to answer, so I'll defer those
4 till after the lunch break.

5 What's the Committee's preference? An hour
6 lunch break? Is that -- I know there's --

7 MEMBER HAMWAY: What time are we going to break
8 today? 5?

9 CHMN. CHENAL: 5? Yeah. I guess some of that
10 will depend on how we're looking in terms of whether we
11 can complete this hearing by Tuesday or not. If we want
12 to go a little longer in order to give us a little more
13 flexibility, but I'm thinking 5.

14 MR. OLEXA: Mr. Chairman, I can tell you that
15 we don't have -- we probably have 20 minutes left of
16 this, and then you have two short witnesses. So these
17 are our last witnesses.

18 So we're clearly going to wrap it up today, it
19 looks like, in terms of -- I mean, not the route tour and
20 those other things, but in terms of testimony, I'm
21 confident that we'll finish this afternoon.

22 CHMN. CHENAL: Oh, okay.

23 All right. Well, then I think we have enough
24 time, then, to take an hour lunch break, and then we'll
25 resume a little after 1, then.

1 MEMBER WOODALL: And, Mr. Chairman, personally,
2 I don't know that a tour would be that helpful to me
3 based upon the flyover and the fact that much of this is
4 undeveloped land and the planned developments here. I
5 mean, there's nothing for us to see out there. So
6 personally, I don't feel the need for an actual tour.
7 The flyover and the mapping was very helpful to me, but
8 I'm just speaking for myself.

9 MEMBER PALMER: I'd like a tour.

10 CHMN. CHENAL: I think there are other
11 Committee members, including myself, that would like a
12 tour. So let's have a tour, but we can talk later today
13 about whether we want to make that Monday because it
14 looks like we're making significant progress here.

15 MR. OLEXA: We can make that Monday.

16 CHMN. CHENAL: Okay. So let's take our break,
17 and we'll come back a little after 1.

18 (A recess was taken from 12:08 p.m. to
19 1:16 p.m.)

20 CHMN. CHENAL: All right, everyone. Let's
21 resume the afternoon session of the hearing.

22 We left off with the panel. We talked about
23 having a witness from Queen Creek and then from the Inner
24 Loop Owners, but I think we can finish with the panel
25 based on what we believe the time it will take to do that

1 and cross-examination and any redirect, and then we can
2 pick up at that point with the Town of Queen Creek's
3 witness.

4 So, Mr. Olexa, if you want to proceed with your
5 panel.

6 MR. OLEXA: Thank you, Mr. Chairman.

7 Q. BY MR. OLEXA: Kenda, I think we left off with
8 you. Do you have -- or have you done a simulation for
9 the central portion?

10 A. (BY MS. POLLIO) Yes, we have.

11 So on Exhibit SRP-038, you can see there is a
12 KOP, or key observation point, No. 3. And that is
13 located right here where I'm pointing on 038.

14 Exhibit SRP-042 is a simulation. This key
15 observation point where the photo was taken looking
16 northeast onto State Route 24, it was taken from
17 Ellsworth Road.

18 So you can see in the existing view, which is
19 the top portion of 042, State Route 24 is in the
20 background, and Ellsworth Road is in the foreground.
21 Then you can also see on the bottom of the photo the
22 simulated structures are in here along the south side of
23 State Route 24.

24 Q. Grant, I would like to now move to the southern
25 portion of the route along Crismon Road. Please go ahead

1 and do the Google flyover for that portion of the route.

2 A. (BY MR. SMEDLEY) Sure. So we'll just advance
3 a little bit here. So that, as you all recall, was the
4 future 24 alignment. And then where you see this dot on
5 the map is where Crismon Road begins.

6 So go ahead and press "play," please. Thank
7 you.

8 So we're following the future SR-24 corridor up
9 to the point where you see the dot on the map, and then
10 the alignment travels south from that point on Crismon
11 Road alignment.

12 So the parcels on both sides of Crismon Road
13 are currently either vacant or they have agricultural
14 crop-raising operations on them.

15 The east side of Crismon Road is relatively
16 clear. The alignment is straightforward.

17 The land parcel on the west side is clear until
18 you reach about Pecos Road. I'm sorry, it's further
19 south of Pecos Road, but it's -- the parcel that is on
20 Pecos -- between Pecos and Germann Road on Crismon, which
21 you're starting to see here, is the property I mentioned
22 earlier that's owned by Harris Cattle Company. We've
23 spoken with the owner of the business, Mr. Kevin
24 Salamandra. He's actually in the audience.

25 There's a house in one of -- his foreman

1 lives -- it's a little hard to see on this map, but I'll
2 just kind of point at the location there.

3 So that was the other example of where
4 Mr. Sundlof described this morning. We would cross --
5 either locate exclusively on the east side of Crismon
6 Road all the way down, or we would want to cross Crismon
7 to get to the east side at that point as to avoid the
8 house.

9 And then if you continue going south along
10 Crismon Road, you see the Vlachos Nursery to the east,
11 and then the parcel on the west is owned by Jorde Farms.
12 It's currently vacant.

13 And then we would end up at P14, which is the
14 future Abel-Ball-Pfister corridor where we would
15 interconnect. And so, again, we would like to be on
16 either the east or the west -- have the option to be on
17 the east or west side of Crismon Road so as to be able to
18 facilitate the connection to Abel-Ball-Pfister in the
19 future.

20 Q. Grant, do you have any other comments about the
21 southern alignment?

22 A. (BY MR. SMEDLEY) I would say there's a pretty
23 good general consensus among the municipalities and
24 stakeholders in this area that Crismon is the best
25 alignment for the project compared to some of the other

1 options that we considered that were mentioned by
2 Mrs. Pollio earlier.

3 Q. Kenda, do you have a simulation for the
4 southern portion of the route?

5 A. (BY MS. POLLIO) Yes. This is our last
6 simulation, and it is key observation point No. 4. It's
7 located on SRP-038, and you can see it where I'm
8 pointing.

9 And SRP-043 is the simulation, and you can see
10 the existing view in the northern or the upper portion of
11 the photograph.

12 This is -- you can see where it's taken, it's
13 taken on a future -- it's a future road alignment for
14 Williams Field Road, and it's looking southwest. So you
15 can see kind of the simulation, and we were trying to be
16 able to show a simulation down kind of Crismon Road so
17 you could see the alignment running down Crismon Road.
18 And so you can see the simulated structures in the bottom
19 portion of SRP-043.

20 CHMN. CHENAL: Member Woodall.

21 MEMBER WOODALL: Ms. Pollio, what distance were
22 you using spans between the poles for purposes of your
23 simulation?

24 MR. SMEDLEY: I think it was 400 to 600 feet in
25 that area.

1 MEMBER WOODALL: Is that what you're
2 anticipating in that area?

3 MR. SMEDLEY: Yes, ma'am.

4 MEMBER WOODALL: And is that going to be
5 consistent throughout the project?

6 MR. SMEDLEY: Actually, yes, ma'am.

7 MEMBER WOODALL: Thank you, sir.

8 Q. BY MR. OLEXA: Grant, have you prepared
9 simulations of the typical structure configurations?

10 A. (BY MR. SMEDLEY) Yes. Exhibit SRP-44 shows a
11 series of tangent structures, which is the typical type
12 of structure that's used where a transmission line is in
13 an approximate straight line. The height of the
14 structure will depend upon the configuration and the span
15 length and the FAA requirements that may be applicable.

16 Generally, for this project, the typical pole
17 heights range from 100 to 150 feet.

18 Q. Is it possible that SRP might use an H-frame
19 structure?

20 A. (BY MR. SMEDLEY) It is unlikely given the
21 determination that we received yesterday from the FAA.
22 The H-frame structure was originally an option because it
23 would allow us to reduce our heights further and avoid
24 what was originally perceived to be a potential FAA
25 surface issue.

1 Exhibit SRP-45 was a simulation of typical
2 H-frame structure. But, as I said, the FAA determination
3 confirms that we do not need to use the H-frame
4 structure.

5 Q. Kenda, have you compared the entire project and
6 proposed alternatives to the environmental factors set
7 out in Arizona law, particularly those set forth in
8 section 40-360.06?

9 A. (BY MS. POLLIO) Yes, I have.

10 Q. And what are your conclusions in that regard?

11 A. (BY MS. POLLIO) It is my professional
12 conclusion that the project is acceptable under all the
13 criteria listed in the statutes. Specifically, we are --
14 the project is suitable in respect to plans for
15 development in the vicinity. There's no impact to fish,
16 wildlife, and plant life. There are no appreciable noise
17 or interference with communication signals. The site is
18 not naturally available for recreational purposes. There
19 is no appreciable interference with existing scenic
20 areas, historic sites and structures, or archeological
21 sites.

22 The project is compatible with the total
23 environment of the area, and the project meets applicable
24 government standards, specifically FAA standards.

25 Exhibit SRP-046 also has identified the

1 environmental criteria generally, and you can see the
2 items identified in blue are really the key factors that
3 were analyzed as part of this application in this area.
4 And we also identified what we looked at to determine --
5 or what the criteria was to determine that the project
6 was compatible and consistent with environmental
7 regulations.

8 CHMN. CHENAL: Member Noland.

9 MEMBER NOLAND: Thank you, Mr. Chairman.

10 Kenda, there were two letters, one from the
11 Hopi Tribe and one from the Gila River Communities. And
12 they stated that in the study area -- now, not
13 necessarily the proposed route, but the study area, there
14 were 70-plus potential cultural sites.

15 Do you know if any of those sites are now
16 located along the proposed alignment?

17 MS. POLLIO: So very good question, and we'll
18 go to the next exhibit, because that's where we were
19 going, because I don't want to take Garrett's question
20 away.

21 Q. BY MR. OLEXA: Go ahead. Exhibit 52, why don't
22 you go ahead and address that.

23 A. (BY MS. POLLIO) Yeah. So in Exhibit 52, we do
24 identify two letters that were provided by the tribes.
25 We do conduct a Class I database search.

1 So a Class I search is where -- just what you
2 identified, where we go and we look at any previous data
3 that is -- we're aware of for cultural resources. We
4 gather that data. It's called the Class I. And we
5 submit that to the tribes as well as State Historic
6 Preservation Office.

7 As a response to that submittal, us letting
8 them review it, these two tribes, specifically the Gila
9 River Indian Community as well as the Hopi Tribe,
10 provided comments. Both letters provided similar
11 comments. As you just identified, there are potential
12 archeological sites in the region. Most of those are not
13 along the routes. Most of the area along the routes are
14 very disturbed, so that's a good thing.

15 But there are several places where there could
16 be a likely occurrence of cultural sites. However, they
17 don't seem to be large and, therefore, could be spanned,
18 so poles could be moved to avoid those.

