

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
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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 10:12 a.m. on the
6 10th 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
13 GIL VILLEGAS, JR., Counties
14 JAMES PALMER, Agriculture
15 PATRICIA NOLAND, Public Member
16 JACK HAENICHEN, Public Member

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1 CHMN. CHENAL: Let's go on the record. This is
2 the morning session for continuation of the SRP hearing.

3 We're going to take the tour. And as we have
4 in the past, we'd like the questions to be limited
5 primarily to what we're looking at when we get to the key
6 observation points. It's difficult for the court
7 reporter to take down extended testimony, but there are
8 some questions -- we always allow the members to ask some
9 questions and get clarification on points. But then when
10 we come back, we can have a more extended discussion
11 about the tour and the points that are raised.

12 So when we come back, actually, I think the way
13 we left it on Friday is we'll simply adjourn, have lunch,
14 and then pick up the hearing at 1:00. I think that's the
15 direction that we gave. I think it's unfair to come back
16 and have any testimony or discussion without them having
17 an opportunity to be here. So that's point one.

18 And point two, this morning, my office sent out
19 a draft CEC that includes some -- a few additional
20 conditions for discussion that are conditions that we've
21 used in previous cases. Again, this is kind of trying to
22 develop a more standardized set that we have used in
23 previous cases so we have them for discussion and we'll
24 have on the screen.

25 I spoke with the applicant's attorneys. When

1 we get to that point when we discuss the conditions,
2 we'll have the applicant's most recent version, which I
3 believe will be introduced as an exhibit, which has
4 alternative treatments for the routes and the most
5 recent -- their most recent version of their conditions
6 and descriptions.

7 And then on the other screen will be the one
8 that I will mark as an exhibit, and we'll have a few
9 additional conditions for discussion.

10 And then we'll create the final version, which
11 will have its own exhibit number. I think that will make
12 it easy to keep things straight.

13 One exhibit will be SRP's exhibit. One will be
14 mine. And so when someone's reading the record later on,
15 they'll know which version we're referring to, and it
16 will be in the record as an exhibit. And then what we
17 finally end up with, the "final" one that we'll vote on,
18 will obviously be the final. So I think that will make
19 it easier.

20 I think we've done that in previous cases and
21 have kind of come to -- landed on this as a way to kind
22 of make this easy to follow when someone's reading the
23 record.

24 So anything we need to discuss before we start
25 the tour?

1 Member Woodall.

2 MEMBER WOODALL: I would just like to have hard
3 copies of both proposed forms of the CEC, and I assume
4 that you are going to do that.

5 CHMN. CHENAL: We'll have those at -- it should
6 be, at 1:00, ready to go.

7 And, again, I think -- well, the last point I'd
8 like to make is this: When we come back at 1, we'll have
9 some additional testimony. I don't know how long it's
10 going to take. And we'll start the process for the CEC.

11 And I know I've talked to some of you about
12 this just in passing, but my strong preference would be
13 that we not race to get it finished today, but we give
14 ourselves plenty of time and, in fact, if possible, you
15 know, finalize the process tomorrow. We've got plenty of
16 time to do it, and I just think this is going to take a
17 little time to have the discussions on the routes and CEC
18 conditions. And maybe we'll surprise ourselves, but I'd
19 like to give ourselves plenty of time to do that and not
20 rush to finish today versus tomorrow.

21 Member Woodall.

22 MEMBER WOODALL: Again, when it comes time to
23 deliberate, I propose empowering our Chairman with the
24 ability to make technical conforming language,
25 grammatical changes, to make the document perfect rather

1 than have us go through and say there should be a comma
2 here or etc., because I have complete confidence in the
3 Chairman that he and his staff can maybe fix it that way.
4 That's just my thought.

5 CHMN. CHENAL: Thanks.

6 Okay. Well, with that, does applicant have
7 anything to add before we start the tour?

8 MR. SUNDLOF: No, Your Honor.

9 CHMN. CHENAL: Okay. Let's adjourn to the bus
10 for the tour.

11 (The hearing recessed for the route tour at
12 10:17 a.m.)

13

14 (TIME NOTED: 10:26 a.m.)

15 (Present for the route tour: Chairman Chenal,
16 Member Woodall, Member Drago, Member Riggins, Member
17 Palmer, Member Hamway, Member Villegas, Member Haenichen,
18 Garrett Olexa, Grant Smedley, Mike Jones, and Derrik
19 Berg.)

20

21 STOP 1

22 (TIME NOTED: 10:47 a.m.)

23 CHMN. CHENAL: This is the first stop on the
24 tour, key observation point 1. Who wants to provide an
25 explanation?

1 MR. SMEDLEY: I can.

2 So, for the record, Grant Smedley, project
3 manager on behalf of the applicant.

4 So I'll just kind of orient everyone. We're on
5 Elliot Road right now, and we're looking west towards the
6 202 freeway, so it's going north-south. If you look out
7 your window on this side, on the right side, you can see
8 our Santan-Browning transmission line. There's actually
9 two transmission lines in that corridor.

10 So the one that's closer to us is actually a
11 500kV line. And so what we're going to have to do -- so
12 the one that's south is a 500kV line. So we're going to
13 have to basically break our existing circuit and then
14 come down and span underneath the 500 line to get to --
15 to build our new circuit coming down south of the --
16 along the Loop 202 freeway.

17 And we've looked at that. There's a couple of
18 different ways we can do that, and we can -- we believe
19 it's feasible and we can meet all the required electrical
20 clearances to do that. So it's not optimal that the
21 500kV is south of the 230, but we can manage it and we
22 can interconnect there. So that's what we would do
23 there.

24 And then we would prefer the east side of the
25 202, so we would come along the east side, and then you

1 would see the line passing here.

2 On the south side of where we are is State
3 land.

4 So the north side is owned by various private
5 landowners. It's in the Elliot Road Technology Corridor.

6 The south side is all owned by the State Land
7 Department.

8 That's all I have here unless there's any
9 questions.

10 CHMN. CHENAL: Any questions?

11 (No response.)

12 CHMN. CHENAL: All right. Let's go to key
13 observation point No. 2.

14 (TIME NOTED: 10:51 a.m.)

15 (The route tour attendees proceeded to Stop 2.)

16

17 STOP 2

18 (TIME NOTED: 10:55 a.m.)

19 CHMN. CHENAL: Okay. Let's go back on the
20 record, and we are at key observation point No. 2.

21 Mr. Smedley.

22 MR. SMEDLEY: Yeah. So this is key observation
23 point No. 2. So, again, we're looking west at the Loop
24 202 freeway.

25 To the north, all of this is State land with

1 the exception of just over the bushes here is the daycare
2 facility that I noted during my testimony. So the line
3 would come, on our preferred approach, down the east side
4 of the 202 parallel to the freeway and then would come
5 out about 200 feet to avoid the daycare, would cross
6 Warner Road, and then come into this parcel which is a
7 large -- several parcels of land are located on the south
8 side here. They are owned by ViaWest.

9 And this is where we would need to do some --
10 probably some reconfiguration of our 69kV system.
11 Depending on how we locate RS-31, we could span over the
12 69kV, but we may want to locate the poles -- collocate
13 the poles so that we have the 230 and the 69 underbuilt
14 coming into the station, depending on where it ends up
15 being located on the south side of Warner.

16 CHMN. CHENAL: And just to be clear, the south
17 side of where we are now is where the substation RS-31 is
18 proposed to be located?

19 MR. SMEDLEY: That is correct.

20 So somewhere in this large area, and we've
21 taken some steps to shrink that area. We'll talk about
22 that this afternoon. But we wanted some flexibility
23 because of the possibility that we could locate it right
24 here on Warner or we could locate it further back just to
25 work with that landowner on what might be the most

1 optimal location to maximize their ability to use the
2 land.

3 CHMN. CHENAL: Any questions?

4 (No response.)

5 CHMN. CHENAL: Very good. If I could ask the
6 driver to at least do a drive by the daycare facility up
7 here before you make your U-turn, that would be helpful
8 for us.

9 Thank you.

10 (TIME NOTED: 10:58 a.m.)

11 (The route tour attendees proceeded to Stop 3.)

12

13 STOP 3

14 (TIME NOTED: 11:04 a.m.)

15 CHMN. CHENAL: All right. So let's go back on
16 the record. We're at key observation point No. 3.

17 MR. SMEDLEY: Okay. So key observation point
18 No. 3, again, we're looking west. This is at the 202/24
19 interchange.

20 And then to the north is this large area that
21 we have on the map shown in orange. So that's our
22 substation siting area.

23 So there are several parcels of land in this
24 area, but the primary owners where we would potentially
25 locate our substation are the ViaWest property that you

1 saw at the other point, and then Sunbelt Holdings owns
2 some land just south of there. So we'll likely locate in
3 one of those two different land ownership parcels.

4 And so the line would come out of the
5 substation, depending on where it's located, and would be
6 parallel to the 202/24 interchange just over the bushes
7 there until probably 1,000 feet north of Ray Road. So
8 we're on Ray Road right now. So you think 1,000 feet
9 that way, we'll cross the freeway.

10 The 24 is the narrowest at that point, and
11 that's where we would want to do our crossings at the
12 south side of the 24.

13 And we'll go along, and we'll see a little bit
14 more of where we'll end up on the airport property once
15 we cross, but that's what you kind see in this area.

16 Questions? Or did I miss anything?

17 MEMBER HAENICHEN: What about the structures
18 that are requested? Are they higher than regular ones?

19 MR. SMEDLEY: So to cross the freeway, we would
20 probably need to have slightly higher structures,
21 probably about 150 feet, to get across the freeway, but
22 we would be able to do that and still meet all the FAA
23 requirements.

24 MEMBER HAENICHEN: And what's the minimum
25 clearance allowed to build a line across the road like

1 that?

2 MR. SMEDLEY: I think the standard 230
3 clearance is on the order of 25 feet. So on the road,
4 you just need to adjust to make sure you've got that
5 above the road surface.

6 MEMBER HAENICHEN: Thank you.

7 CHMN. CHENAL: Any further questions?

8 (No response.)

9 CHMN. CHENAL: All right. Thank you. Let's go
10 off the record, and we'll proceed to key observation
11 point 4.

12 (TIME NOTED: 11:06 a.m.)

13 (The route tour attendees proceeded to Stop 4.)

14

15 STOP 4

16 (TIME NOTED: 11:10 a.m.)

17 CHMN. CHENAL: All right. Let's go back on the
18 record. We're at key observation point No. 4.

19 MR. SMEDLEY: Okay. Key observation point
20 No. 4. So this is -- in front of us to the west is all
21 Phoenix-Mesa Gateway Airport property.

22 So the 24 is just to the right side. So we
23 would be, at this point, on the south side of 24
24 following as closely as possible to the freeway.

25 The one thing I'll mention is we're actually

1 sitting over a drainage channel. It's called the
2 Ellsworth Channel, and it's actually in the process of
3 being relocated. So right now, this channel kind of
4 follows the freeway, and then it jogs down a little bit
5 into the airport and then back up.

6 The airport would like to relocate that channel
7 to make more use of their property, so they're working
8 right now with ADOT and the City to do that. So what
9 we'll probably need to do is to coordinate with them to
10 make sure that our line can be located most likely on the
11 left side of that drainage channel, and I'll talk about
12 that some more in my testimony today. But that is our
13 current plan, so to be as close as possible to that
14 channel and follow it and then to cross Ellsworth Road,
15 which you can see to your right here, to continue
16 following the future freeway alignment. So that's what
17 we've got here.

18 CHMN. CHENAL: And then where is 24 in relation
19 to where we are right now?

20 MR. SMEDLEY: It's just right there. So that's
21 the exit --

22 CHMN. CHENAL: North?

23 MR. SMEDLEY: Yes. So where you see those cars
24 to the right is the 24 freeway. So they'll modify this
25 whole area so that it will be a freeway straight through

1 past Ellsworth.

2 MEMBER HAENICHEN: Where does 24 eventually go
3 to?

4 MR. SMEDLEY: It actually goes all the way out
5 to Ironwood and beyond. So that's the plan, that the
6 section that they're building in the next ten years is
7 from Ellsworth to Ironwood.

8 CHMN. CHENAL: So approximately how far south
9 are we right now at key observation point 4 from where
10 the structures would be placed, the towers?

11 MR. SMEDLEY: I would say probably -- I
12 probably should verify this, but I would say probably 3-
13 to 500 feet. Well, maybe not that much, because the cars
14 are there, so it may be closer than that. It may be a
15 couple hundred feet from here.

16 Because we'll be south of the freeway, but
17 we'll also be south of this drainage channel. So you've
18 got -- when they relocate it in the future, we're going
19 to cross it. And so that's -- they'll be probably a
20 couple hundred feet from here.

21 MEMBER DRAGO: Are we facing due west right
22 here?

23 MR. SMEDLEY: Yes. Yes, we are. And the 24 is
24 southwest, so it's hard to picture without the actual
25 freeway.

1 Any other questions?

2 (No response.)

3 CHMN. CHENAL: Thanks. Let's go off the
4 record, and we'll go to point 5.

5 (TIME NOTED: 11:14 a.m.)

6 (The route tour attendees proceeded to Stop 5.)

7

8 STOP 5

9 (TIME NOTED: 11:19 a.m.)

10 (James Braselton joined the route tour.)

11 CHMN. CHENAL: Folks, we're on the record.

12 Mr. Smedley, we're at key observation point 5.

13 MR. SMEDLEY: Okay. So key observation point
14 5, if you look out the right side, you're looking south,
15 and this is Crismon Road.

16 So as you can see, it's not a very developed
17 road at this time. The plan is for Mesa to make it into
18 a full arterial road. What we would do is locate on
19 either the east or the west side of Crismon Road.

20 If you look north, that is the Pacific
21 Proving --

22 CHMN. CHENAL: Mr. Braselton joined us.

23 MR. SMEDLEY: I can restart.

24 So what I was saying is we are looking south
25 out the right side, and this is Crismon Road. So it's

1 not fully developed yet into a road, but the plan is to
2 do so into a full arterial road. We would locate on
3 either the east or the west side of Crismon Road.

4 To the north, you have the Pacific Proving
5 parcel. And so if you look a little further to the
6 north -- you can't see it, obviously, but the 24 freeway
7 is going to come kind of diagonally across there. And
8 about a half mile up, it would continue due east.

9 And so we would bring our line on the south
10 side of the 24. And then when it hits Crismon, we would
11 come south and then come across here on Pecos, either on
12 the east or the west side of Crismon Road. That would be
13 the plan.

14 CHMN. CHENAL: And then from this point to P6
15 noted on the map where the line would tie in to State
16 Route 24, approximately how far are we south from that
17 point? Approximately half a mile, did you say?

18 MR. SMEDLEY: About half a mile, yeah.

19 Any questions?

20 CHMN. CHENAL: Any questions?

21 MR. BRASELTON: Yeah. I just have one or two
22 questions. As we look north from where we're situated at
23 Pecos Road and Crismon, we note there are no improvements
24 that would impact the location of the line; correct?

25 MR. SMEDLEY: I think Mesa plans to improve all

1 of Crismon, so I'm not sure about that, actually.

2 MR. BRASELTON: Well, as we look north today,
3 there are no improvements constructed along Crismon at
4 this time?

5 MR. SMEDLEY: That is correct. Right.

6 MR. BRASELTON: And as we look south from here,
7 up until we get closer to Germann Road, there are no
8 improvements on the east or the west side of Crismon;
9 correct?

10 MR. SMEDLEY: Not currently, that's correct.

11 MR. BRASELTON: And Crismon Road has not been
12 improved in this mile between Pecos on the north and
13 Germann on the south; correct?

14 MR. SMEDLEY: That is correct. Not currently.

15 CHMN. CHENAL: Any further questions?

16 (No response.)

17 CHMN. CHENAL: All right. Let's go off the
18 record, and we'll resume at key observation point No. 6.

19 (TIME NOTED: 11:22 a.m.)

20 (The route tour attendees proceeded to Stop 6.)

21

22 STOP 6

23 (TIME NOTED: 11:31 a.m.)