19 I think the conclusion of the letters were a
20 pedestrian survey, which is what we typically do prior to
21 construction to make sure that we can avoid impacts to
22 those cultural resources.

23 MEMBER NOLAND: Thank you.

24 Q. BY MR. OLEXA: Kenda, do you have any
25 additional jurisdictional letters that have come in since

1 the application was filed?

2 A. (BY MS. POLLIO) Yes. Exhibit 053 is a letter
3 from the City of Mesa to the FAA providing comments to
4 SRP's application that was filed with the FAA.

5 Exhibit 054 is a letter from Vlachos
6 Enterprises and D&M Land Holding Company supporting the
7 Crismon Road alignment.

8 I also had mentioned that Exhibit SRP-55 --
9 this is more to your question -- is the letters of
10 support or the resolutions from the City of Mesa and the
11 Town of Queen Creek. So those are all the letters that
12 have come in subsequent to filing.

13 Q. Thank you.

14 CHMN. CHENAL: May I just follow up with you,
15 Mrs. Pollio, on the Gila River Indian Community. And I
16 apologize, you may have answered this.

17 But they're basically asking for more
18 information. And can you just address that again --

19 MS. POLLIO: Yeah.

20 CHMN. CHENAL: -- I mean, how that will take
21 place. I understand certain poles could be moved to
22 avoid certain cultural areas, but they're asking for more
23 information, and I just want to make sure that I'm clear
24 on that.

25 MS. POLLIO: Yes. So the process that we

1 typically conduct is conducting the Class I survey, which
2 is what we did, that provides all the information that
3 has previously been identified in the region. So that's
4 where these larger sites are or where they identify all
5 of these number of sites in the entire project study
6 area, so it's in the larger area.

7 Then, typically, what we do is prior to
8 construction when we know exactly where the route is, we
9 will go out to a pedestrian Class III. And that
10 literally is where archeologists walk, transect, so there
11 is one or two archeologists that walk the route together,
12 and they identify on the ground if they see anything.
13 They put that into a report, and then we will share that
14 with those same tribes as well as the State Historic
15 Preservation Office. That is that additional information
16 that they are requesting.

17 What we typically do, though, is when we do our
18 Class III report and send that to them, we're able to
19 tell them the exact location of the structures or the
20 ground disturbance. Because transmission lines have the
21 large spans, typically, we could move a pole outside of
22 an area if it was a significant cultural site.

23 The tribes and the State Historic Preservation
24 Office will weigh in and, you know, consult to determine
25 that everyone is good with the way the project is

1 designed and that we're able to minimize impacts to any
2 cultural resources.

3 CHMN. CHENAL: This is just for my background
4 knowledge, I'm just curious more than anything, but if
5 you came upon a -- I mean, I'll make it up -- a small pit
6 house. You know, probably not in that area, but let's
7 assume it's there, but it could be spanned with the
8 poles?

9 MS. POLLIO: Yes.

10 CHMN. CHENAL: How far away do the poles have
11 to be from an area that's maybe 20-foot diameter, 50-foot
12 diameter?

13 MS. POLLIO: So we have -- it really depends on
14 the nature of the historic resource. So in some
15 instances, the tribes will suggest or SHPO, State
16 Historic Preservation Office, will ask that there is a
17 buffer. But, generally, it really is that historic
18 resource -- historic or cultural resource they want
19 avoided. So there's been many occasions where we've
20 consulted, and the pole has been very close to them. But
21 in some cases, because it may be more significant, it
22 would be farther away.

23 This area, typically, the more significant
24 resources are near water features. That's where more of
25 the traditional tribal resources are.

1 In this area with all of the ground disturbance
2 and the linear features that are out there, we do not
3 expect anything significant.

4 CHMN. CHENAL: Okay. Thank you.

5 Q. BY MR. OLEXA: Grant, can you provide an
6 estimate of the total project cost.

7 A. (BY MR. SMEDLEY) Yes. We estimate the total
8 cost of the project, including the substation, will be
9 approximately \$60 million. Please note that this is a
10 preliminary high-level estimate that's contingent on a
11 number of factors, including, among other things, which
12 route is ultimately approved, the FAA determination, the
13 final line design, the cost and materials at the time of
14 construction, and land costs.

15 Q. Grant, what is the --

16 CHMN. CHENAL: Member Woodall.

17 Excuse me.

18 MEMBER WOODALL: Can you explain to me why --
19 on the northern alignment near the 202, why the east side
20 is going to be about 2 and a half million dollars cheaper
21 than the other side?

22 MR. SMEDLEY: It's largely the freeway crossing
23 that accounts for that. So to cross the freeway, it
24 costs about a million dollars. That's part of that cost
25 difference. The rest may just be minor distance in the

1 line or certain structures.

2 MEMBER WOODALL: Thank you, sir.

3 Q. BY MR. OLEXA: Grant, what is the term of the
4 CEC that SRP is requesting?

5 A. (BY MR. SMEDLEY) SRP is requesting ten years.
6 We expect to begin construction earlier than that, but
7 it's, of course, possible that the development we
8 anticipate will not materialize as quickly as expected.
9 In that event, we delay the start of construction. So
10 ten years does give us a comfortable margin.

11 I do want to explain the term a little bit
12 more. As discussed, SRP is tasked with anticipating
13 future load and building the needed facilities in advance
14 of that load. We have an obligation to serve load, but
15 we also have a responsibility to minimize costs and
16 manage our customers' prices. And so we always want to
17 leave the opportunity to put off construction in the
18 event that the expected load is not materializing.

19 It's important that we select to site the
20 facilities at an early time. This gives municipalities,
21 landowners and developers, and other members of the
22 public knowledge of where the facilities will be located
23 and build so that development can proceed accordingly.
24 This will allow us to coordinate with other development
25 in the area and ensure that our lines are factored into

1 future plans. We do that by providing public notice in a
2 number of different ways, including direct notice to the
3 jurisdictions and signs along the route. Overall, in
4 this case, we expect to build soon; but we do want to
5 have some flexibility, and that's why we requested ten
6 years.

7 Q. Grant, have you provided public notice of this
8 hearing and the application?

9 A. (BY MR. SMEDLEY) Yes. We published notices of
10 the hearing in the Arizona Republic on August 7th and in
11 the Phoenix Business Journal on August 3rd.

12 This is Exhibit SRP-50 in your package. We
13 distributed copies of the application in the Mesa Public
14 Library, the Queen Creek Public Library, and ASU
15 Polytechnic Library. The signs were erected along the
16 proposed alignments on August 6th. The signs are in the
17 format as depicted on Exhibit SRP-47. To put this in
18 perspective, the signs are 4 feet by 6 feet in size.
19 These signs were posted on the locations shown on
20 Exhibit SRP-48.

21 Q. Grant, have you prepared a suggested route tour
22 for the Committee's consideration?

23 A. (BY MR. SMEDLEY) Yes, we have. Exhibit SRP-49
24 is a suggested route tour, which I understand has been
25 requested by the Committee. I would like to take all of

1 the Committee members and the court reporter in a large
2 van. Others can follow behind the van. We would plan to
3 drive the entire proposed route and will stop at the six
4 points that are shown on this map. And we would allow
5 the Committee members to see the proposed route and ask
6 any questions. The route tour will take approximately
7 three hours.

8 Q. And the route tour is -- the map that you are
9 referring to is Exhibit SRP-49?

10 A. (BY MR. SMEDLEY) Yes. Thank you.
11 SRP Exhibit 49. And the stopping points are a little
12 hard to see, but I believe that's an exhibit in your
13 package, and you can zoom in on those.

14 Q. Grant, do you have anything else you would like
15 to add?

16 A. (BY MR. SMEDLEY) Just on behalf of SRP, I just
17 want to thank the Committee for considering this
18 application and the proposed CEC.

19 MR. OLEXA: That's all the direct I have for
20 this panel.

21 CHMN. CHENAL: Member Riggins.

22 MEMBER RIGGINS: Is there a -- does ADOT have
23 an estimated time frame of completion for that section of
24 SR-24 from Ellsworth to --

25 MR. SMEDLEY: So what they've told us as of the

1 most recent discussions we've had with them is they are
2 starting the design for that portion later this year.
3 They plan to build it in phases, so they're going to
4 build the outside lanes first, and then they're going to
5 build the inside lanes is what we understand. They're
6 going to build part of it in the next ten years, and
7 then, I think, the rest is going to take even longer. So
8 I would say it's at least a ten-year construction time
9 frame.

10 MEMBER RIGGINS: And based on -- so if they
11 start with those outside lanes, does that impact when
12 this project would be able to start as far as determining
13 where the right-of-way would be?

14 MR. SMEDLEY: Well, we will need to coordinate
15 with them for certain -- we're going to be working very
16 closely with them. We're going to be attending their
17 design meetings. And as soon as we can fix that southern
18 edge of the freeway right-of-way and boundary, that's
19 when we'll be able to determine where our pole placement
20 can be.

21 MEMBER RIGGINS: Thank you.

22 CHMN. CHENAL: I have a couple of questions.
23 Tell me again the project cost.

24 MR. SMEDLEY: The total cost is about
25 \$60 million.

1 CHMN. CHENAL: Okay.

2 So I have a burning desire to know the answer
3 to this. What I understand from Mr. Pittman's testimony
4 yesterday, that it was just yesterday that the FAA made a
5 final determination that, in fact, there would be no
6 adverse determination by any of the structures
7 penetrating the plane based on their analysis. And it
8 was only as of yesterday that that was determined.

9 And I also understand -- remember from his
10 testimony that he said but for that new methodology and
11 that determination, this development may have been a very
12 problematic matter prior to that determination having
13 been made because there would be penetration and the FAA
14 would have to, perhaps, redefine the decision heights and
15 things like that, and they may not have allowed that to
16 proceed.

17 So based on that, my takeaway from that is that
18 but for that determination made by the FAA, it was very
19 risky for this project to be constructed.

20 MR. SMEDLEY: So we actually, in working with
21 Mr. Pittman, were proceeding along the lines of -- with
22 the assumption that we would need to work with the FAA
23 and the airport to change that procedure that was in
24 question that was the result of us exceeding that
25 surface.

1 We understood that it was a procedure that was
2 relatively seldom used and that there was an opportunity
3 to be able to change that procedure through a public
4 process. We were going to pursue that concurrent with
5 this application, and we wanted to pursue them
6 concurrently because of the speed of development in this
7 area. So we felt it was still appropriate to move
8 forward.

9 We had also identified a plan for building
10 shorter poles so that we would --

11 CHMN. CHENAL: I'm sorry. Can you repeat that?

12 MR. SMEDLEY: We had also developed a plan for
13 building shorter poles so that we would not penetrate
14 those -- what we understood to be the FAA surfaces before
15 the new ones that we had talked about yesterday.