24 CHMN. CHENAL: Okay. Let's go back on the
25 record. We're at key observation point No. 6.

1 Mr. Smedley, if you'd like to comment on what
2 we're looking at.

3 MR. SMEDLEY: So we're looking south if you
4 look out the front of the vehicle.

5 On the east side of the road, you have the
6 Vlachos Nursery property. On the left side, this is
7 owned by Jorde Farms. Right next to us on the northwest
8 side is the Harris Cattle property, and that's the house
9 that we had talked about where we'd like to cross Crismon
10 to avoid.

11 So either we'll be on the east or west side
12 here and then to have the line continue down into Queen
13 Creek. And half a mile south of here is where we'll
14 interconnect with our Abel-Ball-Pfister line where this
15 project would be the termination point.

16 CHMN. CHENAL: And, to be clear, we're at the
17 northwest corner of Crismon and Germann Road.

18 MR. SMEDLEY: Thank you, yes.

19 And then you can see the existing 69kV lines
20 down on the east side of Crismon Road, so those are what
21 we would underbuild to our 230kv in the future, whether
22 it's on the east or the west side. That's all I have.

23 Any questions?

24 CHMN. CHENAL: And if the line is going to be
25 on the west side of Crismon, would you take the existing

1 69 distribution system and move it to the west as well
2 and collocate?

3 MR. SMEDLEY: Yes, we would. That's correct.

4 CHMN. CHENAL: Okay. One or two questions.
5 We'll give every opportunity, Mr. Braselton, to have you
6 ask questions of Mr. Smedley. But in the field, it's
7 very difficult for the court reporter to take down.

8 MR. OLEXA: And I would say just I think it's
9 more appropriate that you ask your questions while we're
10 back at the hearing when all the rest of the parties and
11 intervenors are there as well. But I certainly think
12 it's appropriate that, you know, if there's something --
13 you want to point out something to the Committee, that
14 you can certainly do so and get it on the record.

15 MR. BRASELTON: It's common to have testimony
16 in the field when the Committee is looking at what you're
17 trying to point out.

18 First of all, on the northwest corner where we
19 are situated right now, that is the location of the only
20 residence between Germann and Pecos Road; correct?

21 MR. SMEDLEY: That's correct.

22 MR. BRASELTON: And SRP has committed to
23 stay -- to construct the new proposed 230kV line on the
24 opposite side of Crismon Road across from the residences,
25 not to go through the residential property; correct?

1 MR. SMEDLEY: We have indicated that we would
2 avoid the residence, so -- but I would say, we don't know
3 what the future of this property is, so I would say it
4 like that.

5 MR. BRASELTON: You've committed to avoid the
6 residence?

7 MR. SMEDLEY: We have indicated that we will
8 avoid the house, yes.

9 MR. BRASELTON: Okay. And we can go into
10 further about what your CEC says about that later.

11 Second, can you see from here the scope of the
12 improvements on Crismon Road that were recently
13 constructed by the Town of Queen Creek? Can you tell
14 whether there is curb and gutter on the west side of the
15 street?

16 MR. SMEDLEY: So I would say that a month ago,
17 it wasn't paved. So it's been paved now, and it's a now
18 a two-lane road. It looks like there's some curb and
19 gutter.

20 That's what I would be able to say from here.

21 MR. BRASELTON: Can you tell whether there's
22 curb and gutter on the west side and no curb and gutter
23 on the east side?

24 MR. SMEDLEY: It appears that way.

25 MR. BRASELTON: And you've confirmed the 69kV

1 lines are on the east side as they exist today; correct?

2 MR. SMEDLEY: Yes, sir.

3 MR. BRASELTON: They're on those wooden power
4 poles that we're looking at?

5 MR. SMEDLEY: Yes, sir.

6 MR. BRASELTON: And so if you were to construct
7 the new line on the west side, you'd have to move that
8 entire 69kV line over to the west side; right?

9 MR. SMEDLEY: We have indicated we would do
10 that, yes.

11 MR. BRASELTON: Can you see from here -- and
12 perhaps you can't. But can you see from here an
13 electrical substation that's further south along Crismon
14 Road just north of Queen Creek Road?

15 MR. SMEDLEY: I can't see it, but I know it
16 exists.

17 MR. BRASELTON: Do you know what it's there
18 for?

19 MR. SMEDLEY: It's to connect a solar facility
20 that's located south of Ryan Road through our 69kV
21 system.

22 MR. BRASELTON: So that solar system connects
23 to and provides power to SRP, all of which is on the east
24 side of Crismon?

25 MR. SMEDLEY: Yes, sir.

1 MR. BRASELTON: Okay. That's all I have.

2 CHMN. CHENAL: Any further questions?

3 (No response.)

4 CHMN. CHENAL: All right. Let's go off the
5 record, and we'll resume the hearing at 1 p.m.

6 (TIME NOTED: 11:36 a.m.)

7 (The route tour attendees proceeded to the
8 hearing room, arriving at 12:06 p.m.)

9 (The hearing resumed at 1:16 p.m.)

10 CHMN. CHENAL: Okay. Let's commence the
11 afternoon session of the hearing.

12 I notice the applicant and parties are
13 represented, and we have our Committee except
14 Mr. Haenichen, who should be joining us shortly.

15 We had the tour, which I think was most of us,
16 if not all of us, thought was very helpful, and thank you
17 to the applicant for putting that together.

18 Are there any housekeeping items we should
19 address before we get into -- return back to the
20 applicant for presentation of testimony?

21 (No response.)

22 CHMN. CHENAL: Does the Committee have any
23 questions?

24 (No response.)

25 CHMN. CHENAL: During the tour, I think I

1 had -- before the tour started, I had indicated if there
2 were any follow-up questions regarding anything that was
3 seen during the tour that this would be the opportunity
4 to ask questions of the applicant's witnesses,
5 Mr. Smedley in particular.

6 So if anyone has any questions for follow-up
7 for the tour, let me know now. If not, we'll just turn
8 to proceeding back to the applicant and let them put on
9 their additional witnesses.

10 So, Mr. Olexa, it's all yours, or Mr. Sundlof.

11 MR. SUNDLOF: Mr. Sundlof. I just want to kick
12 it off. Thank you, Your Honor.

13 We're bringing back Mr. Smedley -- he's never
14 finished his testimony -- to basically answer the
15 questions that have been raised. And, also, in our
16 proposed CEC document, we have proposed two approaches on
17 corridors and how they're located.

18 So he's going to tee that up a little bit, and
19 then we can discuss it during deliberations.

20 So I'll turn it over to Mr. Olexa.

21

22

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1 GRANT SMEDLEY,
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. Good afternoon, Grant. You understand you're
10 still under oath?

11 A. Yes. Good afternoon, Mr. Chairman, Members of
12 the Committee. I understand I'm still under oath and
13 appreciate the chance to continue my testimony.

14 Q. First, let's address the Committee's question
15 on SRP's existing 69kV right-of-way in two locations.

16 First, in the existing line along Warner Road,
17 what is the right-of-way width there?

18 A. The right-of-way width that we have for our
19 69kV line on Warner Road is 16 feet.

20 Q. And what about the 69kV line along the east
21 side of Crismon Road?

22 A. The right-of-way for that line is only 10 feet.
23 Some of these older lines that we built, we previously
24 had acquired a smaller amount of right-of-way, assuming
25 that we could utilize the adjacent public access roads

1 for maintenance or for blowout or other purposes. We've
2 since changed that approach and typically request 30 feet
3 now for 69kV easements.

4 Q. Would it provide an advantage to SRP to locate
5 the 230kv easement over the existing easements?

6 A. I'm not a land expert, but I'm told that the
7 effect would be relatively minor. But other factors
8 might easily overwhelm this slight advantage, such as,
9 for example, on Warner Road, the future location of the
10 RS-31 Substation, in ensuring we have the most direct
11 route to take to get to that substation.

12 Q. Let's move to the permitted --

13 CHMN. CHENAL: Excuse me. Member Hamway has a
14 question.

15 MEMBER HAMWAY: So do you have to acquire the
16 remaining 20 or 15 feet that would give you 30 feet
17 that's necessary today or that you try to acquire for
18 today?

19 MR. SMEDLEY: No. That's not what we typically
20 would do. We would live with that particular easement
21 for now and in the future try to acquire the larger one
22 that we feel we need.

23 Q. BY MR. OLEXA: All right. Let's move to the
24 permitted corridors which SRP requests in its
25 application. Are these corridors still SRP's request?

1 A. No. SRP is no longer requesting these wide
2 corridors. Instead, SRP is proposing two methods in
3 defining the permitted area that will be much less
4 impactful to the landowners.

5 One is to specify that SRP will abut the
6 existing highway and road rights-of-way with some limits.
7 The other is to approve corridors but to narrow the
8 corridors compared to those requested in the application.

9 Q. Does SRP prefer one over the other?

10 A. Given the unique circumstances in this case,
11 where we have large parcels of land ready for
12 development, we believe that we and the Committee should
13 be careful on the limits of the grant of authority. Now
14 that we have significantly narrowed the corridors, we
15 believe the corridor approach will give us what we
16 reasonably need to build the project. But the first
17 approach, the one that does not define corridors, is
18 narrower and thus has less impact on land, so we prefer
19 that one.

20 The corridor approach, as we have now redefined
21 it, we believe is also a reasonable approach.

22 Q. Let's start with the first one, no corridors.
23 Can you describe this approach using SRP Exhibit 58.

24 A. Yes. The concept in SRP-58 is that the lines
25 will parallel and abut the existing or future

1 rights-of-way, deviating only for very narrow reasons,
2 and in no event will the deviation extend beyond certain
3 defined limits.

4 Exhibit SRP 58 first shows the concept of the
5 right-of-way paralleling the road edges. These are shown
6 by the narrow green lines. They're a little bit
7 difficult to see, but probably in your handouts, you can
8 see them a little better. So there's narrow green lines,
9 and they're along the rights-of-way.

10 And the outside limit differs from location to
11 location based on our assessment of possible construction
12 and interference issues.

13 So along the -- let me start and just describe
14 through the corridors what we're requesting.

15 So along the 202, we have a set limit of 200
16 feet. The reason that we've requested 200 feet is that
17 some of the landowners along that area have plans at
18 least in development for those parcels, and we want to
19 make sure that we have sufficient space to locate and
20 coordinate with them and their plans, for example, sewer
21 lines and things like that that are adjacent to the 202
22 freeway.

23 As we come to the portion along the 24 freeway,
24 the built portion, we are requesting a 300-foot boundary
25 in that area. The reason for that request is -- I spoke

1 about this in the route tour -- there's a plan to
2 relocate the drainage channel, the Ellsworth drainage
3 channel, that is currently located in that area. And we
4 want to make certain that we have enough space to be able
5 to locate the line beside that drainage channel.

6 Along Crismon Road, we're requesting -- or on
7 the unbuilt -- I'm sorry, let me move to the unbuilt
8 portion of the 24.

9 CHMN. CHENAL: Could you indicate that,
10 Mr. Smedley, with the --

11 MR. SMEDLEY: Sure. So the built portion of
12 the 24 is from P3 to P4 on this map, and the unbuilt
13 portion is from P4 to P5. So from P4 to P5, we are
14 requesting a narrow boundary of 150 feet. And the basis
15 for that is there's really nothing in that area today.
16 It's very undeveloped, and we feel we can get relatively
17 close to the future freeway alignment.

18 On Crismon Road, we're requesting a 150-foot
19 boundary on either side of Crismon Road. And I'd like to
20 explain our approach a little more on Crismon Road to the
21 Committee.

22 We feel we need the flexibility to locate on
23 either side of Crismon Road for several reasons. So
24 starting in the north, in the Mesa area, right around the
25 point P5 on this map, which I'm pointing out on SRP-58,

1 if we were to locate on the east side of Crismon Road, we
2 would need to cross Crismon Road with our line, and the
3 future plans for the 24 freeway have Crismon as an
4 overpass. So we would actually need to cross Crismon at
5 a fairly -- over a fairly high overpass. And with the
6 FAA height restrictions in the area, we won't actually be
7 able to do that until several thousand feet down from
8 that point P5. So we would need to be on the west side
9 of Crismon for at least a portion of Crismon Road before
10 we could essentially cross to the east. So we need some
11 flexibility in that area.

12 As we travel down Crismon Road and getting into
13 the Queen Creek area, there's an existing plant nursery,
14 the Vlachos Enterprises property, which is just to the
15 south of point P6 on this map on the east side. That
16 nursery is a fully developed operation, and there are
17 greenhouses that are located relatively close to Crismon
18 Road.

19 If we were to locate our line on the east side
20 of that road, we would have to work with the property
21 owner to potentially have to relocate some of that --
22 those greenhouses and the equipment that they have on
23 that property.

24 The other point is, as we interconnect into our
25 future Abel-Ball-Pfister line at point P6, that line is

1 still being designed. We have not completed the design
2 for it yet. So we don't know exactly where the poles
3 will be located in the future. And when we do the
4 design, we have to do surveying of the area. Sometimes
5 we find underground utilities. Sometimes we find other
6 reasons for why poles can't be located in exactly the
7 locations where we think they can. So we are asking for
8 some flexibility to locate on either the east or west
9 side of Crismon Road.

10 There's existing 69kv running down the east
11 side of Crismon Road, so we have indicated that we will
12 collocate the existing 69kV lines with the 230kV lines,
13 but we would like the flexibility to do that on either
14 the east or west side of Crismon Road. So we would
15 either move the 69kv over to the west side and locate
16 there if we were going to build the 230kV on Crismon or
17 we would just simply underbuild it if we were going to
18 build it on the east side.

19 CHMN. CHENAL: Member Hamway.

20 MEMBER HAMWAY: So those poles along Crismon
21 are wooden and old and already pretty full, it looks like
22 to me. So would you keep the wooden poles and just
23 underfill it with your 230, or would you get all new
24 poles?

25 And if so, one of the questions I wanted to ask

1 in the field was how much higher would they be and how
2 much more distance would there be between them?

3 MR. SMEDLEY: So we would install new steel
4 poles. They would be approximately 120 feet tall. And
5 then we would build the 69 circuits onto those same steel
6 poles. So we would not reutilize the wood poles.

7 The other question you asked was about spans.
8 Those spans would probably be on the order of 400 to 600
9 feet, so the distance between the poles.

10 CHMN. CHENAL: Member Haenichen.

11 MEMBER HAENICHEN: I'm still a little bit I
12 won't say confused but concerned about the path between
13 P4 and P5, the unbuilt portion of that new 24 route.

14 Depending on who comes first, whether the line
15 comes first or the road, you really have to know up front
16 so you don't want to face the concept of having to move
17 the poles once you put them in.

18 How do you handle that particular problem?

19 MR. SMEDLEY: I think what we'll do is
20 coordinate very closely with ADOT. As they move to
21 acquire right-of-way, we'll work very closely with them.
22 And as I understand it, they're starting the detailed
23 design for that freeway in a couple of months. So we
24 will attend their design meetings, and we will work in
25 lockstep with them to make sure we know where the

1 southwest boundary of that freeway is to the extent that
2 we possibly can, and we will do our best to locate
3 adjacent to it.

4 So that's how we would attempt to address that.

5 MEMBER HAENICHEN: Thank you.

6 CHMN. CHENAL: Member Noland.

7 MEMBER NOLAND: Thank you. Mr. Smedley, can
8 you give me the definition of "boundary"?

9 MR. SMEDLEY: So we would be interpreting the
10 boundary -- oh, in this diagram?

11 MEMBER NOLAND: Yes.

12 MR. SMEDLEY: So in this diagram, it is
13 intended to be a not-to-exceed limit for where we would
14 locate our infrastructure. So it would basically say we
15 would, by presumption, about the features that are
16 indicated there, but we would not go outside of those
17 boundaries that you see there.

18 MEMBER NOLAND: And can you give me a
19 definition of "corridor"?

20 MR. SMEDLEY: A corridor would be the distance
21 in which we would build the infrastructure. So a similar
22 concept. But here, the presumption is that we would about
23 the infrastructure in addition to having the boundary.

24 MEMBER NOLAND: Thank you.

25 CHMN. CHENAL: So it's a little semantics, it

1 seems.

2 What you have described on Exhibit 58, to a
3 layman, would appear to be -- with the language in the
4 CEC would be you will build the structures to abut the
5 right-of-way; but where necessary, you have a little
6 leeway within a corridor or boundary with which to move
7 away from abutting the right-of-way and have a little
8 flexibility in that regard.