16 So we had various options in place and were
17 still planning to proceed with the project knowing that
18 we had all of those options, that we still had a way to
19 feasibly build it.

20 CHMN. CHENAL: Okay.

21 MR. SMEDLEY: Did I answer your question?

22 CHMN. CHENAL: Yes, you did. I note that the
23 applicant had made the determination to adopt
24 construction along the southwest side of Route 24 before
25 that determination was made by the FAA. I'm not sure

1 whether it was the southwest or the northwest portion
2 along Route 24 or whether that would have affected the
3 FAA analysis that much. Probably a little based on the 7
4 to 1 slope, but I'm not sure, you know, that even on the
5 east side or the northwest side, I should say, of Route
6 24 that there would not have been problems using the old
7 methodology, but -- that answered the question.

8 I just thought it was interesting that --
9 according to the takeaway that I got from his
10 testimony -- was that there were issues with this project
11 going forward, at least until the FAA made its
12 determination. That took a lot of pressure off the
13 applicant, it seems to me.

14 MR. SMEDLEY: Just to clarify, make sure I
15 explain this properly, the determination was made on our
16 more standard pole heights, so it allowed us to move
17 forward. But we had designed -- or we had an option with
18 the shorter poles that we believe also would have been
19 acceptable to the FAA, and so we felt like we had enough
20 options to move forward.

21 CHMN. CHENAL: All right. Very good.

22 Member Woodall.

23 MEMBER WOODALL: So, Ms. Pollio or Mr. Smedley
24 or Ms. Vaske, was there some precipitating event that
25 resulted in the supplement to the original application

1 that occurred just two days later?

2 MR. SMEDLEY: We were doing some due diligence
3 on our engineering design work, so we were looking at the
4 shorter pole option that I just described, but those
5 poles are very short. They're close to the shortest type
6 of pole you could build at the 230kV level.

7 So we really wanted to make certain that we had
8 done the proper survey data gathering, for example, and
9 that we had a third party review it and make sure that we
10 believed it was feasible before we wanted to remove that
11 north option from the map.

12 MEMBER WOODALL: So the precipitating event was
13 an awareness from the engineering department that maybe
14 this really is going to be kind of more challenging to
15 develop?

16 MR. SMEDLEY: It was confirmation from the
17 engineering side that we could build the shorter poles on
18 the south side of the freeway; therefore, removing the
19 north side was appropriate we felt at that time.

20 MEMBER WOODALL: So it was an engineering
21 reason that you made your change?

22 MR. SMEDLEY: Correct, yes.

23 MEMBER WOODALL: Okay. Thank you.

24 CHMN. CHENAL: All right. Any other questions
25 from -- Member Villegas.

1 MEMBER VILLEGAS: Just a quick question. In
2 regards to the reaching-out effort that you guys did, was
3 the County contacted in regards to this, and did they
4 provide any input?

5 MR. SMEDLEY: Yes. We spoke with both the
6 County supervisors and the jurisdictions in this area.
7 We met with them actually, I think, twice each and
8 briefed them on the project, and they understood the need
9 for it and generally supported it.

10 MEMBER VILLEGAS: Thank you.

11 CHMN. CHENAL: Member Hamway.

12 MEMBER HAMWAY: So you've used the term
13 "methodology" and "decision" when you're talking about
14 the FAA.

15 So the methodology is changing where the poles
16 were and penetrating that plane. So that was a new
17 methodology; right? Is that the finding that was found
18 yesterday, that you could use the new methodology?

19 MR. SMEDLEY: So yesterday's decision from the
20 FAA was that our proposed standard pole heights could be
21 built on this project, and they confirmed that -- if
22 you're referring to the new surfaces that we showed in
23 that map, that yes, those are the appropriate surfaces.

24 MEMBER HAMWAY: Okay. But then you also talked
25 about needing a new procedure from the FAA. So I've just

1 been kind of confused on the procedure versus the
2 methodology.

3 MR. SMEDLEY: Okay. So the procedure was only
4 going to be necessary if the old methodology were
5 applicable. The new methodology does not need it.

6 MEMBER HAMWAY: And that was the decision on no
7 or no-go for the altitude; is that right? Was that the
8 decision that --

9 MR. SMEDLEY: Correct. Yes, that's correct.

10 MEMBER HAMWAY: So you didn't need the new
11 procedure because you were using the new methodology?

12 MR. SMEDLEY: That's correct.

13 MEMBER HAMWAY: Okay. Sorry, I was confused on
14 that.

15 MR. SMEDLEY: It's a confusing topic.

16 CHMN. CHENAL: Any further questions from the
17 Committee?

18 (No response.)

19 CHMN. CHENAL: Okay. Mr. Cloar, do you have
20 any questions?

21 MR. CLOAR: Just a few, Mr. Chairman.

22

23 CROSS-EXAMINATION

24 BY MR. CLOAR:

25 Q. I confess I've never cross-examined three

1 people at once before, but I believe all of these
2 questions are properly directed to Mr. Smedley. And if
3 they're not, just let me know.

4 Mr. Smedley, you're aware that there is
5 pre-existing, already-built 69kV power lines along
6 Crismon Road on the east side south of Germann; correct?

7 A. (BY MR. SMEDLEY) Yes, sir.

8 Q. And SRP is committed to building the requested
9 230 kilovolt power line and collocating those with the
10 existing 69kV line?

11 A. (BY MR. SMEDLEY) Yes, sir.

12 Q. And you understand that's part of the Town's
13 reason for supporting the proposed alignment?

14 A. (BY MR. SMEDLEY) Yes, sir.

15 Q. Do you recall that Mr. Heim, during his
16 testimony, testified that that collocation is not only
17 feasible from an engineering perspective but is, quote,
18 standard practice, close quote?

19 A. (BY MR. SMEDLEY) Yes.

20 Q. Is that your understanding as well?

21 A. (BY MR. SMEDLEY) Yes. We routinely do that in
22 places where we can.

23 Q. But you're aware that SRP, in its applications,
24 requested a 300-foot corridor from centerline on either
25 side of Crismon Road?

1 A. (BY MR. SMEDLEY) Yes. Well, except that, as
2 Mr. Sundlof clarified this morning, we await the
3 Committee's feedback on whether a corridor is the most
4 appropriate approach.

5 Q. Okay. But it seems reasonable for the -- would
6 you agree that it seems reasonable for the CEC to contain
7 some language reaffirming SRP's commitment to collocate
8 the 69kV line and the 230kV line?

9 A. (BY MR. SMEDLEY) I think that would be
10 acceptable.

11 MR. CLOAR: Okay. I have nothing further.

12 CHMN. CHENAL: Mr. Rich.

13 MR. RICH: Yes. Thank you. Just a few
14 questions. I think I'll go up there to make it easy for
15 all to see.

16 CHMN. CHENAL: Sure.

17 MR. RICH: Good afternoon.

18 I wonder if it's possible to get up on the
19 screen the route tour on the west side, just the end of
20 it. Is that -- I hate to catch you off guard. Sorry.
21 Along the 202. It was the very first portion.

22 MR. SMEDLEY: The Google flyover, west side.

23 MR. RICH: Thank you.

24 MR. SMEDLEY: Yeah, the flyover.

25 MR. RICH: That's actually fine right there.

1 And if it's possible to get on the left screen what we've
2 identified as Inner Loop No. 1.

3 Thank you so much I appreciate it. That was
4 great. Thank you.

5

6

CROSS-EXAMINATION

7 BY MR. RICH:

8 Q. So I want to ask some questions down -- we're
9 looking at the flyover tour, and I'm asking questions
10 about the area where the route along the west side of the
11 Loop 202 would cross the Loop 202. Do you see where I'm
12 referring to? I think these are for Mr. Smedley mostly,
13 so anyone else jump in.

14 But do you know where this first -- there's a
15 left-hand turn or a turn to the east that would be made
16 as the western route -- the west side of the Loop 202
17 proceeds south.

18 Do you know where on Inner Loop No. 1 that turn
19 would be? Can you show us on that map where that would
20 be?

21 A. (BY MR. SMEDLEY) I'm thinking it would
22 probably be where I'm pointing. So I'm now on
23 Exhibit Inner Loop 001, and I'm pointing kind of in the
24 general area.

25 I would say, though, just to point this out,

1 Mr. Rich, that we're saying generally we would be
2 crossing at a point 1,000 to 1,500 feet north of Warner
3 Road. Again, there's some flexibility there, but that's
4 generally the location.

5 Q. And, for the record, would it be accurate to
6 say that you were pointing on Inner Loop Exhibit No. 1
7 into -- there's an area that's purple towards the
8 southern point that's still within the loop there just
9 north of Warner Road. Is that a fair way of describing
10 where you were pointing?

11 A. (BY MR. SMEDLEY) So for my -- am I allowed to
12 ask a question?

13 Q. By all means. Help me clarify my question.

14 CHMN. CHENAL: Let's turn this around on
15 Mr. Rich.

16 MR. SMEDLEY: I'm sorry. I'm not as familiar
17 with your exhibit. Is this Warner Road right here?

18 Q. BY MR. RICH: You'll notice on the left here it
19 says "Warner Road" and so that --

20 A. (BY MR. SMEDLEY) I can't see that. It's
21 probably just my eyes. I also don't know the scale of
22 this map, so I'm not 100 percent sure I can tell you
23 exactly where that crossing is, but ...

24 Sorry, that's --

25 Q. And for reference, I'm pointing out here sort

1 of the interchange. You can see as the line comes down
2 here. Does that help to you identify it with any more
3 specificity?

4 A. (BY MR. SMEDLEY) A little bit. I'm still a
5 little unsure where our crossing honestly would be
6 relative to that purple parcel, but ...

7 Q. Let's move on a little further.

8 When you make that turn to the east, which you
9 don't want to make because you want to be on the other
10 side of the road anyway, when and if you were to make
11 that turn to the east, what would that structure look
12 like there? Is it a normal pole or is it something
13 different?

14 A. It would probably be a turning structure, so it
15 would be a larger diameter pole that would have dead ends
16 that would facilitate that turn.

17 Q. Is it a single-pole or is it a multi-pole
18 turning structure?

19 A. (BY MR. SMEDLEY) I'm not sure. I think it's a
20 single-pole.

21 Q. And do you know if the -- would that require a
22 wider right-of-way in that area?

23 A. (BY MR. SMEDLEY) No.

24 Q. All right. So that pole there, you would have
25 a left-hand or an easterly turn to cross the freeway, and

1 then you would have another turning structure or pole on
2 the other side of the freeway to then turn south again;
3 correct?