9 So, to me, it seems like it's abutting but
10 still with the corridor outer limit. Is that --

11 MR. SMEDLEY: That's a fair characterization,
12 yes.

13 CHMN. CHENAL: Okay.

14 Q. BY MR. OLEXA: Grant, you were talking about
15 some of the factors that went into SRP's position that it
16 needs flexibility along Crismon. Is one of the other
17 ones -- or other factors the fact that there's a home on
18 the northwest corner of Germann and Crismon?

19 A. Yes. Thank you. I forgot to mention that.

20 So the property northwest of Crismon and
21 Germann is Harris Cattle. And I mentioned, I think, in
22 prior testimony that there's a home on that property that
23 we would avoid by crossing Crismon on the west side, or
24 we would be on the east side to avoid that home.

25 Q. Going back to your description of Exhibit 58,

1 are the limits there that are shown the same as
2 corridors?

3 A. They are very similar. Again, the presumption
4 in this is that we would abut the linear features that
5 are shown here except if for some reason we would need to
6 go around something or that there's something there, and
7 they're intended to provide some outer limits to, again,
8 not tie up land unnecessarily.

9 Q. And what else --

10 CHMN. CHENAL: Excuse me. Member Noland has a
11 follow-up question.

12 MEMBER NOLAND: Thank you. And I don't mean to
13 interrupt you.

14 But couldn't we just say "corridor" and put in
15 the language of "abutting except where necessary" within
16 that corridor?

17 MR. SMEDLEY: I think it's probably just a
18 terminology issue, so that's essentially the intent.

19 MEMBER NOLAND: Thank you.

20 Q. BY MR. OLEXA: What else is SRP proposing to do
21 to provide certainty to the landowners?

22 A. Condition 17 of the proposed CEC requires that
23 we commence discussions on the final right-of-way within
24 120 days and that we will proceed in good faith to define
25 the ultimate right-of-way working with each landowner.

1 This is a big deal, and it should provide
2 significant certainty. We will be reporting on our
3 efforts in the first reporting cycle, which is set in our
4 proposal as September 1st, 2019.

5 Q. Is this approach what SRP needs to construct
6 the project?

7 A. Yes. We believe this is the approach that
8 reasonably defines the minimum rights we need to
9 construct the project.

10 Q. What is the second approach?

11 A. The second approach is the traditional corridor
12 approach, but we have narrowed the corridors
13 significantly, basically mirroring the limits that we set
14 in our first approach. So SRP could build anywhere
15 within these corridors, and they are shown in Exhibit
16 SRP-59.

17 Q. And what is SRP's position on this approach?

18 A. We can certainly accept it. If the Committee
19 wants us to use the corridor approach, these are the
20 minimum corridor widths that we believe will give us
21 reasonable flexibility to construct the project.

22 Q. When we get to the CEC discussions, will
23 Exhibits SRP-58 and 59 be alternative exhibits to the
24 CEC?

25 A. Yes. Depending on the approach that's selected

1 by the Committee, Exhibits -- we will use one or the
2 other.

3 Q. And does SRP have a new proposed CEC?

4 A. Yes. This has been docketed and distributed to
5 the members and the parties. We have marked this as
6 Exhibit 60.

7 Q. During your testimony on Friday, the Committee
8 commented that SRP's proposal to enter and exit the RS-31
9 Substation was squishy. Have you done anything to
10 address this?

11 A. Somewhat, though, as I will explain, we do need
12 some flexibility in this area. The first thing that we
13 did was we reduced the area for the possible location of
14 the substations. This is shown in both Exhibit SRP-58
15 and SRP-59. We reduced the area from the original, which
16 is 226 acres, to 163 acres. So a 28 percent reduction.

17 The ultimate location of the 25 acres has some
18 discretion. We cannot set exactly where the lines will
19 go. This will depend on the final substation location.
20 And we may want to route transmission along a linear
21 feature either existing now or as may be planned. We can
22 only say that the transmission will be within the orange
23 area.

24 CHMN. CHENAL: Member Noland.

25 MEMBER NOLAND: Thank you.

1 Then, as I'm looking at it, you don't have a
2 corridor here or any kind of boundary description.
3 There's no corridor for the line going down to the orange
4 area. Was that on purpose?

5 MR. SMEDLEY: We want to use the most direct
6 way possible to get to our future substation locations,
7 so that's the language we put into the CEC, so as to not
8 have a really wide corridor if we had to go straight and
9 tie up that land unnecessarily.

10 MEMBER NOLAND: Thank you.

11 Q. BY MR. OLEXA: Grant, has the Utilities
12 Division of the Corporation Commission commented on this
13 project?

14 A. Yes. Based on the Staff's engineering review
15 and the impact studies, the routes proposed by SRP appear
16 to be technically sound. The staff believes that the
17 proposed project will improve reliability, resilience,
18 and safety of the grid as well as delivery of power in
19 Arizona.

20 The letter also requests a CEC condition
21 regarding natural gas pipelines. That condition is now
22 in our proposed CEC.

23 Q. And the Utilities Division letter is SRP
24 Exhibit 61?

25 A. Yes, that's correct.

1 Q. Okay. In one of your prior answers, you
2 elaborated on the reasons that SRP seeks optionality on
3 the east and west side of Crismon. Did you cover all
4 those already, or do you have any additions for those?

5 A. I believe I covered all of them.

6 Q. Okay. I want to ask you a question about
7 something that was included in the Town of Queen Creek's
8 objections to the applicant's revised proposed
9 Certificate of Environmental Compatibility, which I
10 understand was filed today.

11 Have you had a chance to read that document?

12 A. Yes, briefly.

13 CHMN. CHENAL: Excuse me. Which document are
14 you referring to, Mr. Olexa?

15 MR. OLEXA: It is referred to as the Town of
16 Queen Creek's Objections to Applicant's Revised Proposed
17 Certificate of Environmental Compatibility. And,
18 apparently, it was filed this morning.

19 CHMN. CHENAL: Mr. Braselton, do you care to
20 comment on that?

21 MR. BRASELTON: Mr. Chairman, Mr. Cloar filed
22 it this morning with the Commission and sent your -- we
23 asked our assistant to send you an email that you could
24 then distribute to the members of the Committee.

25 MEMBER WOODALL: Do you have hard copies?

1 MR. BRASELTON: You don't have email access
2 there? We could email it to each one of you if that
3 would help.

4 MEMBER HAMWAY: Who would we get it from?

5 MR. BRASELTON: SRP has offered to help.

6 MR. OLEXA: Mr. Chairman would you like to take
7 a break until we get can the printed --

8 CHMN. CHENAL: That might be appropriate,
9 because I think that's -- we definitely want to hear
10 the -- have a chance to review that and put it into the
11 record. And I've got Proving Ground's, that entity's, as
12 exhibits to add -- to make a Chairman's exhibit. So
13 let's take a break, let's get copies of that, give the
14 Committee an opportunity to review the document, and then
15 we can go back on the record.

16 Mr. Sundlof.

17 MR. SUNDLOF: Mr. Chairman, I want to point out
18 that we've never really done a cross-examination of the
19 panel. So when we come back, I'll have the entire panel
20 sitting up there just in case there are questions from
21 any of them.

22 CHMN. CHENAL: Very good. So let's take a
23 break, and we'll resume when we have these items taken
24 care of. Thanks.

25 (A recess was taken from 1:39 p.m. to

1 1:56 p.m.)

2 CHMN. CHENAL: We took a short break to get
3 hard copies of what was filed out of Town of Queen Creek,
4 and we've had an opportunity to review that.

5 So, Mr. Olexa, if you want to proceed with your
6 witness.

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

8 Q. BY MR. OLEXA: Grant, I'm going to get to the
9 objection in a second, but there was one question I
10 forgot to ask you before we broke.

11 Which ties up more land, the corridor approach
12 or the noncorridor approach?

13 A. The corridor approach ties up more land. It
14 allows us to build anywhere within that corridor that's
15 designed.

16 The noncorridor approach, or version 1, there's
17 a presumption that we will build abutting to existing
18 rights-of-way or linear features. And so, as a result,
19 it ties up less land.

20 CHMN. CHENAL: Member Noland.

21 MEMBER NOLAND: Mr. Smedley, wouldn't it be
22 true, though, if we put in the language of the abutting
23 the right-of-way, the same as you want to do on the
24 boundary, then it would tie up the same amount of land?

25 MR. SMEDLEY: It would be the same approach

1 then in that case, yes.

2 MEMBER NOLAND: Yes, it would. Thank you.

3 Q. BY MR. OLEXA: Mr. Smedley, do you have a copy
4 of the Town's objection to the applicant's revised
5 proposed CEC?

6 A. Yes, I do.

7 Q. Turn, if you would, to page 2. And I'm looking
8 under subsection -- or Roman numeral II, subpart A. And
9 I'm going to start at line -- the end of line 5. There's
10 a sentence in here, and I just want to make sure that
11 it's clear for the record so it doesn't get potentially
12 misconstrued.

13 This particular sentence says: The
14 uncontroverted testimony before the Committee is that,
15 SRP has committed to construct the 230kV as an
16 "underbuild" with the 69kV lines already constructed on
17 the east side of Crismon Road.

18 Is that your testimony?

19 A. No, it's not. I believe what we said is that
20 we would collocate the 69kV with the 230kV, whether it's
21 on the east or the west side of Crismon Road. I believe
22 we testified that it is somewhat standard practice to try
23 to do that where we have 69kV, but the intent was not to
24 say that we would necessarily be on the east side of the
25 road. We would just commit to collocating the

1 infrastructure.

2 Q. So, for clarity, you acknowledge that there's
3 69kV on the east side of Crismon; correct?

4 A. Yes.

5 Q. And you acknowledge that SRP is willing to
6 underbuild 69kV on the new 230kV poles; correct?

7 A. Yes.

8 Q. And what you did not do was commit SRP to being
9 on the east side of Crismon; correct?

10 A. That's correct.

11 Q. All right. Turning back to the objection, if
12 you would go down to subpart C on page 2. In that
13 heading, it says: The "no corridors" approach allows
14 unfettered discretion to SRP to deviate from the right of
15 way.

16 Do you agree with that assertion?

17 A. Absolutely not. As I just testified, there's a
18 presumption that we would abut to or align with the
19 existing right-of-way.

20 Q. And there's a presumptive limit; correct?

21 A. That's correct.

22 Q. All right. Turn, if you would, to page 3 of
23 the objection. And I'm focusing in now on heading E as
24 in Edward.

25 It indicates: SRP should be obligated to work

1 with the Town regarding final right of way and pole
2 location.

3 Does SRP have any objection to identifying
4 specific locations for the ultimate right-of-way and pole
5 locations in the southern segment to the Town of Queen
6 Creek?

7 A. Absolutely not. We've been working with the
8 Town since the beginning of this project. We've had
9 multiple meetings with them. As you heard in Mr. Sachs'
10 testimony on Friday, we've had a great working
11 relationship with them, and we would add them to that
12 condition, certainly, and make sure that they are a part
13 of that.

14 Q. Okay. Under subparagraph E, it refers to a
15 proposed condition in the proposed CEC in paragraph 17.

16 Was the fact that the Town wasn't referenced
17 just an omission?

18 A. Yes, it was.

19 Q. Okay. Grant, you've been here the entire
20 hearing; correct?

21 A. Yes.

22 Q. You sat here through Mr. Sachs from the Town of
23 Queen Creek's testimony; correct?

24 A. Yes, I did.

25 Q. Okay. Did he take the position that the

1 only -- the east side of Crismon was acceptable to Queen
2 Creek?

3 A. No, he didn't.

4 Q. Have you seen a resolution from the Town of
5 Queen Creek about this project?

6 A. Yes, I have.

7 Q. Okay. Is that resolution marked as SRP
8 Exhibit 55?

9 A. Yes, it is.

10 Q. Okay. Did the resolution from the Town of
11 Queen Creek indicate that the Town only finds the east
12 side of Crismon acceptable?

13 A. No, it did not. It indicated that Queen Creek
14 supports the Crismon alignment.

15 Q. Please summarize for the Committee your
16 position and SRP's position on the southern segment of
17 the project.

18 A. SRP's position is that we feel we need the
19 flexibility to locate on either the east or west side of
20 Crismon Road. We would certainly work with the Town and
21 the landowners to come up with a best solution at that
22 time when we go to construct, but there isn't a need
23 right now for a condition restricting us to one side or
24 the other. We feel that we need that flexibility to make
25 sure that we can coordinate the design with the

1 Abel-Ball-Pfister future line and for some of the other
2 reasons I discussed previously, such as the existing
3 nursery on the east side of Crismon Road.

4 CHMN. CHENAL: Member Noland.

5 MEMBER NOLAND: Mr. Olexa, what exhibit were
6 you referring to on the resolution?

7 MR. OLEXA: Member Noland, it was Exhibit 55 of
8 SRP's exhibits.

9 MEMBER NOLAND: I believe that's the City of
10 Mesa's resolution.

11 MR. OLEXA: They're actually both there. It's
12 the second one.

13 MEMBER NOLAND: I see it now. Got it. Thank
14 you.

15 CHMN. CHENAL: Member Haenichen.

16 MEMBER HAENICHEN: Well, timing is everything.
17 And this is very unfortunate that they're taking this
18 position now when we don't have the witness to discuss it
19 with. And we don't want to wind up making a
20 determination on how this is going to go and be confused
21 at being heavy-handed with a municipality.

22 So have you got any suggestion how to handle
23 this?

24 MR. OLEXA: I think at this point that the Town
25 of Queen Creek had an opportunity to present their

1 witness and to speak to that, and --

2 MEMBER HAENICHEN: That's my point.

3 MR. OLEXA: They didn't address it. So this is
4 coming as a bit of a surprise here at the end that they
5 want to take a hard line on the east side.

6 MEMBER HAENICHEN: It's a big surprise.

7 MR. SMEDLEY: But can I make another --

8 CHMN. CHENAL: Mr. Braselton or Mr. Cloar, if
9 you want to add comment, we'll give you plenty of
10 opportunity to ask questions and make any comments you
11 wish. So if you want to respond now to Member
12 Haenichen's question, that's fine.

13 MR. BRASELTON: I would be happy to answer
14 Member Haenichen's question now, and then I do want to
15 cross-examine the witness.

16 CHMN. CHENAL: Sure.

17 MR. BRASELTON: Mr. Haenichen, the Town's
18 witness who appeared on Friday did testify consistent
19 with the position that we've taken in this proceeding
20 throughout, which is that the east side is substantially
21 preferable to this option of having both ways to go. So
22 I'm not sure what you're asking about that there's no
23 witness here to question.

24 MEMBER HAENICHEN: No. The point is, he didn't
25 say they were fatally objected to it. He just said, We

1 prefer the other, didn't he?

2 MR. BRASELTON: No. He said the Town is urging
3 the adoption of a single Crismon Road right-of-way on the
4 east side. That's what Mr. Sachs testified to on Friday.
5 There's no surprise.

6 And the other point that needs to be made is
7 that additional evidence has come out during the hearing.
8 Additional evidence came out leading up to the hearing
9 that gave the Town the opportunity to study this further
10 and evaluate it further. So nobody's trying to hide
11 anything or pull any surprise here.

12 We put on a witness who testified consistent
13 with what my closing argument is going to be, and that's
14 the evidence that you've heard from the Town.

15 MEMBER HAENICHEN: Well, I didn't say that it
16 was wrong or anything. I said it's unfortunate that this
17 thing sequenced the way it did because now we have no way
18 of talking with somebody who represents the City, unless
19 you can.

20 MR. BRASELTON: I do. That's what I'm here
21 for. So feel free. Ask any more questions you want.
22 But there are five good reasons that I'm going to go into
23 on closing, and I'll do it now if you'd like, as to why
24 we think that the east side should be the sole --

25 MR. OLEXA: Mr. Chairman, what do you prefer?

1 CHMN. CHENAL: No. The final argument will be
2 when final argument takes place. And Mr. Braselton or
3 Mr. Cloar will have an opportunity to ask the witness
4 questions. But we have a couple questions.

5 But Member Noland, and then we'll get to Member
6 Woodall.

7 MEMBER NOLAND: Thank you.

8 Mr. Olexa, what would you say was the Town's
9 intention in their resolution section 4? It seems to me
10 that that says the same thing that's in their filing that
11 we're dealing with.