4 A. (BY MR. SMEDLEY) That's correct.

5 Q. And neither of those turning structures would
6 be necessary if the alignment were on the east side of
7 the freeway; correct?

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

9 MR. RICH: Do you have, and maybe we can put
10 this up there, Inner Loop No. 2?

11 Q. BY MR. RICH: Are you familiar with this
12 Exhibit, Mr. Smedley?

13 A. (BY MR. SMEDLEY) Yes, sir.

14 Q. And can you identify for the record what that
15 is?

16 A. (BY MR. SMEDLEY) This exhibit is an email from
17 the Deputy Commissioner of the State Land Department,
18 Wesley Mehl, to me. And it clarifies the State Land
19 Department's position that based our support of the east
20 side of the Loop 202 as the alignment for this project.
21 Previously, they were indicating they would be
22 comfortable with either side.

23 Q. Great. Thank you. And do you know if this
24 email is in the record as one of SRP's exhibits?

25 A. (BY MR. SMEDLEY) I don't believe it is.

1 Q. Okay. And I know there was -- Ms. Pollio
2 talked about some communications that were received after
3 the date of the application. This was received after the
4 date of the application; correct?

5 A. (BY MR. SMEDLEY) Yes.

6 Q. And to the best of your knowledge, this is a
7 true and accurate copy of the email that you received?

8 A. (BY MR. SMEDLEY) Yes.

9 MR. RICH: Your Honor, if I could just move the
10 admittance of Inner Loop Exhibit 2 at this time.

11 CHMN. CHENAL: Any objections?

12 MR. OLEXA: No objection.

13 CHMN. CHENAL: Hearing none, Inner Loop
14 Exhibit No. 2 is admitted.

15 (Exhibit IL-2 was admitted.)

16 MR. RICH: And that's all the questions I have.
17 Thank you very much.

18 CHMN. CHENAL: Mr. Artigue, do you have any
19 questions?

20 MR. ARTIGUE: Just one minute, Your Honor.

21 I'm going to step up here, too, because the
22 projectors and the court reporter are right in my line of
23 sight of the witnesses.

24 Actually, if I could have Exhibit SRP-41,
25 please.

1 CROSS-EXAMINATION

2 BY MR. ARTIGUE:

3 Q. I think this is for Mr. Smedley.

4 You recall, Mr. Smedley, you testified that on
5 August 3rd, SRP withdrew the application with respect to
6 the north side of State Route 24 because of opposition
7 from various parties, including my client. Do you recall
8 that?

9 A. (BY MR. SMEDLEY) Yes.

10 Q. And I think you testified that the party who
11 owns the property on the south side or the southwest side
12 is Pacific Proving, LLC. Do you recall that?

13 A. (BY MR. SMEDLEY) Yes.

14 Q. Can you tell the Committee what the preference
15 or position of Pacific Proving is with respect to this
16 application?

17 A. (BY MR. SMEDLEY) Our understanding is that
18 they're supportive of the south side route.

19 MR. ARTIGUE: That's all I have.

20 CHMN. CHENAL: Thank you.

21 Mr. Taebel, do you have any questions?

22 Mr. TAEBEL: No questions.

23 CHMN. CHENAL: All right. Any further
24 redirect?

25 MR. OLEXA: Mr. Chairman, just a couple of

1 follow-up questions for Mr. Smedley.

2

3

REDIRECT EXAMINATION

4 BY MR. OLEXA:

5 Q. Grant, the Chairman had asked you a couple of
6 questions related to the FAA and the application, and I
7 just want to clarify some things.

8 SRP, as you understand it, was planning to
9 build the project even if the FAA did not issue a
10 favorable determination; correct?

11 A. (BY MR. SMEDLEY) Yes. I mean, we would need
12 FAA approval ultimately, but the FAA could have issued
13 what they call a Notice of Presumed Hazard, which isn't
14 necessarily a -- doesn't mean the project is denied. It
15 means that they would go through a process to further
16 review the project in the public domain.

17 Q. What I was trying to clarify was on the
18 southwest side of the 24, you had indicated that SRP
19 engineers figured out that it was feasible to build lower
20 pole heights; correct?

21 A. (BY MR. SMEDLEY) That's correct.

22 Q. And it was still going to be 230kV; correct?

23 A. (BY MR. SMEDLEY) Yes, sir.

24 Q. And it would have been, what, roughly 70 to 75
25 feet, something in that range?

1 A. (BY MR. SMEDLEY) That's correct, yes.

2 Q. Okay. And had SRP spoken with Mr. Pittman and
3 his office and confirmed that at 70 to 75 feet, that
4 you're not going to interfere with any of the surfaces?

5 A. (BY MR. SMEDLEY) That's correct. I see where
6 you're going with your original question now.

7 So we would have proceeded with that
8 alternative rather than pursuing necessarily the FAA
9 process. So we had a solution that would work even if
10 FAA had not approved the application we originally
11 submitted with the higher poles.

12 Q. So SRP wasn't coming here waiting on a
13 determination from the FAA; is that correct?

14 A. (BY MR. SMEDLEY) That is correct.

15 Q. SRP had sought FAA approval of the higher pole
16 heights because that's typically the standard heights;
17 correct?

18 A. (BY MR. SMEDLEY) That's correct.

19 MEMBER HAMWAY: Can I ask a question, Chairman?

20 CHMN. CHENAL: Member Hamway.

21 MEMBER HAMWAY: So based on what Mr. Olexa just
22 said, you didn't need a new procedure and you also didn't
23 need a new methodology?

24 MR. SMEDLEY: That's correct. We had a plan
25 that would work if neither of those things happened.

1 MEMBER HAMWAY: Okay.

2 MR. OLEXA: Those are all the questions I had
3 for Mr. Smedley. Thank you.

4 CHMN. CHENAL: Member Woodall.

5 MEMBER WOODALL: Is anybody testifying before
6 us for the first time today?

7 (Two hands were raised.)

8 MEMBER WOODALL: Well, well done, and we look
9 forward to seeing you again real soon. Thank you so
10 much.

11 CHMN. CHENAL: Thanks very much.

12 MR. OLEXA: Mr. Chairman, I would just say that
13 we'd like to leave open the possibility Monday of
14 recalling one or more of these witnesses. We understand
15 that there were some questions that were asked by the
16 Committee here today that the witnesses did not have
17 immediate answers to, and we believe that come Monday, we
18 may be able to provide some of those answers.

19 CHMN. CHENAL: Sure, absolutely.

20 Member Noland.

21 MEMBER NOLAND: And you brought up something
22 that I meant to ask. And I'm sure, Mr. Smedley, that you
23 probably don't have the answer to this one either, but
24 not because you aren't very smart.

25 MR. SMEDLEY: That's okay.

1 MEMBER NOLAND: It came up in the cross. On
2 Crismon Road, you have a 69kV line coming in from the
3 south; is that correct?

4 MR. SMEDLEY: So the 69 line that's in that
5 area goes along Germann, and then it goes south on
6 Crismon along the Vlachos property, the nursery property.

7 MEMBER NOLAND: Right.

8 Do you know what the right-of-way width is
9 there?

10 MR. SMEDLEY: I do not.

11 MEMBER NOLAND: See, I called that one. But if
12 you could try to find that out, I would appreciate it,
13 along with the Warner Road right-of-way width.

14 MR. SMEDLEY: Okay. Will do.

15 MEMBER NOLAND: Thank you.

16 CHMN. CHENAL: Any further questions from the
17 Committee?

18 (No response.)

19 CHMN. CHENAL: Okay, Mr. Olexa. Thank you for
20 the panel for testifying.

21 (The panel of witnesses was excused.)

22 MR. OLEXA: Mr. Chairman, we would like to move
23 into evidence all of the SRP exhibits, which are SRP-1
24 through SRP-57.

25 CHMN. CHENAL: Are there any objections by any

1 of the parties to admission of SRP-1 through 57?

2 (No response.)

3 CHMN. CHENAL: Hearing no objection, SRP
4 Exhibits 1 through 57 are admitted.

5 (Exhibits SRP-1 through SRP-57 were admitted,
6 except for Exhibits SRP-22, SRP-23, SRP-25, and SRP-27,
7 which were subsequently withdrawn by the applicant.)

8 MR. OLEXA: Thank you.

9 CHMN. CHENAL: Okay. Do you have any further
10 testimony that you're going to offer, Mr. Olexa, on
11 behalf of the applicant at this time?

12 MR. OLEXA: Not today, Your Honor.

13 CHMN. CHENAL: Okay. So then let's go to --
14 let me ask it this way. That wasn't a good question.

15 Do you have other testimony that you're
16 planning on offering, or is it mostly going to be, you
17 know, just to supplement what comes up in the other
18 parties' cases?

19 MR. OLEXA: It would largely be to supplement
20 what comes up in terms of questions from the other
21 parties' cases as well as questions from the Committee.

22 CHMN. CHENAL: Okay. And I guess we don't know
23 how much that's going to be at this point because we have
24 to see what the other witnesses that we'll get into right
25 now have to offer.

1 At this point, let's turn it over to Queen
2 Creek and counsel. They have a witness that they'd like
3 to take. So I thought this was going to be out of order,
4 but it doesn't sound like it is out of order. This is
5 the time when this would probably come up. SRP has
6 finished their case in chief.

7 MR. CLOAR: We appreciate the attempt at
8 accommodation anyway, Mr. Chairman.

9 Intervenor Town of Queen Creek calls Rob Sachs.
10 CHMN. CHENAL: Mr. Sachs, do you prefer an oath
11 or affirmation?

12 MR. SACHS: Either one.

13 CHMN. CHENAL: Okay. Let's do an oath.

14 (Robert Sachs was sworn by the Chairman.)

15 CHMN. CHENAL: Thank you very much.

16

17 ROBERT SACHS,
18 called as a witness on behalf of Town of Queen Creek,
19 having been previously sworn by the Chairman to speak the
20 truth and nothing but the truth, was examined and
21 testified as follows:

22

23 DIRECT EXAMINATION

24 BY MR. CLOAR:

25 Q. Good afternoon, Mr. Sachs. Because we don't

1 have a name tag for you, apparently, you're Kenda Pollio
2 for the day.

3 But would you state your name for the
4 Committee, please.

5 A. My name is Robert Sachs.

6 Q. Mr. Sachs, would it being okay if I called you
7 Rob for the duration of your testimony?

8 A. Please do.

9 Q. Rob, what's your position?

10 A. I'm the real estate right-of-way coordinator
11 for the Town of Queen Creek.

12 What does that position entail?

13 A. I handle all matters related to real estate for
14 all departments within the Town.

15 Q. How long have you held that position?

16 A. I have been in that position ten months now.

17 Q. What did you do before you came to work for the
18 Town of Queen Creek?

19 A. I worked for Maricopa County.

20 Q. In what position?

21 A. I was a senior right-of-way agent for 15 years.

22 Q. And what did that position entail?

23 A. It entailed acquisition, relocation, property
24 management, and facilities management of properties owned
25 by the County.