12 MR. OLEXA: In reading section 4 of the
13 resolution, it references collocating the 230 and 69kV,
14 which is undisputed.

15 The position that's new that's not referenced
16 here is the fact that they're adamant that they only want
17 SRP to be on the east side of Crismon.

18 And the record will speak for itself, but my
19 recollection of Mr. Sachs's testimony was similar to what
20 we see in the resolution. In other words, that they're
21 in favor of Crismon Road, a single alignment on Crismon
22 Road. But he didn't specify that they were objecting to
23 the flexibility that SRP is requesting.

24 MEMBER NOLAND: Well, I don't agree with you,
25 and I read it as they want it to serve as the support

1 structures for the existing 69kV transmission line. It
2 may be semantics. And talking about on the same towers,
3 I think maybe one group is thinking one way, and the
4 other group is thinking the other way, and now we're
5 finding out those aren't the same way that they're
6 thinking.

7 So I'm just trying to figure this out too.
8 This is all fairly recent, and we're all trying to work
9 our ways through it.

10 Thank you.

11 MR. OLEXA: Thank you.

12 CHMN. CHENAL: Member Woodall.

13 MEMBER WOODALL: The way this is written, it
14 sounds like they're thinking about the transmission line
15 be collocated on the wooden poles that are out there
16 because it says: Collocated on the same towers as those
17 that serve as the support structures for the existing
18 69kV transmission line.

19 Which makes no sense whatsoever to me, but
20 that's the way it reads.

21 MR. SMEDLEY: But they'll be the future support
22 structures for the --

23 MEMBER WOODALL: I understand. But the way it
24 reads, it sounds like they're expecting the 230kV lines
25 to be on the same 69kv poles, which doesn't make any

1 sense. I think the language is ambiguous.

2 CHMN. CHENAL: Member Haenichen.

3 MEMBER HAENICHEN: Pardon my ignorance. I
4 should know the answer to this. But on which side of
5 Crismon are the 69kV lines?

6 MR. OLEXA: They're on the east side.

7 MEMBER HAENICHEN: They are all on the east.
8 So they aren't using this as a ruse to get them on a
9 different side of the street.

10 Okay. Thank you.

11 CHMN. CHENAL: Correct me if I'm wrong,
12 Mr. Olexa, but -- or Mr. Braselton or Mr. Cloar or
13 Mr. Sundlof, one of the alternate routes that was
14 proposed for the southern route that would go through the
15 Queen Creek town limits was to the east of Crismon Road.
16 I believe that there were alternate routes that were
17 described.

18 And so the language of the resolution, of the
19 Town resolution, Exhibit 55, seems to me, when you've
20 read it in light of the fact that there were alternatives
21 on the table at the time, was an attempt to propose by
22 the City -- the Town of Queen Creek that the alignment
23 that was the top choice for the Town was Crismon Road as
24 opposed to the alternatives.

25 And so I'm not sure that the resolution of the

1 Town is crystal clear on anything further than the
2 Crismon Road alignment, and I don't think it addresses
3 specifically whether it should be on the east or the west
4 side. I may be incorrect, and counsel for Queen Creek
5 can correct me.

6 MR. BRASELTON: Mr. Chairman, my understanding
7 is that by the date the resolution was passed, the
8 possibility of an alignment located further east from
9 Crismon Road itself had been taken off the table. That's
10 my understanding of the timing there.

11 But secondly, just to clear up any
12 misunderstanding, before we filed this objection this
13 morning, we coordinated with the Town manager and the
14 Town fathers over the weekend to ensure that we were
15 taking the position that the Town fathers wanted us to
16 advocate for. So I just want to make sure everybody
17 understands that that's where it's coming from.

18 CHMN. CHENAL: If it wasn't understood before,
19 I think it's clear now. The Town of Queen Creek prefers
20 on the Crismon Road alignment that it be on the east side
21 as opposed to the west side. And I suspect that you're
22 going to ask questions of Mr. Smedley and make argument
23 to that point.

24 So I think that's now clear. And how we got
25 here may be in dispute, but I think it's clear now that

1 that's the position of the Town.

2 Member Hamway.

3 MEMBER HAMWAY: I just have a quick question.

4 At what point did Queen Creek understand that SRP was
5 going to ask for a boundary, a corridor, whatever we want
6 to call it, on both sides of Crismon Road?

7 MR. BRASELTON: I'm sorry. I can't give you a
8 date or a time period on that.

9 MEMBER HAMWAY: But you've known it for a
10 while, that that was going to be a request?

11 MR. BRASELTON: What does "a while" mean? I
12 don't know what --

13 MEMBER HAMWAY: Since the filing.

14 MR. BRASELTON: Since August 1st when SRP filed
15 it's first application? I just don't know the time --

16 MEMBER HAMWAY: The reason I'm asking is if you
17 knew they were going to come in and ask for that, you
18 should have had conversations prior to getting here, I
19 guess.

20 MR. BRASELTON: We should have had
21 conversations? Who should have?

22 MEMBER HAMWAY: Queen Creek and SRP.

23 MR. BRASELTON: I wasn't involved in the
24 negotiations. I'm representing them in the hearings.
25 I'm sorry, I can't tell you what happened before and what

1 was discussed before the hearings began. We were asked
2 to get involved when the hearing was scheduled.

3 MEMBER HAMWAY: So let me ask SRP, have you
4 guys been openly talking about requiring flexibility on
5 both sides of Crismon Road since you've been talking
6 about this?

7 MR. SMEDLEY: We've had several meetings with
8 Queen Creek, and I personally thought that that was
9 clear, but I --

10 MR. OLEXA: And it's part of the application as
11 well.

12 CHMN. CHENAL: I'll also add this: If we look
13 at the testimony that was filed by Queen Creek, because
14 we asked all parties to provide summaries of the
15 testimony, in reference to Mr. Sachs or Mr. Troy
16 Wright -- White, excuse me, it was Mr. Sachs who was
17 called to testify.

18 It indicates that -- I forget the exhibit
19 number, but if called to testify, Mr. Sachs is expected
20 to confirm and explain the Town's support for the
21 currently proposed preferred alignment for the 230kV
22 transmission line. In particular -- I'm not going to
23 read everything, but in particular, Mr. Sachs will
24 explain -- and then in subpart (c) -- there is an
25 existing 69 transmission line currently located along the

1 east side of Crismon Road south of Germann Road. By
2 constructing the new 230kV line along the same
3 alignment -- along the same alignment, the 69kv and 230kV
4 lines may be collocated thereby reducing the adverse
5 visual aesthetic impacts that would result if an entirely
6 separate set of towers were installed to solely support
7 the 230kV line.

8 So I just throw that out that that was the
9 summary of the testimony to be offered by Mr. Sachs.

10 I guess the record will speak for itself, but
11 we don't have that testimony, and I don't think we're
12 prepared to adjourn this meeting just to allow the court
13 reporter to get that prepared just for our review at this
14 point.

15 Member Haenichen.

16 MEMBER HAENICHEN: I'd like to address this
17 question to you. What is the objection to having it on
18 the west side? I mean, what's the reason? Aesthetics?

19 MR. BRASELTON: There's five reasons why we
20 believe that the east side is the preferable and the only
21 portion -- the only private property that should be
22 burdened with this proposed easement.

23 No. 1, there's a residence on that northwest
24 corner of Germann and Crismon. And in order to avoid
25 that residence, the line has to be on the east side just

1 north of Germann. The Chairman is pointing to that in
2 Exhibit 059 right now. You all saw that. We were parked
3 in the parking lot at that residence when we stopped for
4 Exhibit 6.

5 You can't miss that residence if you're on the
6 west side. They're playing some sort of game here about
7 saying, well, we agree to avoid the residence, but they
8 don't want to commit to being on the east side. So I
9 don't understand that. So that's reason No. 1.

10 Secondly, the improvements that the Town just
11 recently constructed on Germann Road where we were
12 sitting today and looking south, you could see the brand
13 new pavement, the improvements on Germann Road are
14 finished on the west side. We have curb and gutter
15 installed. It's built. It's along the alignment that
16 it's supposed to be ultimately.

17 On the east side of Germann, it's not
18 completely finished, so we don't have -- I'm sorry,
19 Crismon. I'm misspeaking here. That's why I need a
20 younger guy who keeps things straight. I'm talking about
21 Crismon. Crismon is not -- is fully improved on the west
22 side, not fully improved on the east side.

23 Reason No. 3 is the existing 69kV line on the
24 east side of Crismon. If you collocate it and you put
25 the new line on that same side, it's a whole lot easier

1 and less expensive to just put in your new towers and put
2 that whole line on the new poles without moving that line
3 all the way across the street and hanging it on the poles
4 on the west side.

5 The next reason, reason No. 4, there's an
6 existing connection between the 69kV line that exists on
7 the east side and that substation that I asked about
8 during our tour this morning. When we stopped at that
9 last point, if you recall that I asked Mr. Smedley to
10 confirm that there's an existing substation down there
11 that connects to the 69kV line.

12 If you connect that substation to a 69kV line
13 that's now located on the west side of Crismon, then
14 you've got to run another line all the way across
15 Crismon, and you've now created another eyesore as it
16 goes across the line -- I'm sorry, goes across the
17 street.

18 And then the last point is this issue about
19 flexibility. Well, until the last hour, all we had heard
20 was flexibility. We need flexibility. Well, now we have
21 what they're offering by way of explanation about
22 flexibility, and the only one of them that has any
23 possible merit to this one section of the project on
24 Crismon Road is the Vlachos Nursery. And I would like to
25 address that in cross-examination.

1 So flexibility is nice, but it isn't nice for a
2 few of the property owners. I think I'm going to ask
3 Mr. Smedley to admit that there are at least 18
4 additional acres that are impacted by the proposed
5 alignment if you give them right to have alternative
6 alignments going forward. If we narrow it down now, we
7 narrow down the amount of property that's ultimately
8 going to be impacted, and the west side of Crismon can go
9 develop and do its own thing. It doesn't have to sit
10 there and wonder, Are we going to be the victim of this
11 potential transmission line in the future.

12 MEMBER HAENICHEN: I understand your point.

13 Mr. Smedley, may I continue?

14 CHMN. CHENAL: Yes.

15 MEMBER HAENICHEN: Let me ask you, then, kind
16 of the same question that I asked this gentleman: Why
17 would you ever need to be on the west side at all? And
18 if you should have to be and have a good reason for it,
19 what portions of the west side would be most likely to
20 require that location?

21 MR. SMEDLEY: So there's two reasons: One is
22 that the nursery that's operating on the east side is an
23 operating, developed facility. There is nothing right
24 now on the west side of Crismon Road. That nursery is
25 operating. It has greenhouses that are located close to

1 the road. It has pump stations and things like that.

2 So when we locate on the east side, we're going
3 to have to coordinate with them and potentially relocate
4 greenhouses that are operational today depending on the
5 timing of all of this.

6 MR. BRASELTON: Mr. Chairman, while we're on
7 that point, can I just ask a question to flesh that out?
8 I think we're getting to the essence of this whole issue,
9 if that's okay.

10 CHMN. CHENAL: I'll allow you, sir, after we
11 get through with the Committee questions.

12 MEMBER HAENICHEN: Okay. Is that the only
13 spot?

14 MR. SMEDLEY: There's one more. The other one
15 is, and I mentioned this earlier, we're still designing
16 the Abel-Ball-Pfister line. So we want to interconnect
17 at the southern point to our Abel-Ball-Pfister line. If
18 we can't locate a pole on the east side at the right
19 location to make that interconnection, if, for some
20 reason, we needed to be on the other side of the street,
21 on the west side, we wouldn't want to have a situation
22 where we're on the east side and we have to cross to the
23 west side. We want to make sure that we coordinate that.

24 So as we do the design for the line, we're
25 surveying the area, there could be things that we're not

1 aware of right now today. So we would like to have that
2 flexibility.

3 MEMBER HAENICHEN: But aren't you going to have
4 to make crossings anyway? You said you wanted
5 flexibility to go on both sides. So is that a big deal?

6 MR. SMEDLEY: Sorry. Would you mind repeating
7 the question?

8 MEMBER HAENICHEN: The last point you made was
9 for the Pfister connection. That's on the west side?

10 MR. SMEDLEY: No, it is not. We're still
11 designing the line, so we don't know exactly where the
12 pole -- if I can point to the map. So the line runs
13 east-west, that future line. So we'll be interconnecting
14 at a pole either on the east or the west side of the
15 road.

16 MEMBER HAENICHEN: Couldn't you just tell the
17 designers to make it on the east side?

18 MR. SMEDLEY: We could do that. But, again, we
19 sometimes find things that we don't expect.

20 MEMBER HAENICHEN: So that just leaves the
21 nursery now. So I'm thinking now as a Committee member
22 who's going to have to vote on this when the condition
23 comes up, and all the other people are going to have the
24 same problem here. If we're going to ask SRP to do
25 something that wasn't as flexible as you wanted it to be,

1 we need to know how much angst that causes or how much it
2 costs to do. What would it cost to move the greenhouses?

3 MR. SMEDLEY: I don't know the answer to that.
4 That's part of the reason we want to have the
5 flexibility. We have a condition that will require us
6 from -- 120 days from the time this is finalized to start
7 discussions with Queen Creek, with the landowners, to
8 arrive at what is the best solution for the Town and the
9 landowners.

10 There's no ill intent here. It may be the east
11 side. We just don't want to commit to that today with
12 that information that we have.

13 MEMBER HAENICHEN: Let me make a summary of
14 what I think you said in answer to my question.

15 There's only two spots, one, the nursery, and
16 one, the new future Pfister connection, that you want it
17 to be on the west side or have the flexibility to put on
18 the west side.

19 Is that overstating what you said?

20 MR. OLEXA: Member Haenichen, may I ask a
21 follow-up question?

22 MEMBER HAENICHEN: Of course.

23 Q. BY MR. OLEXA: Grant, you had mentioned earlier
24 a connection up in the northern portion of Crismon Road.
25 Can you explain that again and the significance of it,

1 please.

2 A. Yes. So at the top of the Crismon Road
3 alignment at P5, we would need to -- if we were on the
4 east side exclusively, we would need to cross Crismon
5 Road. At that point, Crismon Road is an overpass over
6 the 24 freeway. And we don't believe we can cross at
7 that point given the FAA height restriction. So we would
8 need to be on the west side of Crismon Road for some
9 distance before we cross to the east. So it just is more
10 reason to want to have the flexibility on Crismon to be
11 on either side of the road.

12 Q. Okay. And are you familiar with Mr. Adler?

13 A. Yes.

14 Q. Who is he associated with?

15 A. He was representing the Vlachos Nursery.

16 Q. Okay. And he came in and gave comments, and he
17 expressed a preference for the west side of Crismon;
18 true?

19 A. That's correct.

20 Q. And where is the Vlachos Nursery? Can you
21 point it out on Exhibit 59?

22 A. Sure. It's just between Germann and this point
23 P6 along Crismon Road on the east side.

24 MEMBER HAENICHEN: Do you recall, Mr. Olexa,
25 the language he used about why he would prefer it on the

1 west? He doesn't want the wires going over his nursery
2 or what was the reason?

3 MR. OLEXA: I don't know if he -- I don't
4 recall specifically whether he listed reasons, but
5 presumably, because his property is right there on the
6 east side.

7 MEMBER HAENICHEN: Well, it's pretty clear that
8 somebody's going to be inconvenienced here, so I think we
9 should spend a little more time fleshing it out right
10 now, I think.

11 CHMN. CHENAL: Member Woodall.

12 MEMBER WOODALL: Basically, in my mind, it's
13 not really particularly pertinent who said what to whom
14 when between the applicant and the City of Queen Creek,
15 no disrespect intended to the representatives of Queen
16 Creek.

17 What's important is, what does the Committee
18 think is the best route? Do they think that flexibility
19 would be important or do think that they should select
20 one side or the other. We have a record. We had Queen
21 Creek come in. I'm sure that Mr. Braselton will do a
22 stellar job of cross-examining the witness and eliciting
23 facts that he can use.

24 I don't think we need to wait to make our
25 decision here today. I just think we have a record, and

1 like I said, I'm very confident Mr. Braselton will make
2 the points he needs to make through cross-examination.
3 That's just where I'm coming from right now.

4 CHMN. CHENAL: Member Noland.

5 MEMBER NOLAND: I thought in the testimony --
6 and, I'm sorry, I can't remember whose testimony, but I
7 believe it was SRP -- that I heard the nursery property
8 did not have a problem with either side of the road.

9 Now, I may be wrong on that, and we've had a
10 few days in between. We don't have the record there to
11 read that. But I thought I remembered that being said.

12 MR. OLEXA: Member Noland, my recollection was
13 that he expressed a preference for the west side but did
14 say that he would accept either side and was willing to
15 live with either side.

16 CHMN. CHENAL: That was my recollection as
17 well, and I think Mr. Smedley is agreeing with that.

18 Is that correct, sir?

19 MR. SMEDLEY: Yes, I agree.

20 CHMN. CHENAL: Member Hamway.

21 MEMBER HAMWAY: The 69kV substation that they
22 referred to but we couldn't see, will that still be
23 necessary after you do the Abel-Pfister alignment?

24 MR. SMEDLEY: Yes, it is.

25 Q. BY MR. OLEXA: The 69kV substation, it sits

1 where, in your solar field; is that right?

2 A. Yes. It's off the map. But the next street
3 below Germann Road where you see point P6 here is Ryan
4 Road. South of Ryan Road is the solar facility, and a
5 half mile south of that point P6 is where the substation
6 is located that's being referenced.

7 Q. And what is that transformer substation? What
8 is its function there?

9 A. Its function is to connect the solar facility
10 to the SRP 69kV system.

11 CHMN. CHENAL: Member Haenichen.

12 MEMBER HAENICHEN: So it's more than just a
13 casual connection. You've got DC coming out of the solar
14 farm, and you have to invert it to AC?

15 MR. SMEDLEY: Yes. But it's not -- either way,
16 it's going to be there, and we'll get the line back
17 across to get to that point.

18 So I'm not sure I see the relevance of the
19 substation in this discussion.

20 MEMBER HAENICHEN: No, I don't either.

21 MEMBER HAMWAY: Just curiosity.

22 MEMBER HAENICHEN: It's south of the whole area
23 we're talking about. I just wanted to understand
24 everything.

25 MR. SMEDLEY: That's okay.

1 CHMN. CHENAL: Member Noland.

2 MEMBER NOLAND: Many of our questions are not
3 relevant, but we ask them anyway.

4 I'd like to unrelevantly ask you, is that
5 substation on the west side or the east side?

6 MR. SMEDLEY: It's on the east side.

7 MEMBER NOLAND: Thank you.

8 CHMN. CHENAL: Somehow, it just became more
9 relevant.

10 Mr. Smedley, help me again understand. I've
11 heard this now twice, and now I need you to explain it a
12 little once again.

13 Where the 230 line would come off the State
14 Route 24 along the southern alignment and proceed down
15 Crismon, you've talked about overpasses, and I just need
16 to hear that one more time to understand that -- my
17 understanding is at the end of the day, you need to be on
18 the west side of Crismon and then turn -- why don't you
19 explain it again.

20 MR. SMEDLEY: Right. So the Crismon Road
21 exit -- or there will not be a Crismon Road exit from the
22 24. So the Crismon Road will overpass the 24. And
23 because it is at a height above grade, we will have to
24 cross it if we were to locate on the east side, which
25 would not be possible at that location because of FAA

1 height restrictions. So we would need to travel south at
2 least for some distance on the west side before crossing
3 to get to the east side.

4 CHMN. CHENAL: Member Haenichen.

5 MEMBER HAENICHEN: Where does the town of your
6 town that you're representing, starting at P5 and heading
7 south, where do your concerns stop? In other words,
8 where could it be on the west side and you wouldn't care?

9 MR. BRASELTON: We have no objection from P5
10 down to Pecos Road. Put it on the west side. It sounds
11 like that makes a lot of sense. And then go over to the
12 east side at that location because you want to be on the
13 east side as you work your way south to cross that
14 residence.

15 MEMBER HAENICHEN: Thank you.

16 MR. BRASELTON: So this whole discussion about
17 P5 and the Crismon Road overpass over SR-24, that's
18 irrelevant. The substation's not irrelevant, and we'll
19 get to that in a minute. I don't want to jump ahead of
20 where the Chairman wants me to go on questioning.

21 CHMN. CHENAL: Tell me, Mr. Braselton, where
22 does the boundary for the Town of Queen Creek --

23 MR. BRASELTON: The Town boundary per se is
24 right at Germann Road.

25 CHMN. CHENAL: Got it.

1 Any more questions for the Committee before we
2 give it back to Mr. Olexa? Because I'm sure he has more
3 questions of Mr. Smedley.

4 Member Woodall has another question.

5 MEMBER WOODALL: I don't want to steal
6 Mr. Braselton's thunder, but is what counsel just
7 outlined as potential, is that something you could do
8 with good engineering practice?

9 MR. SMEDLEY: You mean be on the west side and
10 cross to the east?

11 MEMBER WOODALL: Yes.

12 MR. SMEDLEY: We could do it.

13 MEMBER WOODALL: You could do it. Okay.

14 CHMN. CHENAL: Mr. Olexa.

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

16 Q. BY MR. OLEXA: So if you came down P5 to Pecos
17 Road, that would be down the west side, and then you
18 would have to cross over, under Mr. Braselton's proposal,
19 to the east side; correct?

20 A. I think that's what he was suggesting, yes.

21 Q. But that still doesn't resolve the issue with
22 the Abel-Moody line; correct?

23 A. Yes. We still need to design that line and
24 make sure the pole can be located at the right location
25 for the connection.

1 Q. And it still doesn't address the issue with the
2 greenhouses and potentially having to move those;
3 correct?

4 A. That's correct.

5 Q. All right. Does that complete your direct
6 testimony, sir?

7 A. Yes, it does.

8 MR. OLEXA: Mr. Chairman, unless there are
9 other questions from the Committee, we would just, as the
10 applicant, move to introduce Exhibits 58, 59, 60, and 61.

11 CHMN. CHENAL: Member Haenichen.

12 MEMBER HAENICHEN: Before you do that, I think
13 we're real close to clarity on this now. It doesn't seem
14 to me, at least, as a novice on this, that crossing over
15 Crismon north of Pecos Road is any big deal. It may cost
16 some money as opposed to doing it where they want to do
17 it.

18 And then the other point is on the very
19 southern portion, connecting it to a new line that isn't
20 even existing yet, I don't see how that can be a problem
21 to say, Oh, guys, be sure we can connect on the east
22 side. That doesn't -- if there's that little
23 communication in the company, I would worry about it.

24 So it seems to me either of those two things
25 you could do. So I think the only problem is the nursery

1 in my mind. And I could be wrong, but I'd like to hear
2 you answer that.

3 CHMN. CHENAL: And we'll have that. I'm sure
4 that that's something that will come out in further
5 testimony.

6 Member Noland.

7 MEMBER NOLAND: Mr. Chairman, Mr. Smedley, you
8 estimated this project at \$60 million. Did that take
9 into account that you might have to go over to the east
10 side of Crismon Road, not knowing -- with your
11 flexibility that you wanted, not knowing what you would
12 run into? Did that have a contingency for that?

13 MR. SMEDLEY: It was a pretty high-level
14 estimate based on a dollar per mile that we typically
15 build. So it really doesn't have any detail to that
16 extent in it.

17 MEMBER NOLAND: Then the other question is, if
18 I remember right, on the Abel-Moody line that we did, we
19 had a good corridor there, so you could pretty well
20 locate the poles anywhere you wanted to, again, with
21 flexibility for engineering and location of lines; is
22 that correct?

23 MR. SMEDLEY: We have a corridor, but, again,
24 we don't know even if we tell our engineers, put the pole
25 there, if there's some surveying and they find some

1 underground utilities or something they need to work
2 around, it may not just be that simple. That's all I'm
3 saying.

4 MEMBER NOLAND: Well, remind me again at what
5 point you're at. You haven't done the engineering or the
6 surveying of that line that's going to be done in 2021?

7 MR. SMEDLEY: Right. We are entering into the
8 design phase now, but we haven't done it yet.

9 MEMBER NOLAND: You haven't had any ground
10 surveys done?

11 MR. SMEDLEY: I don't believe so.

12 MEMBER NOLAND: You do the engineering without
13 ground surveys?

14 MR. SMEDLEY: No. That would be part of the
15 process. We just haven't started any of that yet.

16 MEMBER NOLAND: Okay. Thank you.

17 CHMN. CHENAL: Member Woodall.

18 MEMBER WOODALL: Based upon your experience, do
19 you anticipate that it would be more expensive to go
20 through the side where the greenhouse is, having to move
21 the greenhouses and change the pump locations, than it
22 would be to do it on the other side where there's
23 nothing?

24 MR. SMEDLEY: I believe so.

25 MEMBER WOODALL: And do you have any sense

1 whatsoever about how -- would it be a million dollars,
2 maybe?

3 MR. SMEDLEY: It's hard for us to estimate
4 because I think it comes down to the impact on the
5 business.

6 MEMBER WOODALL: Sure. But it would be more
7 expensive?

8 MR. SMEDLEY: I believe so. That's a reason
9 for why we're requesting this flexibility.

10 MEMBER WOODALL: So it is a factor in why you
11 want it?

12 MR. SMEDLEY: Yes.

13 MEMBER WOODALL: Thank you.

14 CHMN. CHENAL: Member Hamway.

15 MEMBER HAMWAY: So point to where the nursery
16 is on that.

17 MR. SMEDLEY: It's just -- so this is the
18 corner of Crismon and Germann. So it's in this box I'm
19 drawing rather poorly here.

20 MEMBER HAMWAY: Okay. Never mind.

21 CHMN. CHENAL: And I'm pointing to the
22 northwest corner of Crismon and Germann Road, and that's
23 where the last key observation point was this morning.

24 MEMBER HAMWAY: Right.

25 CHMN. CHENAL: All right. Before we deal with

1 exhibits, are there any further questions?

2 (No response.)

3 CHMN. CHENAL: Okay. So, Mr. Olexa, you moved
4 for the admission of SRP-58, 59, 60, and 61; is that
5 correct?

6 MR. OLEXA: Correct, Mr. Chairman.

7 CHMN. CHENAL: Any objection?

8 (No response.)

9 CHMN. CHENAL: There being no objection, 58,
10 59, 60, and 61 are admitted.

11 (Exhibits SRP-58 through SRP-61 were admitted.)

12 CHMN. CHENAL: While we're on it, we have
13 marked SRP-62, which is just my draft of your CEC that's
14 proposed with a few additional conditions simply for
15 discussion with the Committee. And I'd like to -- if you
16 are not going to introduce it, I was going to introduce
17 it as the Chairman's.

18 Any objection to admitting that as a -- SRP-62
19 as an exhibit?

20 MR. OLEXA: No objection, Mr. Chairman.

21 CHMN. CHENAL: Any objection by the parties?

22 (No response.)

23 CHMN. CHENAL: Okay. SRP-62 is also admitted.

24 (Exhibit SRP-62 was admitted.)

25 MEMBER WOODALL: Mr. Chairman, is Exhibit 61

1 the letter from the Corporation Commission?

2 CHMN. CHENAL: 61 is the letter from the
3 Corporation Commission in response to my standard letter.
4 Mr. Taebel.

5 MR. TAEBEL: A minor point, and I almost
6 hesitate to bring it up. But the Chairman's exhibit
7 still reflects that the City is represented by my boss,
8 Jim Smith. And whatever we end up as the final
9 product --

10 CHMN. CHENAL: We'll make that correction,
11 Mr. Taebel. Don't worry. The problem is I took an
12 earlier version -- this has been a moving target, and I
13 took an earlier version and made some suggested changes
14 to it, and it's gone through some iterations probably
15 since. And it may not be the most recent one proposed
16 with all the changes that have been made.

17 We'll certainly clean that up, and don't
18 hesitant to point that out when we get to that. But
19 those are things we'll certainly clean up. My objective,
20 as you'll see when we go through the discussion, is to
21 have kind of a document that we can refer to by exhibit
22 numbers and move back and forth and come up with a final
23 version.

24 Member Noland.

25 MEMBER NOLAND: Mr. Chairman, I don't know who

1 might have this answer or it might take looking at that
2 flyover again, but do we have any idea how close to the
3 SRP current 10-foot right-of-way on the east side of
4 Crismon Road, how close the nursery buildings are to that
5 right-of-way?

6 MR. OLEXA: Grant, can you answer that?

7 MR. SMEDLEY: I believe it's -- no. I'd have
8 to look at the exhibit again, the right-of-way document,
9 I guess I would say.

10 MEMBER NOLAND: And I thought that I heard
11 Mr. Smedley say that they were going to try to locate the
12 poles as much as possible in the right-of-way to the east
13 side of Crismon Road. And I may be incorrect on that.
14 It might have been the 12-foot right-of-way somewhere
15 else. I don't know.

16 But if we could see it within the flyover, I'd
17 be interested in that. And if somebody has the answer to
18 how close the nursery greenhouses or outbuildings are to
19 the current right-of-way, I'd like to know that.

20 MR. SMEDLEY: We can find that out.

21 MR. OLEXA: We will work on that.

22 CHMN. CHENAL: And as a follow-up to Member
23 Noland's question, on the Exhibit 59 -- yes. This is the
24 one that provides for the corridor. And then the
25 Exhibit 60, SRP-60, refers to the word "boundary." But

1 in both cases, it's 150 foot along the -- the request of
2 SRP is along a 150-foot boundary or corridor to the east
3 and west sides of Crismon Road.

4 Question No. 1, is that 150 foot from
5 centerline of Crismon Road, Mr. Smedley?

6 MR. SMEDLEY: It is from the future
7 right-of-way boundary for Crismon Road. So Crismon Road
8 will be widened in the future, and we would request that
9 that be from the future boundary for Crismon Road.

10 CHMN. CHENAL: So the right-of-way boundary?

11 MR. SMEDLEY: Yes.

12 CHMN. CHENAL: So that elicits another
13 question.

14 But the next question is, do you know whether
15 or not the 150-foot border or corridor -- boundary or
16 corridor would extend east far enough to touch the
17 existing greenhouses?

18 MR. SMEDLEY: I believe it would, yes.

19 CHMN. CHENAL: And I guess the last question
20 is, you mentioned there's a proposed future expansion of
21 Crismon Road.

22 MR. SMEDLEY: I believe that's really in the
23 Mesa section. Queen Creek's, I think it's more of a
24 distant future plan.

25 CHMN. CHENAL: So that was going to be my next

1 question. Is the road -- is the Crismon Road plan in the
2 future by Queen Creek going to extend to the east far
3 enough to impact the greenhouses? But I guess that's
4 a --

5 MR. SMEDLEY: I'm not sure.

6 CHMN. CHENAL: You're not sure at this point.
7 Member Woodall.

8 MEMBER WOODALL: Do you know how wide it's
9 anticipated that the Crismon Road expansion will be? Is
10 it going to be a two-lane?

11 MR. SMEDLEY: Are you referring to the Mesa
12 section?

13 MEMBER WOODALL: Yes.

14 MR. SMEDLEY: They said three lanes on each
15 side, actually.

16 MEMBER WOODALL: Okay. And what would you --
17 well, you're not a transportation engineer, but maybe we
18 can --

19 MR. SMEDLEY: It might be about 140 feet.

20 MEMBER WOODALL: Okay. And I'm just wondering
21 what Queen Creek's plans would be. I think it would be
22 kind of odd if it would narrow down. But I don't know.
23 I'm not a transportation engineering either. I was just
24 curious about -- since we were talking about from the
25 edge of the right-of-way, I'm curious about how big the

1 roadway is going to be. If somebody knows that, that
2 would be helpful, I think.

3 CHMN. CHENAL: So I think we ended with
4 admitting the exhibits.

5 Mr. Olexa, it's still your witness if you have
6 additional questions of Mr. Smedley before we open it up
7 for cross-examination.

8 MR. OLEXA: No further direct examination at
9 this time.

10 CHMN. CHENAL: Sure.

11 Committee Members have any questions before we
12 open it up?

13 (No response.)

14 CHMN. CHENAL: I note it's a quarter to 3.
15 This might be a good time for a short break before
16 Mr. Braselton -- if I've been saying Braxton, I sure
17 apologize. He was a lousy Confederate general for the
18 South, and I'd hate to smear your good name by calling
19 you Braxton. So if I've mispronounced your name, I
20 apologize.