1 Q. And, Rob, you're testifying today as the Town's
2 authorized designee; correct?

3 A. I am, yes.

4 Q. All right. Rob, are you familiar with the
5 Town's North Specific Area Plan?

6 A. I am, yes.

7 Q. Is that what we submitted to the Committee as
8 Queen Creek Exhibit 1?

9 A. Yes.

10 MR. CLOAR: Mr. Chairman, we ask for the
11 admission of Queen Creek Exhibit 1 at this time.

12 CHMN. CHENAL: Any objection?

13 (No response.)

14 CHMN. CHENAL: No objection, Queen Creek 1 is
15 admitted.

16 (Exhibit TQC-1 was admitted.)

17 Q. BY MR. CLOAR: Rob, what is the North Specific
18 Area Plan?

19 A. North Specific Area Plan was a study that was
20 done based on input back in 2013 prior to the Town's
21 update of the general plan. It was to identify
22 specifically what was going to be the land uses and
23 potential future development for that northern area of
24 Queen Creek, which is the entrance, and the Gateway area
25 there.

1 It comprises roughly 1,920 acres in that plan
2 area, so it was kind of important because it's mostly
3 undeveloped and unplanned land at the time when the study
4 was done.

5 Q. All right. Is it fair to say that the North
6 Specific Area Plan is an integrated land use and
7 infrastructure plan?

8 A. It is, yes.

9 Q. And what type of uses is contemplated by the
10 North Specific Area Plan?

11 A. There's a majority -- a lot of uses planned for
12 it, but the majority of the uses are more high-tech
13 industrial-type uses along that corridor area, kind of
14 blending in with the Mesa area that has the high-tech and
15 industrial uses as well.

16 Q. Is the North Specific Area Plan integrated into
17 the Town's general plan?

18 A. It is. It was a tool used that when they came
19 to update the general plan in 2018 earlier this year,
20 they used that as a basis for updating that general area
21 of the general plan.

22 Q. So if there was disruption to the North
23 Specific Area Plan, would that have effects on the
24 general plan?

25 A. It would, yes. It trickles down to affect the

1 way the general plan is updated on a ten-year basis.

2 Q. All right. I know the angles are a little bit
3 difficult, but if you look on the left-hand screen, this
4 is a -- from page 10 of Exhibit 1, the North Specific
5 Area Plan. Can you see from where you are?

6 A. I can, yes.

7 Q. Okay. Can you indicate to the Committee where
8 the North Specific Area Plan is on that map?

9 A. The North Specific Area Plan is this area -- I
10 believe it's outlined in red, although it's difficult to
11 see the colors on the map.

12 Q. It is, very unfortunately, outlined in red.
13 You indicate on that map -- I know the map is
14 very busy and it's kind of small and it's not designed
15 for this purpose, but can you roughly indicate where you
16 think the proposed alignment is?

17 A. If I'm not mistaken, I believe that is Crismon
18 Road. It's difficult to see from this area where on the
19 map that is, but it's Crismon Road. It's a little more
20 apparent on the second map on the screen on the right,
21 but it is Crismon Road.

22 Q. You're getting a little bit ahead of me, but
23 let's go ahead.

24 The screen on the right is from page 12 of
25 Queen Creek Exhibit 1, the North Specific Area Plan. Can

1 you see where Crismon Road is on that map?

2 A. I can.

3 Q. Can you indicate it for the Committee?

4 A. It is this road right over here.

5 Q. And this map also indicates ownership of the
6 various parcels in the North Specific Area Plan area;
7 correct?

8 A. It does, yes.

9 Q. On the map, parcel 21 to the east of Crismon
10 Road, who owns that parcel?

11 A. That parcel right over there is owned by the
12 Vlachos family.

13 Q. And what about the three parcels to the east?

14 A. Those are also owned by the Vlachos family.

15 Q. Do you know if those are -- what use those
16 are intended -- what planned use there is for those four
17 parcels?

18 A. According to the North Specific Area Plan, it
19 was intended to be a 240-acre contiguous industrial-type
20 campus. The intention was either to do a single user on
21 a large campus or multiple smaller users but within a
22 large campus such as that one over there for 240 acres.

23 Q. Did SRP originally propose an alignment that
24 would interfere with that planned use?

25 A. They did. SRP had an original proposal to put

1 one of the alignments down Merrill Road, which would have
2 severed the property and kind of bifurcated it.

3 Q. That alignment would have interfered with the
4 North Specific Area Plan; right?

5 A. It would have, yes, and the Vlachos by default.

6 Q. Right. And the general plan by default as
7 well; correct?

8 A. Yes, that is correct.

9 Q. So based on all of that, does the Town believe
10 the Crismon Road alignment is the most compatible with
11 the North Specific Area Plan?

12 A. The Town does.

13 Q. And let's back up a little bit. Is it fair to
14 say that the North Specific Area Plan is designed to
15 attract sort of large energy-intensive uses?

16 A. It is, yes.

17 Q. Does the Town believe that those uses would
18 benefit from a sort of more reliable 230kV system?

19 A. They do believe that, yes.

20 Q. All right. One last thing, Mr. Sachs, before
21 we wrap up.

22 You're aware of the power lines that exist on
23 Crismon Road today; correct?

24 A. I'm sorry. Can you repeat that. I didn't
25 hear.

1 Q. Oh, sorry. Sure.

2 You're aware of the power lines that exist on
3 Crismon Road today; correct?

4 A. Yes.

5 Q. And they're on the east side?

6 A. They are. The 69kV line runs on the east side.

7 Q. And just out of curiosity, do you know what the
8 right-of-way is for those lines?

9 A. I do not.

10 Q. Okay. Would it be the Town's preference for
11 the 230kV lines that are being asked for in this case to
12 be run with the 69kV lines that currently exist on
13 Crismon?

14 A. It would. We would prefer to have them
15 underbuilt onto the 230kV line just to avoid having
16 multiple lines and multiple poles in the area.

17 MR. CLOAR: All right. I have nothing further.

18 CHMN. CHENAL: Thank you very much.

19 Anything further?

20 MR. CLOAR: Nothing further.

21 CHMN. CHENAL: Member Woodall.

22 MEMBER WOODALL: Sir, I realize that you're the
23 chief right-of -- I mean, you're in the right-of-way, but
24 can you explain to me how the Town goes about taking into
25 account the need for electric utility infrastructure when

1 it does its general plan or the specific area plan that
2 you've been talking about? If you can kind of tell me
3 how you take it into account.

4 MR. SACHS: We are handling our utility needs
5 on a case-by-case basis. Unfortunately, we're a young
6 town. We're growing. We have plans in place, but we
7 handle them basically case by case at this point in time.

8 About ten years ago, SRP sited the Abel-Moody
9 line further to the south that runs through Queen Creek.
10 We do use part of that as part of our utility grid
11 system, and we're planning on using a portion of the new
12 Southeast Power Link to accommodate that as well and
13 connect the two.

14 MEMBER WOODALL: What do you think would be an
15 ideal way for a town or municipality to incorporate
16 electrical infrastructure into its planning? Do you
17 think that it could be done from a general planning
18 perspective, or is it your sense that it would have to be
19 done case by case? I'm just curious because the Town
20 knows that they're going to need a lot of electrical load
21 there, so how would you incorporate that in an ideal
22 world?

23 MR. SACHS: In an ideal world, everything would
24 be in place already and we would tie into that.

25 MEMBER WOODALL: Not that ideal, Mr. Sachs.

1 MR. SACHS: Because we are a growing town, like
2 I mentioned, we basically have no other choice but to
3 handle it case by case. And if development is in advance
4 of the electrical needs of the town, we need to work with
5 them to see what we can do -- work with SRP to see what
6 we can do to bring that sufficient electrical needs to
7 our town. Fortunately for us, SRP is a step ahead of us
8 in doing that and bringing that to the Town, so ...

9 MEMBER WOODALL: Thank you, sir.

10 MR. SACHS: Sure.

11 CHMN. CHENAL: Any further questions from the
12 Committee?

13 (No response.)

14 CHMN. CHENAL: Thank you, Mr. Cloar.

15 Any cross-examination from the applicant?

16 MR. OLEXA: Mr. Chairman, no cross-examination.

17 CHMN. CHENAL: Mr. Rich?

18 MR. RICH: No questions.

19 CHMN. CHENAL: Mr. Artigue?

20 MR. ARTIGUE: No questions.

21 CHMN. CHENAL: Mr. Taebel?

22 MR. TAEBEL: No questions.

23 CHMN. CHENAL: Thank you very much.

24 MR. SACHS: Mr. Chairman, may I add one more
25 thing, please?

1 CHMN. CHENAL: Absolutely.

2 MR. SACHS: I'd just like to commend SRP on
3 their collaborative efforts that they've shown with the
4 Town and with the property owners within the Town of
5 Queen Creek. They've kept us informed along the way, and
6 they've worked very well with us and members of the
7 council as well, and we do appreciate their efforts on
8 this.

9 CHMN. CHENAL: All right. Thank you very much.
10 Thank you for coming today, Mr. Sachs.

11 (The witness was excused.)

12 CHMN. CHENAL: All right. Mr. Rich, I think
13 under the discussions we had, we were talking about 2:30
14 for your witness. I don't know if your witness is here.

15 MR. RICH: Chairman, he told me he is en route
16 and should be here any minute, that he was planning on
17 2:30, which I thought would be plenty of time, but we're
18 moving now. So perhaps a short break, and when he's
19 here, I'll just --

20 CHMN. CHENAL: Sure. Let's take a break,
21 15-minute break, we'll see if he's here. If not, we'll
22 wait until he shows up.

23 MR. RICH: Thank you.

24 (A recess was taken from 2:13 p.m. to
25 2:33 p.m.)

1 CHMN. CHENAL: All right. Let's get back on
2 the record for the afternoon session for the hearing.

3 Mr. Rich, apparently, your witness has arrived,
4 so let's -- we can get started with his testimony.

5 MR. RICH: Thank you, Mr. Chairman.
6 Mr. Pickett is here, and I will point out that he ran
7 through the parking lot in the heat because he was on the
8 wrong side of the building, so we got him here on time.

9 But I think the first step is they will swear
10 you in, and then we'll get started.

11 CHMN. CHENAL: Yes. Mr. Pickett, do you prefer
12 an oath or affirmation?

13 MR. PICKETT: An oath.

14 (Wendell Pickett was sworn by the Chairman.)

15 CHMN. CHENAL: Thank you.

16

17 WENDELL PICKETT,
18 called as a witness on behalf of Inner Loop Owners,
19 having been previously sworn by the Chairman to speak the
20 truth and nothing but the truth, was examined and
21 testified as follows:

22

23 DIRECT EXAMINATION

24 BY MR. RICH:

25 Q. Good afternoon, Mr. Pickett.

1 A. Good afternoon.

2 Q. Just for the record, can you state your name
3 and where you work.

4 A. Wendell Pickett. I am a partner and founding
5 principal at Greey Pickett Partners, Scottsdale, Arizona.

6 Q. And what do you do at Greey Pickett?

7 A. We are land planners, landscape architects, and
8 architectural designers.

9 Q. And you are involved with the land planning for
10 what's known as the Inner Loop Project; is that correct?

11 A. I am.

12 Q. Can you tell us a little bit about your
13 involvement in that project, when it started and what
14 you've done for them?

15 A. Sure. I've been involved since the onset,
16 approximately October of 2016. I met all the owners at
17 the time -- I believe there were eight, I think there's
18 seven now -- and started the basic land planning process,
19 which included understanding all the property ownerships,
20 locations, their goals, expectations and commenced a full
21 detailed community planning effort from that point on.

22 Q. And in the course of that community planning
23 effort, have you held meetings with members of the public
24 to inform them about your plan?

25 A. Members of the team have met with the public.

1 I was in support in the audience. Never made a
2 presentation but was there to answer questions.

3 Q. And has the team also met with the City of Mesa
4 about these plans as well?

5 A. Multiple times. I don't know the exact count,
6 but I'm sure -- I think I've been involved with seven or
7 eight meetings with Mesa City's planning staff and a
8 number of meetings without me there dealing with things
9 not exactly related to the master plan.

10 Q. And I put up on the right-hand screen what
11 we're calling here Inner Loop Exhibit 1. Does that look
12 familiar to you?

13 A. Yes, it did. My office prepared that.

14 Q. And for the record and for the Committee, can
15 you explain what that is?

16 A. That is a master plan for land uses on top of
17 all of the dairy owners' properties as well as three
18 State Land properties that has evolved over the last two
19 years of work with the owners and State Land. That
20 represents approximately iteration somewhere around 10 or
21 12.

22 Q. Okay. And so you mentioned your office
23 prepared this land plan; is that correct?

24 A. Yes, we did.

25 Q. And you mentioned State Land. What is State

1 Land's involvement? And would you mind pointing out
2 using the laser pointer for the Committee which
3 properties are owned by State Land and which properties
4 are owned --

5 A. State Land owns this piece right here and this
6 piece right here.

7 They've been part of the process from the
8 onset. I think there's been multiple meetings. I've
9 been at three of the meetings showing them different
10 iterations of the land plan and discussing with State
11 Land what their land use expectations are and what they
12 would like to see on their property which shows up and is
13 consistent on this version of the land plan.

14 The third piece of State land, which is this
15 piece, has only been added to the plan in kind of the
16 later innings and has not had the level of planning that
17 the rest of the properties -- these properties have been
18 in negotiation and planning for two years, where this has
19 just been part of the master plan for the last four or
20 five months.

21 Q. And is it your understanding that the State
22 Land Department -- I know you haven't been here earlier
23 in the hearing, but is it your understanding that the
24 State Land Department favors the placement of the
25 transmission line that we're talking about on its

1 property to the east of the Loop 202?

2 A. That's my understanding.

3 Q. And do you think that that's -- part of that
4 consideration would be because that portion of the
5 property is not as far along in the planning process?

6 A. I would think that that's part of the
7 process -- I mean, part of the reason.

8 Q. And can you talk about what uses would be
9 expected on the east side of the freeway in the plan and
10 if those uses would be more compatible with the
11 transmission line?

12 A. The uses on the east side are going to be more
13 compatible with the City of Mesa's wishes for
14 employment-driven land uses. This whole area is an
15 employment corridor, particularly east of the freeway.
16 And like I said, this parcel has not been cooked out as
17 much or as thought through as much as the rest of the
18 project, and so the land use that we put on there, which
19 is a mixed use, is very compatible with what the City
20 would like to see.

21 And on the west side of the freeway, there's
22 less of that because of -- through the process, we've
23 developed a plan that is market relative, meaning it's
24 more likely to be developed in a short term versus very
25 long term with more residential and residential-serving

1 uses, still having mixed uses. So truly, it's a
2 mixed-use residential community.

3 So the short answer is it's much more adaptable
4 or reasonable on the side that has not been thought out
5 and is likely to be nonresidential.

6 Q. Let me draw your attention, Mr. Pickett, to
7 this triangular purple piece that's identified on Inner
8 Loop Exhibit No. 1. It is west of the Loop 202 and north
9 of the Warner Road alignment.

10 Do you see that piece?

11 A. Yes, I do.

12 Q. Earlier today, there was -- one of the SRP
13 witnesses took us on what they called a route tour or a
14 flyover with Google Maps, and they showed the potential
15 for the line if it were west of Loop 202 to turn
16 somewhere in the proximity of this purple triangle, I'll
17 call it, which would have it enter that land and turn to
18 the east.

19 Can you talk about the challenges -- first of
20 all, can you talk about what's planned for this purple
21 triangle piece and the challenges you might face by
22 accommodating the transmission line?

23 A. Yes. This is a specific case where the City
24 requested or wanted a nonresidential, even a high-density
25 residential, parcel adjacent to the freeway. So the

1 owner and the development team acquiesced and located
2 that there. I think in a more reasonable planning study,
3 this is probably, because of lack of access, a
4 residential piece. I think that's important to consider
5 because no matter where this power line comes down to, a
6 well-thought-out residential piece is going to impact the
7 quality of that living experience.

8 From a physical standpoint of getting over at
9 this pace, I don't know if there's any more difficult at
10 that location anywhere else. I just know that from a
11 planning and a place-making standpoint, this location
12 will impact this residential more than if it was on this
13 side of the freeway.

14 Q. Okay. And within that purple triangle piece
15 itself, you mentioned that there is -- the planning would
16 include some high-density residential uses; correct?

17 A. Well, right now, this is zoned for mixed use.
18 And inside the mixed use, there is some allowable
19 residential, but this is probably most likely in the
20 future going to be a residential parcel.

21 Q. Okay. And then the piece immediately to the
22 west of that purple triangle right here that would be in
23 close proximity to the transmission line if it were sited
24 there, what is that piece zoned for or planned for?

25 A. Medium-density residential.

1 Q. Okay. Give me one moment.

2 So in your professional opinion, Mr. Pickett,
3 which side of the freeway is more compatible with the
4 transmission line's placement, the east side or the west
5 side?

6 A. The east side.

7 MR. RICH: I have no further questions.

8 CHMN. CHENAL: Thank you.

9 Member Woodall.

10 MEMBER WOODALL: Mr. Pickett, I see that the
11 purple parcels are adjacent to I think the freeway, are
12 they not?

13 MR. PICKETT: They are.

14 MEMBER WOODALL: Okay. Typically, residential
15 planned developments like this are not abutting a major
16 freeway, are they?

17 MR. PICKETT: There's two answers to that
18 question. In good planning, typically not.

19 We did a study when we planned this in
20 presentation and in preparation with this discussion with
21 the City right now, the City of Mesa, and -- I don't know
22 the exact number. I'll get it if you want me to because
23 it's in a study -- but approximately 90 percent of the
24 freeway frontage going through the city boundaries of
25 Mesa is residential. So it's not untypical. I wouldn't

1 say it's good planning.

2 The problem with this piece is access. You
3 have to go past the access, come in and then come back
4 in, and not likely a usable access for commercial.

5 MEMBER WOODALL: Thank you, sir.

6 MR. PICKETT: You bet.

7 CHMN. CHENAL: And tell me again, sir,
8 Mr. Pickett, what's the land use designation for this
9 purple slashed? That's just State land?

10 MR. PICKETT: That's State land, and that is
11 a -- that's a mixed use.

12 CHMN. CHENAL: Mixed use. All right. Thank
13 you.

14 Any further questions from the Committee?

15 Member Palmer.

16 MEMBER PALMER: And maybe I missed this. If I
17 did, I'm sorry.

18 What is that one rectangular piece of vanilla
19 ice cream in the middle of all of these pretty colors?

20 MR. PICKETT: Here?

21 MEMBER PALMER: No. Down on the freeway, right
22 there.

23 MR. PICKETT: That's an out parcel that was not
24 part of the ownership that I looked for.

25 MEMBER PALMER: Not part of this. Okay.

1 CHMN. CHENAL: Does the applicant have any
2 questions of Mr. Pickett?

3 MR. OLEXA: No questions from the applicant,
4 Mr. Chairman.

5 CHMN. CHENAL: Mr. Cloar?

6 MR. CLOAR: No questions from Queen Creek,
7 Mr. Chairman.

8 CHMN. CHENAL: Mr. Artigue?

9 MR. ARTIGUE: No questions.

10 CHMN. CHENAL: Mr. Taebel?

11 MR. TAEBEL: No questions.

12 MEMBER WOODALL: May I ask some questions?

13 CHMN. CHENAL: Member Woodall, of course.

14 MEMBER WOODALL: Going back to Mr. Palmer's
15 question, what is the anticipated use of that parcel, if
16 you know, the one that's not part of your plan?

17 MR. PICKETT: The anticipated use in that big a
18 parcel is probably everything.

19 MEMBER WOODALL: No. I was referring on the
20 other side to the ice cream parcel.

21 MR. PICKETT: I don't represent these
22 landowners, so I can only speculate.

23 MEMBER WOODALL: I'm assuming that as part of
24 your planning of this, you know what the adjacent uses
25 are going to be or plan to be.

1 MR. PICKETT: Yes and no. So this parcel of 40
2 acres was in and out -- in and out of our study because
3 ownerships literally were changing as we were -- over the
4 last two years, this changed ownership a couple times.
5 As I understand it -- I don't know where it is now. But
6 as I understand it, they were looking at more of a light
7 industrial use.

8 This parcel I'm completely unfamiliar with.
9 It's in County, so I'm not sure what the land use is.

10 MEMBER WOODALL: Thank you very much, sir.

11 CHMN. CHENAL: Member Hamway.

12 MEMBER HAMWAY: So are these land use
13 designations current, or are these what you hope to get
14 passed?

15 MR. PICKETT: These are in a current zoning
16 case being processed through Mesa right now.

17 CHMN. CHENAL: Any further questions from the
18 Committee?

19 (No response.)