21 MR. BRASELTON: I've been called much worse
22 than that.

23 CHMN. CHENAL: Why don't we take a short
24 ten-minute break, and then we'll resume with
25 Mr. Braselton's cross.

1 (A recess was taken from 2:46 p.m. to
2 3:08 p.m.)

3 CHMN. CHENAL: Let's get back on the record
4 after the afternoon break. And I understand there may
5 have been a development over the break.

6 MR. SUNDLOF: Thank you, Mr. Chairman, Members
7 of the Committee.

8 Over the break, we saw the light. We have
9 talked to Queen Creek's attorney, and we have agreed upon
10 how we might approach this with the Committee's
11 acquiescence.

12 And the understanding is in the Town of Queen
13 Creek, which is from Germann Road south, we will locate
14 on the east side of Crismon. Now, we may have to finagle
15 a little bit down there at the bottom, but I don't think
16 we'll have to.

17 And then we'll also, of course, miss the house.
18 I think we inadvertently forgot to put the "miss the
19 house" part in one of our versions, but that's clear.

20 And then north of the house, if you will, if we
21 need to cross over to the west side, we can do that.

22 CHMN. CHENAL: All right. Mr. Braselton, does
23 that accurately reflect --

24 MR. BRASELTON: Mr. Chairman, Members of the
25 Committee, Mr. Sundlof has correctly stated our

1 agreement, but he didn't say how disappointed I am that I
2 won't get to do my cross-exam.

3 MEMBER WOODALL: I'm disappointed too. Having
4 seen you in action, I knew it would have been quite the
5 show.

6 MR. BRASELTON: Let me say something serious.
7 We appreciate SRP's cooperation and understanding of what
8 the Town was trying to get to and also appreciate the
9 Committee's effort in trying to understand our concern.
10 So thank you all.

11 MR. SUNDLOF: Assuming that the Committee
12 decides this is a good approach, we will revise whatever
13 map we use and get it to you.

14 CHMN. CHENAL: Good. I think that's an
15 excellent development.

16 I guess you'll have two maps, one with the
17 corridor approach and one with the boundary approach; is
18 that correct?

19 MR. SUNDLOF: Yes, Your Honor. We have two
20 maps, and I think you'll choose between them.

21 As a couple of you have pointed out, our first
22 version, which is the "hug the freeway with limits," is
23 almost exactly the same as the corridor approach except
24 it has the presumption that we'll locate by the linear
25 feature. So if you like that one, we probably don't have

1 to mess around with the second one too much.

2 If you just like the plain corridor approach,
3 we have that too. And then the two maps, version 1 and
4 version 2, version 2 is on the screen, is the corridor/no
5 corridor approach. Although the no corridor approach
6 really does have corridors because we have limits.

7 CHMN. CHENAL: Well, just for -- so we don't
8 have to get into that issue right now, why don't we have
9 the two versions tomorrow along the lines of what you've
10 agreed with Queen Creek.

11 MR. SUNDLOF: We can do that.

12 CHMN. CHENAL: All right. Well, so is there
13 any further direct of Mr. Smedley on behalf of SRP?

14 MR. OLEXA: No, Mr. Chairman.

15 CHMN. CHENAL: Mr. Braselton, and I will get
16 that right, any questions on cross of Mr. Smedley?

17 MR. BRASELTON: Based on the understanding that
18 Mr. Sundlof has just articulated, no, no questions.

19 CHMN. CHENAL: Mr. Hill, any questions on
20 behalf of the Inner Loop Owners?

21 MR. HILL: No questions, Your Honor.

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

23 MR. ARTIGUE: No questions.

24 CHMN. CHENAL: Mr. Taebel?

25 MR. TAEBEL: No questions.

1 CHMN. CHENAL: And Committee Members, any
2 further questions of Mr. Smedley?

3 (No response.)

4 CHMN. CHENAL: Okay. Thank you. It's always
5 nice to see an exchange between Member Haenichen and
6 Mr. Smedley, both MIT graduates. It's kind of fun.

7 Mr. Sundlof, you too?

8 MR. SUNDLOF: I do not claim to be an engineer.

9 CHMN. CHENAL: Okay. So do we have any further
10 testimony or evidence on behalf of the applicant?

11 MR. OLEXA: Nothing further from the applicant,
12 Mr. Chairman.

13 CHMN. CHENAL: All right. Very good.

14 Mr. Braselton, on behalf of Queen Creek?

15 MR. BRASELTON: No.

16 CHMN. CHENAL: All right. Mr. Hill on behalf
17 of the Inner Loop Owners?

18 MR. HILL: No, Chairman.

19 CHMN. CHENAL: Okay. Mr. Artigue?

20 MR. ARTIGUE: Yes, Mr. Chairman. I'd like to
21 take you up on your offer to make a brief offer of proof
22 on the record, and I think I will do that up there.

23 CHMN. CHENAL: Please.

24 Are there any exhibits you would like to see on
25 the screens?

1 MR. ARTIGUE: Yes. If we could put up PPGN-1
2 and PPGN-2, that would be wonderful.

3 Mr. Chairman, Members of the Committee, my name
4 is Cameron Artigue. I'm here on behalf of the Harvard
5 Investments entities that own the property that comprises
6 the Cadence master-planned community on the northeast
7 side of the State Route 24 corridor.

8 There's about three-quarters of a mile of
9 freeway frontage here between the master plan and the
10 State Route 24, so it's a substantial amount of freeway
11 coverage.

12 The reason I'm here -- this is really unusual,
13 but the reason I'm here is not to litigate something or
14 to sort of try and help you solve a problem, but to
15 address a hypothetical issue that really doesn't exist.
16 So bear with me for just a few minutes.

17 In its original application filed on
18 August 1st, SRP sought approval of a single corridor that
19 covered both sides of the State Route 24 right-of-way.
20 And what SRP said in their application was they wanted
21 optionality because the FAA process was not yet
22 concluded. SRP was not asking the Committee to pick one
23 side. SRP wanted to reserve that flexibility to itself.

24 Now, since then, the request for approval on
25 the northeast side has been withdrawn, deleted, SRP has

1 not pursued that option before this Committee, you know,
2 and we're glad to see that. That's why we're supportive
3 of SRP's application.

4 So you are wondering to yourself, Cameron, then
5 why are you here? Why are you spending time to talk
6 about this?

7 The answer is there is sort of a theoretical
8 possibility, there is a point of view that rational
9 lawyers can have that the scope of the application is
10 fixed by the application itself, and it's kind of like
11 indelible ink, and you can't change it; and, therefore,
12 somebody, whether it be the Corporation Commission or the
13 Court, in some nightmarish scenario, could approve the
14 alignment on the northeast side.

15 So there's three things I could do with respect
16 to that eventuality.

17 One is to do nothing and let my client just
18 accept that risk. That would be in dereliction of my
19 responsibilities as my clients' lawyer.

20 The second thing I could do is put on my case
21 and call witnesses to oppose an alignment that SRP isn't
22 asking for, which would annoy you and waste everybody's
23 time. And I don't want to do that.

24 So the third option is what trial lawyers call
25 an offer of proof, which is where I'm here not to put on

1 a case but to describe for you the case that would have
2 been put on if circumstances were different. And that
3 enables me to protect my clients' rights without wasting
4 everybody's time.

5 So my offer of proof is threefold. Had this
6 proceeded under the original application, my client and I
7 would have made three points:

8 First, we would have argued that this Committee
9 had no authority or power to approve an alignment that
10 was on both sides of the State Route 24; that that's too
11 much flexibility; that that is not a specific location in
12 the words of the 1971 Session law that created this body;
13 and that when there are different statutory balances that
14 exist on different sides of a right-of-way, you can't
15 just lump them together and give the applicant
16 flexibility. It's sort of a non-delegable duty of this
17 Committee to decide.

18 Now, I'm not making that argument. I don't
19 want to open that can of worms. I'm just reading the
20 label. That's what the can of worms says on the outside
21 of the can. So that's the argument we would have made.

22 The second argument we would have made and the
23 second bit of proof that we would have offered is that it
24 is extremely disadvantageous, perhaps ruinous, to put a
25 high-voltage transmission line through a residential

1 master-planned community.

2 This is -- can the court reporter still hear me
3 if I stand over here?

4 THE REPORTER: Yes.

5 MR. ARTIGUE: This is the Cadence community
6 right here. The transmission line would have gone
7 northeast of the green line. Those are lot lines. Those
8 are not hypothetical lot lines. Those aren't notional.
9 This is -- final plats have been recorded. These homes
10 are for sale. You can go buy one this afternoon.

11 So it's a real impact, and it's not just a
12 matter of, well, there would be some condemnation, and we
13 could take some homes off the edges.

14 If you look closely at Exhibit PPGN-2, there
15 are cul-de-sacs up against the edge -- the sort of
16 western edge of the property that abut the freeway.

17 A cul-de-sac is not an optional component of a
18 subdivision plat. They're huge. It's about a 100-foot
19 diameter in a modern cul-de-sac bubble because it has to
20 be big enough for people to park their cars and for a
21 trash truck or a UPS truck or a fire truck to turn
22 around. And every street needs a cul-de-sac at the end.

23 Well, if you put the power line there, you clip
24 off all the cul-de-sacs. And what you then have to do is
25 decrease this follow-on effect where you have to go three

1 or four or five lots over and put them in cul-de-sac.

2 So it's not just a matter of trimming lots off
3 the edge like you would off an alfalfa field. You would
4 severely disrupt the sort of design and functionality of
5 the entire subdivision if you tried to drop a
6 transmission line through it.

7 The other thing I'd like to point out to you is
8 this site right here is an elementary school. There
9 was -- in the flyover discussion on Friday, there was
10 discussion about the sensitivity of avoiding a daycare
11 center. I don't know what the population of the daycare
12 center is, but that's reserved for the Queen Creek
13 Unified School District as an elementary school site.
14 And the school districts have enough on their plate where
15 they don't need parents and everybody asking why is there
16 a transmission line in our playground.

17 So the short of it is, I would have called my
18 client, appraisers, planners to testify that there are
19 just enormous disruptions contingent to putting this
20 through a master-planned community. That's the second
21 point I would have made.

22 The third and final point I want to make for an
23 offer of proof is that we have relied upon the efforts
24 that this Committee has undertaken to narrow and hone the
25 issues for purposes of this proceeding. It's like any

1 litigation. Starting right after the application is
2 filed, there's, you know, pretrial conferences and
3 conference calls and efforts to narrow and winnow and
4 figure out what's really at issue and what isn't so we
5 don't waste people's time.

6 What came out of that is the northeast
7 alignment was taken off the table. Well, you know,
8 what's -- my offer of proof is that if you're going to
9 take stuff off the table, it has to really be off the
10 table because we have relied in actuality on these
11 efforts to narrow the scope of this proceeding. And if
12 some further body in the future wants to change the
13 alignment, I reserve the right to cry foul and say that
14 that was grossly unfair and take it up with them.

15 That's all I have.

16 Oh, I do have one more. I would move the
17 admission of Exhibits PPGN-1 and 2, Mr. Chairman.

18 CHMN. CHENAL: Any objection?

19 (No response.)

20 CHMN. CHENAL: There being no objection, PPGN-1
21 and PPGN-2 are admitted.

22 (Exhibits PPGN-1 and PPGN-2 were admitted.)

23 MR. ARTIGUE: Mr. Chairman, if I have like 45
24 more seconds, I was asked a question during my opening
25 statement.

1 CHMN. CHENAL: Take as much as time as you
2 need.

3 MR. ARTIGUE: Ms. Woodall asked what steps my
4 client had done to ensure an electrical supply and
5 distribution. I've looked into that. I said I would get
6 back to you.

7 The answer is it was handled entirely
8 routinely. In February of 2017, my client approached
9 Salt River Project. They said, Can you provide
10 electrical service? They said yes. A standard two-page
11 service agreement was executed. There was a small fee
12 for design and construction. It was a total of \$44,000.
13 That happened last year, and it was no more complicated
14 than that.

15 More generally, like I said, we recognize the
16 need for a robust grid, and that's why we support SRP's
17 efforts.

18 Thank you.

19 CHMN. CHENAL: Thank you very much.

20 Mr. Artigue, I have a question, and I know it's
21 going to be out of order, but I also know you're not
22 going to be here tomorrow.

23 MR. ARTIGUE: Sure.

24 CHMN. CHENAL: So you, on behalf of your
25 client, filed a pleading today, if I understand

1 correctly, PPGN's Proposed Amendments to Applicant's
2 Proposed Revised CEC.

3 That's a mouthful. But you have a change --
4 and I know we'll get the final arguments and we'll decide
5 what we're going to do after that. But I think it's more
6 appropriate to have you maybe answer this question than
7 whoever is going to appear tomorrow. And so I want to
8 make sure to have the opportunity to hear if you're clear
9 on this.

10 And I don't know if you can put it up on the
11 board, but --

12 MEMBER WOODALL: And we don't have a copy of
13 that, do we, Mr. Chairman?

14 CHMN. CHENAL: I don't think we do. I believe
15 this came to my office this morning. And Marie sent it
16 to the Committee, and it's been filed with the docket.

17 Is there a way to put up Condition 20 to the
18 CEC? Because this is really a couple small changes. So
19 maybe Exhibit 60.

20 MS. MASER: Do you want the Word version?

21 CHMN. CHENAL: No. Just a PDF is fine.

22 MEMBER WOODALL: Mr. Chairman, could we ask SRP
23 to provide a written copy of that?

24 I see them nodding yes, so thank you.

25 CHMN. CHENAL: And for the Committee, if you

1 look at SRP-60, which you have in front of you, Condition
2 20.

3 All right. So we have it up on the screen.
4 Thank you very much for that. And I think the Committee
5 has in front of it the hard copy.

6 So the two changes are to add to applicant and
7 City of Mesa to include PPGN as a notified party. Now,
8 that's not really what I'm getting to.

9 This isn't the right -- I'm sorry. Excuse me.
10 It's the provision that talks about within 120
11 days of the Commission's decision granting the
12 certificate.

13 It's 16. I'm sorry. In PPGN's filing today, I
14 was looking at No. 20.

15 With this revised CEC, it's No. 16.

16 MR. ARTIGUE: Yeah. I would help you if I
17 could. I could describe for you what the two changes
18 we're proposing are.

19 CHMN. CHENAL: Yeah. But let's have the
20 language in front of the Committee.

21 MEMBER WOODALL: Excuse me, Mr. Chairman, is
22 this the one that says: Within 120 days of the
23 Commission's decision --

24 CHMN. CHENAL: Yeah. 17.

25 MEMBER WOODALL: On Condition 17, I think there

1 was a request that we add the City of Queen Creek to that
2 17, line 23. And are you saying that Mr. Artigue wants
3 to add his client's name?

4 CHMN. CHENAL: Yeah.

5 MR. ARTIGUE: Yes.

6 CHMN. CHENAL: But that's not the part that I
7 think I'd like to hear from Mr. Artigue.

8 If you look at what is Condition 17, excuse me,
9 for this, in SRP-60, you'll see that there's a reference
10 to the applicant making efforts to commence discussion to
11 identify specific location and placement of the poles.

12 So the first request is to add PPGN as a
13 notified party.

14 The second change is to strike the sentence
15 that starts with "This condition."

16 And I'll read it: This condition shall apply
17 along the unbuilt segment of SR-24 until such time as
18 ADOT publishes a final alignment and right-of-way.

19 And I wonder if you could scroll -- can you get
20 both of them on the screen at the same time?

21 Does the Committee see that?

22 MEMBER HAMWAY: Yes.

23 CHMN. CHENAL: Mr. Artigue, in his filing
24 today, suggested that sentence be struck, and I would
25 just like to hear the rationale for it. I know we're out

1 of order on this, but since you're not going to be here
2 tomorrow, I don't think it's fair to place whoever is
3 going to replace you tomorrow with explaining it.

4 MR. ARTIGUE: Our rationale for striking it --
5 there are two possible ways to go with this,
6 Mr. Chairman.

7 Our rationale for striking it was that good
8 faith should be required at all times. The primary
9 thrust of what is paragraph 17 in this draft is imposing
10 an obligation of good faith consultation and that there
11 shouldn't be any sort of time in which the obligation of
12 good faith commences. There should always be an
13 obligation to sort of consult and coordinate in good
14 faith.