20 CHMN. CHENAL: Any further questions, Mr. Rich?

21 MR. RICH: No, Mr. Chairman. Thank you.

22 Thank you, Mr. Pickett.

23 MR. PICKETT: Thank you.

24 (The witness was excused.)

25 MR. RICH: Chairman, if I could, I'd like to

1 move the admission of Inner Loop Exhibit No. 1 into
2 evidence.

3 CHMN. CHENAL: Any objection?

4 MR. OLEXA: No objection from the applicant.

5 CHMN. CHENAL: Any objection from any of the
6 other parties?

7 (No response.)

8 CHMN. CHENAL: Hearing none, Inner Loop
9 Exhibit 1 is admitted.

10 (Exhibit IL-1 was admitted.)

11 MR. RICH: Thank you.

12 CHMN. CHENAL: Okay. So it's a little before
13 3:00 and we're out of witnesses, but I think there's some
14 good use we can make of some of this time before we
15 adjourn early this afternoon.

16 Let's formally announce that the tour will be
17 Monday morning, and the Notice of Hearing states that the
18 hearing will start at 10:00. So those that wish to make
19 the tour -- I know there's at least some of us -- will be
20 prepared to go on the record at 10:00 to start the tour.
21 And I understand the applicant will provide breakfast
22 beforehand.

23 The tour, I'm told, will take two to three
24 hours. My sense is that it will take more like two than
25 three, but we'll see. We'll come back and have lunch.

1 And then we would start the process of -- there will be
2 some additional testimony then and some closing arguments
3 from the parties, and then we'd begin the deliberations.

4 My strong preference is that we decide at the
5 beginning that we're not going to try to force ourselves
6 to complete everything Monday afternoon. You know, we
7 come back Tuesday and make sure we have plenty of time to
8 deliberate on these issues. We'll address that Monday
9 afternoon.

10 But I can anticipate some of the issues that we
11 we're going to be talking about. I mean, we have our
12 standard, you know, CEC language and conditions that
13 we'll work through, and I'll be sending out or I'll ask
14 my assistant, Marie, to maybe send out kind of my -- as
15 I've done in previous cases, some proposed language to
16 discuss. But I think the applicant has many of the ones
17 that I would normally would include in that list.

18 So I don't think there's going to be too many
19 surprises. There's maybe a few that we would talk about.
20 And I know one of the ones that I have is the more
21 truncated language we have for the notice that we ask the
22 applicant to put out to give notice to the public. We
23 had some extended discussion in our last hearing on
24 providing less information on the signage.

25 But I don't think it's going to take too long

1 to through those, necessarily, but I think we're going to
2 get -- we're going to have an extended period of time
3 talking about what kind of language and what kind of maps
4 or attachments or exhibits we're going to want to see for
5 where we want these lines placed, and I thought -- you
6 know, I'd hate to have you come back here Monday and then
7 find out from the Committee that, you know, we're
8 expecting legal descriptions and things like that, which
9 we might, and then there's no time for the applicant to
10 pull that together in a night.

11 Whereas, if we at least have that discussion
12 now and at least get some thoughts out or have a
13 discussion, not formal deliberation, but I just don't
14 want any ugly surprises Monday if there's things that we
15 would be expecting in the CEC that, you know, we'd give
16 them time now to get it completed. So it's kind of more
17 of a courtesy than anything.

18 And I know we haven't typically done it like
19 this, but -- so I'm just throwing that out for discussion
20 among the Committee at this point, and I'd sure like to
21 hear what you have to say on the issue.

22 Member Woodall.

23 MEMBER WOODALL: I'm just wondering if it might
24 not be prudent to make inquiries with the applicant of
25 whether they have a list of homework assignments to

1 respond to questions from the Committee members so that
2 everybody -- if you're missing something, someone could
3 type up at the risk of invading your work product
4 privilege, Mr. Olexa.

5 MR. OLEXA: We have been taking notes and in
6 terms of -- there were a few questions that were
7 outstanding that we're trying to get answers to.

8 MEMBER WOODALL: I'm just wondering if you
9 could articulate those for us now. That way, people
10 could say, Oh, no, I wanted to know about this too or
11 That's not quite the question.

12 It's just a suggestion.

13 MR. OLEXA: One of the questions that was
14 raised was the easements along Germann and Crismon for
15 the 69kV. Another one was the 69kV easement along I
16 think it was Warner Road and the land ownership along the
17 24 as well. Those are the questions that come to mind.

18 MEMBER NOLAND: Mr. Chairman.

19 Yes, I didn't care about Germann Road. It was
20 the portion of Crismon that was south of Germann that I
21 wanted to know the right-of-way. Also Warner on the east
22 and the west of 202. If you can give us the
23 right-of-way, the current right-of-way width, for 24, the
24 built portion of 24, and maybe just a guesstimate, if at
25 all possible, for the unconstructed portion. And I know

1 that one's hard, but you should be able to put your hands
2 on the others.

3 MR. OLEXA: Member Noland, there was a question
4 that you had raised about the substation as well. Could
5 you rearticulate that?

6 MEMBER NOLAND: Well, that one's hard to
7 articulate because it's, as I said, in technical terms.
8 It's squishy. You don't know where it's going to be.
9 It's going to be 40 or so acres, 25 of which will be the
10 substation, but you're showing 200 acres, you know.
11 That's hard to put my finger on and figure out where we
12 would do a corridor or whatever.

13 So that one, I -- you know, I'm having
14 difficulty with. If you're going to come in from Warner
15 Road to the east, then part of that would be what
16 right-of-way do you have currently and what would you
17 need, then, to get into the property. And then what
18 would you need as, let's say, a corridor, if we do
19 corridors, along the northeast portion of 24 that is that
20 substation location.

21 That one's hard for me to do and probably for
22 you too.

23 MR. OLEXA: It is, but we'll work on solutions
24 or possible solutions, anyway, over the weekend.

25 MEMBER NOLAND: That would be great.

1 MEMBER WOODALL: Mr. Chairman, again, if I may.

2 CHMN. CHENAL: Sure, Member Woodall.

3 MEMBER WOODALL: I'm going to again invite the
4 intervenors to look at the terms of the CEC to see if the
5 language that has been identified -- I think it's
6 paragraph 17 from the applicant's most current CEC -- to
7 determine the acceptability of that. It would be ideal
8 if you all had read through it and had come to some
9 mutual understanding about the language that you feel
10 would give your client sufficient comfort. That's not to
11 say that we'll adopt it, but I would encourage you to do
12 that.

13 CHMN. CHENAL: All right. I'd like to go back
14 to the point I was raising. I think I didn't do it as
15 articulately as I should have.

16 But I'd like to get a feel for what the
17 Committee's going to ask the applicant to provide when we
18 get to the portion of the CEC that talks about -- it's
19 entitled Approve CEC Route Corridor. Approve CEC Route
20 Corridor and Route Description.

21 And it's 7 miles in length. And so far, the
22 operative words are for the northern segment: Will
23 construct adjacent to the east side of Loop 202
24 right-of-way, then continue to the RS-31 site.

25 I mean, are we going to -- is that acceptable?

1 I mean, in the past, we've had the route specifically
2 delineated with an exhibit that sometimes includes maps,
3 sometimes includes legal descriptions, sometimes includes
4 both. And I just -- I'd hate to have us say, Yeah, we
5 want to have a legal description, and then come Monday or
6 Tuesday and we are deliberating, and then all the sudden,
7 it's like, Well, it's going to take two days to get that,
8 and then we've got a scheduling snafu. So I'd kind of
9 like to --

10 MEMBER WOODALL: Mr. Chairman, I want a map.

11 CHMN. CHENAL: Member Noland.

12 MEMBER NOLAND: Well, Mr. Chairman, I agree. I
13 would like to see a map. It doesn't have to have the
14 exact legal descriptions. And more importantly, I do
15 believe we need corridors. Nice try, Mr. Sundlof. I
16 mean, it was a good way to try something new, but I think
17 it's just a little better if we designate a corridor to
18 stay within and we can use "adjacent to," you know, 300
19 feet from the alignment of 202 or 24. I'm just throwing
20 that out.

21 I think what we need to know is what would be
22 an acceptable corridor width. Now, this is just my
23 feeling. Maybe the rest of the Committee doesn't feel
24 that way. But I just don't feel like there's enough
25 specificity to really show where we would like to have

1 this located and the boundaries within which we would
2 like to have this located.

3 And then getting down to Crismon, I'd like to
4 see a map that showed where you intend to be on the west
5 side and where you intend to be on the east side. Or, if
6 you intend to be on both sides from the centerline on
7 each side, how much corridor you would need. And then,
8 again, you might be able to use, on a portion of that,
9 some of the right-of-way you already have for the 69kV
10 line because you're going to collocate.

11 So we need to know what the right-of-way is
12 that is currently in place.

13 MR. SUNDLOF: Mr. Chairman, Member Noland, we
14 will have for you on Monday different approaches for you
15 to choose from, and one of them will be exactly what
16 Member Noland is saying. One might be a hybrid, one
17 might be the other. And they'll all be available. We'll
18 have maps. We'll have corridor width if you want
19 corridors.

20 We will have distance -- I can't -- I don't
21 think we can tell you which side of the road on Crismon
22 because that depends on the engineering of the other
23 line, but I think we can tell you what the corridor will
24 be from the centerline.

25 MEMBER NOLAND: I'm done. Literally.

1 CHMN. CHENAL: I'd like to hear from the
2 intervenors and the Town and City if they have a
3 preference for the approach that is reflected in the CEC
4 that is attached to the motion that SRP filed, which
5 doesn't really have defined corridors, if you will,
6 versus having something that's more specifically defined.
7 And I'd like to just hear that now because that might
8 give us -- inform us in kind of the direction we go.

9 Let's start with Queen Creek.

10 MR. BRASELTON: Mr. Chairman and Members of the
11 Committee, on behalf of the Town, we would prefer to have
12 something more defined. I apologize, I had to do a
13 conference call so I wasn't here for the last half hour.
14 But from what I could tell based on the discussion as I
15 was walking in, it sounds like Mr. Sundlof is planning to
16 provide something on Monday that would be consistent with
17 that. It just helps us a lot to be able to narrow this
18 window of property down that's potentially adversely
19 impacted.

20 And Member Noland I think has identified a
21 concern that we've had from the start. Even the idea of
22 leaving this open on both sides of the road unduly
23 impacts property on one side or the other that doesn't
24 need to be subject to a potential power line taking that
25 could happen sometime in the next eight to ten years.

1 So, from our perspective, the more you can
2 narrow it and if we can limit it to one side of the road,
3 it certainly helps to focus the problem and limit the
4 potential adverse impact.