15 The other issue that we saw with this was the
16 version that SRP proposed was hitched to the date or the
17 time on which ADOT publishes a final alignment. And I'm
18 not an ADOT lawyer. I don't know what it means or
19 doesn't mean for ADOT to publish a final alignment. My
20 understanding is, based on information I received Friday
21 afternoon and we shared this morning, is that ADOT's God.
22 ADOT knows where it wants to put this and has already
23 communicated that to Pacific Proving, the people on the
24 southwest side. Whether it needs to be put on the
25 website before it's published or go in the Arizona

1 Administrative Register or something, I don't know.

2 But -- or if there's some ADOT regulation.

3 But we're just trying to be practical here.

4 That once ADOT knows where it's going to go, that

5 everybody should be able to sort of work together in good

6 faith. That's all we're trying to accomplish.

7 CHMN. CHENAL: But aren't you striking that

8 language?

9 MR. ARTIGUE: That, yes.

10 Well, the other way to -- the initial thought

11 was to strike the language so as to require good faith at

12 all times. The idea was -- going back to the first part

13 of my remarks -- that the saying: This obligation shall

14 only apply after ADOT imposes a final alignment.

15 If you strike that, what you have is, well,

16 now, there's sort of always this obligation to consult in

17 good faith. Like I said, we can either strike it as

18 we've proposed, or the other way to work it out is this

19 language: Publishes or otherwise determines a final

20 alignment. Which I think is a little more -- embraces

21 more than publication, because I don't know if that's a

22 formal term of art or not.

23 I shouldn't get out ahead of you, Mr. Chairman.

24 Susan Demmitt will be here tomorrow. She's the author

25 here, and I don't want to -- she will come prepared to

1 enlighten all of you on this.

2 CHMN. CHENAL: Okay. Had I known that, I
3 wouldn't have put you in the position of answering
4 questions that maybe Ms. Demmitt should answer.

5 Member Woodall.

6 MEMBER WOODALL: So the gist of your position
7 is you don't believe that this sentence concludes an
8 obligation of good faith? That's your basic concern?

9 MR. ARTIGUE: One of our concerns is that the
10 obligation to use good faith should not be -- it should
11 be always. There should always be an obligation. And
12 you shouldn't say, there's a condition of good faith, but
13 this condition only starts upon the occurrence of some
14 specific event.

15 MEMBER WOODALL: Right. And as an attorney who
16 used to represent ADOT, I'm not aware of any obligation.
17 So if you struck "publishes" and say until ADOT
18 determines -- assuming that we could impose an obligation
19 of good faith, that would be acceptable to your client?

20 MR. ARTIGUE: Yes.

21 MEMBER WOODALL: Thank you.

22 CHMN. CHENAL: Thank you very much.

23 And I think, lastly, Mr. Taebel, do you have
24 anything you would like to add to the record?

25 MR. TAEBEL: No, Mr. Chairman.

1 CHMN. CHENAL: Unless I'm mistaken, we're at
2 the point where we would have final argument. This has
3 approached us a little more quickly than I had thought.

4 Don't worry. We'll give you a minute. Let me
5 just check with the Committee and see if they have any
6 thoughts at this point on additional information they'd
7 like to hear. I mean, as we normally go through the
8 process of -- the deliberative process, we're not afraid
9 to ask questions, but I like the idea of getting as much
10 of the evidence in during the case versus our
11 deliberative period as possible.

12 Member Noland.

13 MEMBER NOLAND: Thank you, Mr. Chairman. Could
14 you please put SRP-59 up on the screen.

15 My question is with regard to the proposed
16 alignment between P2 and the future substation site. And
17 there is no corridor or whatever in there. And if, in
18 fact, we were to put a corridor -- not saying it would be
19 200 feet. Say it was 500 feet for a distance, what would
20 the applicant say to that? Would they feel that would be
21 enough, or would it further complicate the location?

22 And I understand the location just hasn't been
23 pinned down. I just think that that's the only place we
24 don't have any type of corridor or defined area for the
25 transmission line. Not so much the substation, but the

1 transmission line.

2 MR. SUNDLOF: Mr. Chairman, Committee Member
3 Noland, the idea -- we could put a corridor in there, but
4 to us, the way we've written this, is that the orange
5 part is really the corridor. It's within the orange
6 bubble, if you will.

7 Now, I admit -- I understand that P2 is a
8 little bit above that. But we have that we're going to
9 miss the daycare center and go into the bubble. To us,
10 it seemed fairly self-evident that we're going to come
11 right down past the -- in a logical way, past the daycare
12 into the bubble, and then we'll locate the transmission,
13 as Mr. Smedley said, depending on where the substation is
14 located, depending on where linear features are located,
15 so that we could best integrate it into that developed
16 little area.

17 If you wanted to put a corridor between P2 and
18 the orange part, we could do that, but I think the
19 corridor would have to go out to the edge of that orange
20 bubble to be able to give the flexibility. We can do it
21 that way if that's your preference.

22 MEMBER NOLAND: Mr. Sundlof, I think we had
23 testimony that there are several property owners within
24 that whole substation area, the orange area.

25 Do you know if there's more than one property

1 owner between P2 and the beginning of the proposed
2 substation area in orange?

3 MR. SUNDLOF: Chairman, Committee Member
4 Noland, that's all State Trust land.

5 MEMBER NOLAND: It is?

6 MR. SUNDLOF: Yes. other than the daycare
7 which is that little corner. But other than that, it's
8 all State Trust land.

9 MEMBER NOLAND: Everything south of Warner Road
10 to the substation, beginning proposed substation, is
11 State land?

12 MR. SUNDLOF: Everything north of the orange
13 bubble is State Trust land.

14 MEMBER NOLAND: Okay. Then I'm not as worried
15 about that because I think they are pretty familiar with
16 dealing with the transmission lines, and I suppose you'll
17 be dealing with them with the acquisition of the
18 substation site.

19 Thank you.

20 MR. SUNDLOF: Thank you.

21 CHMN. CHENAL: To follow up on Member Noland's
22 point, however, from P2 south, a direct shot south will
23 cause the line to -- I don't want to say bisect, but cut
24 off or go over and cut off a portion, a triangular
25 portion, between the power line to the west -- between

1 the power line and the freeway.

2 And I know that there are many cases where
3 State Land is jealous of its ability to develop as much
4 of a parcel as possible and does not like roads or power
5 lines bisecting or going through the land because the
6 argument is it decreases the value of the land because of
7 the developable areas impacted.

8 So we haven't had any testimony from ADOT or
9 the State Land Department. I believe we have a letter
10 that's in support of the project. So I guess their
11 opportunity to come in and say something -- but I would
12 have thought, I guess, that State Land would have
13 preferred that the power line from point P2 continue to
14 abut as much as possible the 202 until it gets to the
15 orange section for the reasons I've stated.

16 And I'm just curious if you've had discussions,
17 if the applicant has had discussions, with State Land on
18 that specific point.

19 MR. SUNDLOF: Let me raise a couple points.

20 On the first point, it would make a lot of
21 sense to follow the 202. The problem is that it goes
22 right over the roof of the daycare center. The daycare
23 center is right at that orange bubble by the freeway. So
24 we have to swing out, and we said at least 200 feet.

25 And do you want turning structure, turning

1 structure, turning structure, turning structure? So
2 that's why we wanted to have a little flexibility so we
3 can swoop in in the best way.

4 And SRP works with State Land every day. We
5 have a mostly good relationship. And so I think we'll
6 work that out. State Land has said they want it as close
7 to the 202 as possible, and that will be our intent. So
8 we have had discussions, and they have said they want it
9 as close to the 202 as possible, given the fact that we
10 have a daycare center.

11 CHMN. CHENAL: Thank you.

12 Even though we just had the tour this morning,
13 we stopped and went -- did a drive-by right in front of
14 the daycare center. You've refreshed my recollection.
15 That is where the daycare center is, so that makes sense.

16 Member Woodall.

17 MEMBER WOODALL: The long and short of it is
18 you're not going to be able to put this line anywhere
19 unless it's where State Land wants it; isn't that about
20 right?

21 MR. SUNDLOF: I think that's about right.

22 MEMBER WOODALL: Thank you.

23 Oh, may I?

24 CHMN. CHENAL: Sure, Member Woodall.

25 MEMBER WOODALL: If, in the closing arguments,

1 the parties could express a preference for either the
2 boundary concept or the corridor concept, that would be
3 very helpful. I'm not suggesting this will be a majority
4 vote, but I would like to know if you care or if you
5 don't care. And if you do care, what's your preference?
6 That would be helpful to me.

7 CHMN. CHENAL: So is there any other evidence
8 that the Committee would like to elicit before we close
9 the hearing?

10 (No response.)

11 CHMN. CHENAL: I don't hear anyone asking to do
12 that. Are there -- does the applicant or do any of the
13 parties have anything further they'd like to introduce
14 into the record?

15 MR. SUNDLOF: No, Your Honor.

16 CHMN. CHENAL: So we have a choice, then. I'm
17 going to turn to the Committee here.

18 We have a number of options. One option is we
19 have the parties provide their final arguments, and we
20 adjourn till tomorrow to consider -- to begin
21 deliberations.

22 Another option is we hold off doing anything
23 till tomorrow. The third option is we have the final
24 arguments now, and we start deliberating the CEC.

25 It's quarter to 4. I don't know how long the

1 final arguments would take, and maybe I should ask if the
2 Committee has a preference or if the applicant or if any
3 of the parties have a preference on whether to do opening
4 arguments now or tomorrow.

5 MR. SUNDLOF: Your Honor, we don't have a
6 preference.

7 MEMBER WOODALL: Personally, I would like to
8 charge forward because I can't imagine the closings are
9 going to be that long. That's just my imagination.

10 MEMBER HAMWAY: I agree with Member Woodall.
11 I'd rather go till 5 and see where we are.

12 MEMBER PALMER: My preference would be doing
13 the closing arguments today but not start deliberations
14 until tomorrow.

15 MEMBER NOLAND: That's my preference also.

16 MEMBER HAENICHEN: Closing arguments now and
17 then adjourn. We're all committed, us out-of-towners, to
18 the hotel.

19 CHMN. CHENAL: Okay. Let's do that. Let's
20 have final arguments, and then, unless there's a strong
21 objection from the Committee -- and I think the Committee
22 has expressed its preference to have the final arguments
23 now, and then we'll begin the deliberative phase tomorrow
24 morning starting at 9:30.

25 So would the applicant like to proceed now with

1 final arguments, or would you like a short break before
2 we begin?

3 MR. SUNDLOF: I'm ready to go. Whichever you
4 prefer.

5 CHMN. CHENAL: Mr. Sundlof, before we begin,
6 let me overrule myself here. We need copies of hard
7 exhibits -- the court reporter needs hard copies of all
8 exhibits. And I'm remiss that I have two that I would
9 like to introduce into the record as Chairman's 1 and 2.
10 And it's simply Proving Grounds LLC's statement of
11 support for the southern alignment of the power lines and
12 a letter in support of that. Because it was sent to me,
13 it is docketed, but I think it should just be part of the
14 record. So that's Chairman's 1 and 2.

15 Is there any objection?

16 (No response.)

17 CHMN. CHENAL: Hearing none, Chairman's 1 and 2
18 are admitted.

19 (Exhibits CHMN-1 and CHMN-2 were admitted.)

20 CHMN. CHENAL: Are there any other exhibits?
21 My notes reflect for Queen Creek that -- and I'm not
22 exactly sure if I'm 100 percent correct on this, but my
23 notes reflect that Queen Creek 1 has been admitted, but I
24 don't show in my notes that Queen Creek 2 has been
25 admitted.

1 MR. CLOAR: Both of Queen Creek's exhibits were
2 maps taken from Queen Creek 1. So Queen Creek 1 was an
3 entire 140-page report. It's the North Specific Area
4 Plan. Both exhibits that were up on the screen were
5 taken from that report, and you admitted the entirety of
6 the report.

7 CHMN. CHENAL: So there's really only Exhibit
8 1.

9 MR. CLOAR: Correct. That is the only exhibit.

10 CHMN. CHENAL: And then I believe all the other
11 exhibits have been admitted, and I will provide the court
12 reporter with Chair 1 and Chair 2.

13 Okay. Mr. Sundlof.

14 MR. SUNDLOF: Thank you, Chmn. Chenal, Members
15 of the Committee. I want to thank everybody for your
16 attention. You've noticed that we have a very new team
17 at SRP. And although we've had a few very little
18 glitches, I think they've done an excellent job, and I
19 want to commend them for it. And we have a new attorney,
20 Mr. Olexa, and he's done an excellent job.

21 And I want to thank the attorneys and the
22 parties. I think they've been very cooperative, and
23 we've been able to work out what differences we have, and
24 I want to thank the Committee for your attention.

25 I'll never say never, but this may be my last

1 one, so I accommodated the opportunity to do the closing
2 from Mr. Olexa.

3 CHMN. CHENAL: This is your second last one.

4 MR. SUNDLOF: I know. I say never say never.

5 But, anyway, I always enjoy addressing you
6 guys, and I wanted to do it.

7 I am really happy about this project. This is
8 one of the best ones we've ever brought to you because --
9 the first point of it is, it is so strong electrically.
10 I've never seen a project quite like this that is
11 interconnected at four substations, comes in with routes
12 looping in from the south and the north, provides a
13 north-south connection. It provides huge redundancy to
14 this new substation, all of which is really important for
15 Mesa and Queen Creek and the adjoining areas of the East
16 Valley that also benefit from this structure.

17 It is really important for development of this
18 area, which, of course, we really encourage because that
19 means more electric customers for the Salt River Project.
20 And so we're happy to get a jump on this.

21 I think the other thing you'll notice is this
22 is a very unique project in the sense that when you went
23 on your route tour, you saw a lot of vacant land. But
24 that won't be vacant for long. What is unique about this
25 is you have large parcels that are being developed

1 quickly. And Mr. Artigue showing the Harvard development
2 is a good example of that. Every time you blink, there's
3 a new house coming up. It's really fast and it's pretty
4 exciting. So it's very happy that we're able to get
5 ahead of the development and get this done.

6 And then the third thing, we fortunately have
7 very strong linear features. We don't really see that in
8 a lot of the projects. We have very strong features that
9 lend themselves to an appropriate route alignment.

10 And then, finally, I think we are going by one
11 house. That's pretty good. One house. Now, on Price
12 Road, we had no houses, but one is pretty good too. So
13 we're only going by one house. That's a good project.
14 All around, it's a good project.

15 We have become concerned, and I've mentioned
16 this to you before, because of the unique nature of the
17 project and the possibility that if we ask for too much
18 authority, we could damage -- cause damage to these
19 developers. And I'm not saying we would or we wouldn't,
20 but it's a concern.

21 And it's also a concern that there's some legal
22 risk if we ask for too much. There's a legal risk to you
23 if you give us too much. And so we want to be very
24 careful in this circumstance. This isn't the only --
25 this won't be a precedent for future cases. We're going

1 to have very different kinds of environments in future
2 cases. But in this case, we wanted to be very careful
3 that we ask for what is reasonable and you grant us what
4 is reasonable, no more, no less.

5 So we took a lot of time to go through mile by
6 mile but even closer than that to say, okay, what can we
7 do here and how can we skinny up these corridors.

8 Mr. Artigue mentioned the limits of the
9 jurisdiction of the Commission. And I don't want to get
10 into that, but we don't want to test the limits of the
11 jurisdiction of the Commission either or the Committee.
12 And so that's why we spent a lot of time. And I wish you
13 could have been there to see how much time the engineers
14 spent and everything to say, How can we build this. We
15 don't want to turn a siting case into a building permit
16 or a construction permit case. But, on the other hand,
17 we want to be very surgical in what we ask for and what
18 you grant to us, and that's what we've done here.

19 We have two approaches, and they're really
20 about the same, really.

21 The first one, and we talked about, we were
22 going to hug the feature, but we didn't have any outer
23 boundary. Now we've put in an outer boundary. And the
24 outer boundary is the same boundary as the corridor. So
25 really what we're doing is we're hugging the linear

1 feature with the corridor. Although, as Mr. Smedley
2 testified, it's a little bit less burdensome because
3 there are areas where we're clearly able to hug the
4 freeway, and people all know that.