5 CHMN. CHENAL: Well, and thank you for that.

6 With respect to Queen Creek, maybe it would be
7 fruitful to have some discussions, then, with the
8 applicant on the Crismon Road issue because my
9 understanding of the testimony so far is it's difficult
10 for them to know which side on Crismon -- and maybe it
11 can be determined. But, I mean, coming in with some sort
12 of agreement on that would obviously be -- or better
13 understanding would be helpful to us.

14 MR. BRASELTON: We're happy to do that, and
15 I'll be available over the weekend if they want to do it
16 then.

17 CHMN. CHENAL: Yeah. My sense is that they're
18 asking for the option there for reasons that have been
19 put into the record. And I'm just not sure, you know,
20 that maybe there's a way to accommodate the preference to
21 have part on one side and part on the other but more
22 defined as to where that would be. So if that is
23 something that could be worked out, that would be
24 helpful.

25 Mr. Rich, what about the Inner Loop Owners?

1 MR. RICH: Chairman, so the Inner Loop Owners
2 are supportive of the version of the CEC that is included
3 in SRP Exhibit 57. And so to the extent that that's
4 what's adopted, we don't really have any comment on the
5 corridor issue. If the Commission were to consider a
6 corridor on the west side of Loop 202, then we would
7 certainly have comments on how that's written.

8 CHMN. CHENAL: So you're basically agnostic on
9 whether there's a corridor or not on the east side?

10 MR. RICH: As long as it's on the east side,
11 we're agnostic on that.

12 MEMBER NOLAND: But, like you said, if it
13 wasn't on the east side, then you would have a comment
14 about a corridor, would you not?

15 MR. RICH: Yes, I would. And I haven't had a
16 chance to have that discussion with my clients, although
17 I -- well, I hate to speculate, but I -- I'll leave it at
18 that.

19 CHMN. CHENAL: Mr. Artigue.

20 MR. ARTIGUE: Thank you, Mr. Chairman, for the
21 opportunity to offer my thoughts.

22 When the original application was filed, I was
23 ready, willing, able, desirous of having a full-fledged
24 discussion and legal briefing about the aspects of a
25 corridor, you know, what can an applicant ask for and

1 what can this Committee bring and where does flexibility
2 extend and where does it terminate.

3 But at this point, that's been obviated by the
4 withdrawal of the northern alignment, and it's neither
5 here nor there as far as my client is concerned.

6 So as long as this line is south of the 24, you
7 know, we are willing to be flexible and go along with
8 whatever makes the Committee and SRP and the other
9 intervenors happy.

10 Thank you.

11 CHMN. CHENAL: Mr. Taebel.

12 MR. TAEBEL: Thank you, Mr. Chairman.

13 Also, I haven't really had an opportunity to
14 consult with any of the representatives of the City.
15 Speaking for myself, my inclination is that perhaps a
16 level of specificity that's a little bit greater than
17 what currently exists and see as proposed would be
18 appropriate.

19 But whether or not it needs to be a complete
20 legal description, I would offer that in my experience,
21 if the Committee desires an actual legal description,
22 then we're going to have to recess for months. It takes
23 a long time to survey 7 miles of property. Yeah.

24 CHMN. CHENAL: That's very good.

25 Mr. Olexa and Mr. Sundlof, do you have any

1 further thoughts on the issue? I know you're going to
2 come in Monday with some options. But having heard what
3 you've heard, is the preference -- what's your
4 preference?

5 MR. SUNDLOF: Our preference is to come in with
6 options and the Committee, in its wise discretion, can
7 choose among them.

8 I will say that it is still our position we do
9 not want to establish a corridor that we may not need.

10 CHMN. CHENAL: Sure.

11 MEMBER WOODALL: So you're going to come in on
12 Monday, which is the day of the tour, you're going to
13 have hard copies. I'm presuming that someone will be
14 filing something at Docket Control. Is it conceivable
15 that an electronic version could be conveyed to the
16 Chairman, you know, when you've filed it, and then he can
17 dispatch it to us? Because, personally, for me, it would
18 be helpful if I could have that in that format. Just a
19 thought.

20 MR. SUNDLOF: We will.

21 MEMBER WOODALL: Okay. Thank you.

22 CHMN. CHENAL: Member Hamway.

23 MEMBER HAMWAY: Mr. Chairman, I just want to go
24 on record saying that a corridor is not necessary from my
25 evaluation. You know, setting an entire corridor along

1 that is not necessary for me.

2 I mean, I could always do with a little bit
3 more detail, but establishing a corridor greater than
4 what they're willing to do is not a requirement for me.

5 CHMN. CHENAL: Sure.

6 Member Woodall.

7 MEMBER WOODALL: I align myself with Member
8 Hamway's remarks. I think we need a corridor light, as
9 they might say in the marketing business.

10 CHMN. CHENAL: Member Noland.

11 MEMBER NOLAND: Well, I think it's interesting
12 that, in fact, if the route hadn't changed, people would
13 want a corridor. If it's near their property, they would
14 want a corridor. But because the route was changed, the
15 intervenors here didn't feel they needed to necessarily
16 have one or have that specificity.

17 So I think that there is a feeling that if it
18 is going through your property or your client's
19 properties, it would be nice to have a little more
20 specificity than is currently considered within the CEC.

21 So I agree with the other members that -- and
22 me, of all people, I like smaller corridors that don't
23 impact properties. So it's just what you think you're
24 going to absolutely have to have.

25 On Crismon, you said you were pretty certain

1 you could go down one side of Crismon, down the west
2 side, to a point where there was a housing structure for
3 the farm, and that's where you wanted to cross over.
4 You've talked with those property owners. So I think
5 that's pretty straightforward. But if you needed 100
6 feet just to be sure on the opposite side of Crismon, 100
7 feet of corridor, then that's kind of -- I'm trying to
8 give you a little direction of how to -- I'd like to see
9 that handled.

10 Thank you.

11 CHMN. CHENAL: And old habits. I'm still
12 struggling a little with the words "adjacent" and
13 "parallel" with no --

14 MR. SUNDLOF: Excuse me, Mr. Chairman. Let us
15 work with that. I've got the message. We need to
16 tighten it up a whole lot better. "Abutting" is a good
17 word. And we'll tighten it up a whole lot.

18 CHMN. CHENAL: Okay. I applaud ingenuity and
19 thinking outside the box. And I understand -- I hear the
20 message and the theory here. I really do. Let's see
21 what you come up with Monday.

22 MR. SUNDLOF: I wasn't going to say this, but
23 I'm going to say this. You heard Mr. Artigue say about
24 testing the limits of the Commission's authority. I
25 don't want to test the limits of the Commission's

1 authority. And that's the reason -- there's a reason for
2 our proposal this way.

3 CHMN. CHENAL: Very good. So on that happy
4 note, is there anything further -- let me ask the
5 applicant -- that we should discuss before we resume
6 Monday morning at 10? Any questions? Anything --
7 procedural matters, logistics we should discuss?

8 (No response.)

9 CHMN. CHENAL: Member Noland.

10 MEMBER NOLAND: I didn't hear if you said it.
11 How long do you think the tour is going to take on Monday
12 morning?

13 CHMN. CHENAL: Well, I've heard two to three
14 hours, but I'd be surprised if it's two hours. Just
15 because it's 7 miles, there's key observation points, we
16 may or may not get out of the bus. There may be a few
17 questions. I mean, I can't imagine it will take three
18 hours to drive 7 miles, so I doubt if it will be two.

19 MEMBER NOLAND: Thank you.

20 MR. ARTIGUE: Mr. Chairman, I may not avail
21 myself of the opportunity to go on this tour, and I don't
22 want anyone to think there's any disrespect in play if I
23 don't. If I show up here at 1 p.m. on Monday, will I be
24 in time for --

25 MEMBER NOLAND: My question exactly.

1 CHMN. CHENAL: Yes. Yeah. Because when we
2 come back, we'll either recess, we'll have lunch, but we
3 won't resume until 1. So there won't be any -- no
4 guessing games as to when we've resumed the testimony.

5 Any of the other parties have any matters
6 they'd like to address or raise before we adjourn for the
7 weekend?

8 MR. TAEBEL: Mr. Chairman, so on behalf of the
9 City, at this point, based on the testimony that we've
10 had and the exhibits that have been admitted with one
11 minor caveat that I'll get to, it's not my intention at
12 this point to call any witness. I just want to put that
13 out there for the Committee so that there wasn't any
14 surprise on Monday in terms of the order of testimony or
15 what would occur after lunch.

16 CHMN. CHENAL: Okay. Mr. Artigue, I may be
17 remiss, but were there any witnesses that you were going
18 to call?

19 MR. ARTIGUE: No, Your Honor. No witnesses. I
20 need about four minutes to make my offer of proof.

21 CHMN. CHENAL: Okay. Because that was the
22 other thing I wanted to raise with you. So the offer of
23 proof. And remind me if I forget, but we'll make sure we
24 get the offer of proof in. But no witnesses and Mesa
25 will have no witnesses?

1 MR. TAEBEL: I'd like to just address my
2 caveat. So SRP admitted the resolution from my City. I
3 think it's their Exhibit No. 55. Notwithstanding that,
4 since I did the work, I'd like to move for the admission
5 of COM-1, which is basically still their resolution. I
6 just prepared an affidavit from the city clerk. So I
7 believe it meets all the evidentiary standards without
8 any testimony. It's a document that's --

9 CHMN. CHENAL: We'll accommodate your request.
10 Are there any objections to City of Mesa
11 Exhibit 1, I believe which is the affidavit and the
12 resolution attached; is that correct?

13 MR. TAEBEL: That's correct.

14 CHMN. CHENAL: Any objections?

15 MR. OLEXA: No objection.

16 CHMN. CHENAL: Okay. Any other party have any
17 objections?

18 (No response.)

19 CHMN. CHENAL: Okay. No objections, the City
20 of Mesa Exhibit 1 is admitted.

21 (Exhibit COM-1 was admitted.)

22 MR. TAEBEL: Thank you.

23 CHMN. CHENAL: Any other housekeeping items we
24 need to address? The Committee have any questions or
25 matters they want to raise before we adjourn?

1 Is there anyone in the audience for public
2 comment before we adjourn for the weekend?

3 (No response.)

4 CHMN. CHENAL: It doesn't look like it.
5 Have I forgotten anything else?

6 (No response.)

7 CHMN. CHENAL: Okay. Let's adjourn.

8 Thank you, everyone, and we'll see you Monday
9 morning at 10 a.m.

10 (The hearing recessed at 3:14 p.m.)

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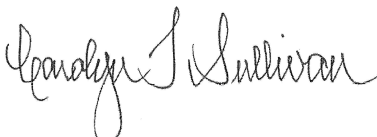
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