5 So we recommend that one to you. If the
6 Committee prefers corridors, we're comfortable with our
7 skinnied-down corridors. I think they are reasonably
8 what we have needed.

9 And we have put a new finding into the proposed
10 CEC order. I don't know if any of you have noticed that.
11 But the finding that we've put in is that the Committee
12 finds that the authority granted to SRP is reasonable
13 under the circumstances to allow SRP to build the
14 project. That, I think, is a key to what we're trying to
15 accomplish here, which is to minimize the risk to you and
16 to us. And I think we've done it here. So either one of
17 these choices that you take is fine.

18 Let me go through what we're proposing to you.

19 We are first -- and I'm using Exhibit No. 58,
20 which is the same as Exhibit No. 59 for the purposes of
21 this, but I'll use 58.

22 We will start at the pole on the right side of
23 the freeway. Now, this map depicts poles, but those
24 aren't exactly perfectly accurate. So what we've tried
25 to do is show you there's a little bit of a swingout on

1 the right side of the 202 because we have to go off of an
2 existing pole, and then we have to get under the 500, and
3 then we get over to the freeway. So we'll be a little
4 bit off of the freeway right in the utility corridor.

5 And then we come and we hug the 202 all the way
6 from P1 to P2. And there likely are not a lot of
7 obstacles in there. We gave ourselves 200 feet there as
8 a maximum because, as Mr. Smedley says, what we're
9 hearing there is that there may be some plans to put
10 facilities in along the freeway, and we want to have the
11 flexibility to deal with the landowners.

12 And then at P2, we have asked for some
13 flexibility. And as we mentioned, this is State Trust
14 land. They know what they want. But we want to miss the
15 daycare, and we want to go in a reasonable way into the
16 substation site. Substation site could be in this orange
17 area. We would take a reasonable route, trying to, of
18 course, follow linear alignments and not bisect parcels
19 and that sort of thing. We've got the substation, and
20 then we've got the substation area.

21 I went to SRP over the weekend, and I said, Is
22 there any way that we could reduce this? And they went
23 very carefully, and they looked at it, and they have
24 skinned down the size of it from 226 acres to 163 acres,
25 which I think is good and it gives us a little more

1 certainty.

2 We then come out of the substation, and we are
3 going to have to cross the 24, of course, to get to the
4 south side. And then we talked a lot about this built
5 portion of the State Route 24. And the built portion is
6 basically adjacent to airport property, and there's some
7 ADOT property in there too.

8 And ADOT and the airport and the City of Mesa
9 are all working jointly to try to reconfigure things in
10 there to support the airport's master plan. And
11 Mr. Smedley mentioned this. One of the things that
12 they're talking about reconfiguring is a drainage channel
13 that is farther to the west right now, and it's a major
14 drainage channel. So they're talking about putting the
15 drainage channel along the existing ADOT corridor.

16 Now, if they do that, we're fine. We'll put it
17 on the west side of the drainage channel. If they want
18 to move it a little bit farther, maybe we'll put it on
19 the east side of the drainage channel. But we're asking
20 for some discretion there, and that's why we asked for
21 the 300 feet.

22 And you'll see we have a little bit of
23 discretion that we've built into our CEC language, and it
24 might even have to go farther than that. But remember,
25 we're dealing with the airport. We're dealing with the

1 City. They know what they want, and we'll be able to
2 work with them. We can't get too close to the airport
3 because of aviation issues.

4 When we get down to the unbuilt part of the 24,
5 we were able to skinny it down to 150 feet. And I think
6 that's really important because you do have this major
7 parcel that is on the southwest side that will be
8 developed that's owned by Levine Properties. They chose
9 not to intervene in this case, but we saw them at the
10 pretrial conference, and they've also filed now a
11 statement that I think is one of the Chairman's exhibits
12 of support of the southwest side. But they're there, and
13 we want to make sure in that area, in particular, that we
14 don't overly burden the property because we think it's
15 about to be developed.

16 We have a little bit of an issue along here
17 because we don't, for certain, know the final ADOT
18 right-of-way alignment, although we know pretty close.
19 As Mr. Artigue said, there's been some preliminary
20 concepts published. We're pretty close to it. We have a
21 good relationship with ADOT. We can go over there, and
22 we will come up pretty darn close to what their final
23 design will be. But we've left ourselves a little bit of
24 room in the CEC language to, if we have to, estimate the
25 boundary. And we can do that within -- we can do that

1 within a few feet. I just didn't want to -- we didn't
2 want to say, okay, we put it here, and there's 3 feet
3 between us and the final ADOT boundary, so we violated
4 the CEC. So we're giving ourselves a little discretion
5 to estimate the ADOT boundary if we have to. I don't
6 think we'll have to.

7 Everything I hear, we've got plenty of time.
8 We've got a good relationship with ADOT. They know what
9 we want to do. The last thing they want to do is have to
10 pay to pull our transmission poles out, so we'll get it
11 figured out.

12 Then when we get down to Crismon Road, I think
13 Mr. Smedley said we're on the south side of the 24 -- the
14 future 24. And we need to stay on the south side because
15 Crismon Road will be an overpass, and we can't get too
16 high, so we'll stay on the south side.

17 Then we'll probably have -- I mean, the
18 likelihood is that we cross over then to the east side
19 and go straight down. But we want a little discretion
20 there to work with the landowners.

21 We've agreed with Queen Creek that when we get
22 down to Germann Road, we will, of course, miss the
23 existing house on the northwest corner, and we'll be over
24 on the east side as we enter Queen Creek, and we will go
25 through the Vlachos Nursery, even though that means we're

1 going to have to move some buildings, but we decided
2 we're okay with that. Vlachos says they're not opposing
3 it. They just would prefer not. And so if that's what
4 Queen Creek -- as good neighbors, we're going to do that.

5 And then we'll come down to the Abel-Moody
6 line. And I've done this for a long time, and I know --
7 I know when you get into final design, lots of surprises
8 come up. SRP only recently acquired that land, and so we
9 haven't had a chance to do potholing or all the kinds of
10 things that they do to determine final design. But we're
11 going to make it work in order to work with our good
12 friends at Queen Creek. We will figure out a way to make
13 it work, and we don't know of any reason why it can't
14 work right now.

15 Let me talk a little bit about this corridor.
16 We've had corridors for many years on both sides of the
17 street, so I've done many projects where we have
18 corridors that are on both sides of the street. And
19 there's good reasons for doing that.

20 I understand this is a very developed or about
21 to be developed area, and I understand why we do it here.
22 I just hope that we don't make it a practice that every
23 time that we do one of these, we have to choose one side
24 or the other of a road because sometimes that doesn't
25 work very well. And this is an area where, you know, we

1 can make it work, but we'd rather not, but we will.

2 So we have a revised CEC, and I think it's
3 taken care of a lot of the issues. What we intend to do
4 during the deliberations, if this is okay with you, is
5 that we'll put our newest version up on the screen on the
6 right side, and we'll put Chairman Chenal's version on
7 the left side, which edits an earlier version of ours.
8 That way, we can scroll through and go line by line,
9 paragraph by paragraph, and we can add the things that
10 Mr. Chenal has asked for us to add. We can put those in
11 there. We can also make corresponding changes.

12 Of course, on the part about Crismon Road, we
13 want to make sure we accurately reflect our agreement
14 with Queen Creek, and we will have new maps for you
15 tomorrow that accurately reflect our agreement with Queen
16 Creek.

17 That's it. I've enjoyed working with you guys,
18 and I recommend this project to you.

19 Thank you.

20 CHMN. CHENAL: Any --

21 MEMBER HAENICHEN: Bon voyage.

22 MEMBER NOLAND: Adios.

23 CHMN. CHENAL: Thanks, Mr. Sundlof.

24 Mr. Cloar.

25 MR. CLOAR: Thank you, Mr. Chairman, Members of

1 the Committee. It's going to take me longer to have
2 walked up here than it will for the closing.

3 We had a much longer version prepared, but in
4 light of our agreement that Mr. Sundlof stated on the
5 record, the Town is fully in support of the proposed
6 alignment, assuming that the CEC contains the language
7 that Mr. Sundlof alluded to.

8 The Town would support the -- we've referred to
9 it as the noncorridor approach simply because it does
10 tether the future SRP right-of-way to the future Crismon
11 Road right-of-way. But the Town can certainly live with
12 either approach.

13 So thank you for your time, and thank you again
14 to SRP for working with us.

15 CHMN. CHENAL: Thank you, Mr. Cloar.

16 Mr. Hill.

17 MR. HILL: Good afternoon, Chairman Chenal,
18 Members of the Committee.

19 The Inner Loop landowners would like to thank
20 you for your time and for listening to our concerns
21 during this hearing.

22 I'd just like to recap the important reasons
23 for siting these lines on the east side of the Loop 202
24 in the northern segment.

25 The purpose of this project is to serve new

1 customers with significant energy needs. And siting the
2 line to the east will help SRP accomplish this goal.
3 Large commercial customers will be locating their
4 facilities east of the 202 where the Elliot Road
5 Technology Corridor is located, so this infrastructure
6 should be sited nearby.

7 You heard testimony from Mr. Jones that large
8 customers often take service at transmission voltage and,
9 in fact, SRP has already been asked to evaluate a 230kV
10 service connection in this area. Mr. Jones also
11 testified that because customers pay for these
12 interconnections, they would save money by avoiding the
13 costs associated with a freeway crossing if the line were
14 to be placed on the east side.

15 SRP itself prefers the east side. Mr. Smedley
16 stated that it is approximately \$2.5 million less
17 expensive to build this line on the east because the west
18 side would require crossing the freeway to reach the site
19 of the RS-31 Substation.

20 Mr. Smedley also clarified that SRP's aviation
21 analysis contemplated a siting on the eastern side of the
22 202, so SRP already has approval to place these lines
23 east of the 202 from the FAA.

24 The planned uses of the land on both sides of
25 the freeway require that the line be on the east side.

1 Mr. Pickett discussed the line's compatibility
2 with the Inner Loop planned area development and the
3 problems associated with placing the line on the west
4 side, which would result in the line crossing a parcel
5 that would be zoned for residential use.

6 Further, the speakers at Thursday's public
7 comment session all cited eastern siting.

8 And, finally, Mr. Rich showed you a letter from
9 Deputy Commissioner Wesley Mehl, which indicated the
10 State Land Department's preference for the east side.

11 So in sum, we believe this is an easy choice
12 for the Committee. All the parties are in agreement on
13 this issue, and we therefore ask that the Committee only
14 authorize SRP to build this project on the east side of
15 Loop 202 as you prepare this CEC.

16 And in closing, to address Member Woodall's
17 question, we do not have a position regarding the
18 boundary or corridor concepts.

19 Thank you.

20 CHMN. CHENAL: Thanks, Mr. Hill.

21 Mr. Artigue.

22 MR. ARTIGUE: Thank you, Mr. Chairman, Members
23 of the Committee. It's my first time out before this
24 body, and I have profited from the experience.

25 We support the application. We want you to

1 approve the application as submitted by SRP.

2 With respect to our -- the central segment, you
3 have all the parties and all the evidence and all the law
4 suggesting that it must be located -- the transmission
5 line must be located on the southwest side, not the
6 northeast side.

7 I suggest to you, respectfully, that on this
8 record, it would be legally erroneous, it would be error,
9 for this Committee to approve the alignment on the
10 northeast side of the State Route 24.

11 With respect to Commissioner Woodall's
12 question, we support the boundary approach because I
13 think that provides a slightly more specific
14 specification for the construction of the transmission
15 line.

16 Let me just close by offering you a thought.
17 I've been sitting here thinking about how much
18 flexibility is too much, because I think we would all
19 agree that it's impossible for the Committee to say where
20 each pole needs to go down to the millimeter. And in the
21 course of life, the applicant -- any applicant has to
22 have some measure of latitude to actually go build the
23 thing. On the other hand, too much flexibility becomes a
24 problem and gets you outside -- gets you on the wrong
25 side of the law at some point.

1 So I've been thinking to myself, what's the
2 answer? When do you go too far in terms of too much
3 flexibility becoming a legal problem? And the best
4 answer I can come up with lies in the statutory criteria
5 in I think it's 40-360.06. That as long as you're not
6 changing the balance of considerations, flexibility is
7 fine. But if you are moving in any way that affects the
8 actual balance of equities and legal considerations,
9 that's too far.

10 And so the -- how much flexibility you have,
11 it's not a lineal measurement of feet. It's not
12 necessarily you have to pick one side of the road. But
13 it's you can't take two different sets of statutory
14 balances and treat them as a single application.

15 Anyway, maybe I'm completely off base. It's my
16 first rodeo, so maybe I'll have something better to say
17 next time.

18 Anyway, thank you so much.

19 CHMN. CHENAL: Thank you very much. I
20 understand that much better now with that formula you've
21 given me.

22 Mr. Taebel.

23 MR. TAEBEL: Thank you, Mr. Chairman, Members
24 of the Committee.

25 So Mesa had identified three concerns at the

1 beginning of the proceeding.

2 We were concerned about the alignment being on
3 the southwest side of route 24. This is addressed in the
4 certificate as proposed by the Salt River Project, and
5 there's been quite a bit of discussion on that issue.

6 In terms of the approaches, the City is okay
7 with either approach. I think the boundary approach
8 would work, even though there's some novelty to it, until
9 we would be comfortable with that.

10 The second consideration that Mesa had was the
11 FAA-related issues. This is addressed in Condition 12 as
12 it's been included by SRP, and we'd like to ask that that
13 be included in the ultimate certificate.

14 And then we had some minor concerns about the
15 substation, and that's also addressed in the proposed
16 Condition No. 20.

17 So the City is in support of the certificate's
18 issuance, and that's stated fairly well in the resolution
19 that was admitted into evidence in COM-1 and also by SRP
20 as Exhibit 55.

21 Thank you.

22 CHMN. CHENAL: Thank you very much.

23 Yes, Member Palmer.

24 MEMBER PALMER: I just -- this isn't for
25 Mr. Taebel.

1 Just in general, I just wanted to express
2 appreciation to the applicant for -- we have quite often
3 in the past received applications that had corridors that
4 were 500 or even 1,000 feet that have been concerning to
5 the point that we have even sought legal advice on what
6 the impact of that was on the property owners. And it
7 hasn't gone unnoticed that SRP has been very judicious
8 and responsible as I've listened to this in narrowing
9 those to what they believe is the least responsible
10 corridor or boundary -- to me, it's semantics -- that
11 they can use to build this. And I wanted to express that
12 appreciation. I think it makes our job easier.

13 And then, finally, I just wanted to say it was
14 enlightening to hear an attorney confess, as Mr. Artigue
15 did, that he profited from being here.

16 MEMBER WOODALL: In more ways than one, I
17 imagine.

18 CHMN. CHENAL: And his client will agree that
19 Mr. Artigue has profited from being here.

20 MR. ARTIGUE: In so many ways.

21 MR. SUNDLOF: He's referring to next month's
22 bill when it gets paid by his client.

23 CHMN. CHENAL: Mr. Sundlof, did you have
24 something to add?

25 MR. SUNDLOF: Mr. Chairman, there was one other

1 issue that I was going to raise when we went through the
2 CEC, but I think I'll tee it up. And that's the point
3 that Laurie Woodall raised at the very beginning about
4 whether we need some sort of a consent to file that
5 supplement to the CEC.

6 I don't think we do. I don't see anything that
7 says we do. But I'm going to suggest when we get to this
8 point that the Committee make a finding that approves the
9 filing of that supplemental CEC so at least we've got
10 that in the record. I'm going to make that suggestion.

11 CHMN. CHENAL: Member Woodall.

12 MEMBER WOODALL: If I believed that that's
13 really a legal conclusion, I would not be supportive of
14 that. And by raising the issue, I did not mean to
15 suggest that that is the law, that is the position of the
16 Commission. I indicated that the reason I brought it up
17 was because there was a matter pending before the
18 Commission, and that issue was addressed. That's the
19 only thing.

20 So I -- I would -- and in any event, the
21 conclusions of law are something that, you know, our
22 legal department can work on. So I'm not supportive of
23 that.

24 MR. SUNDLOF: Well, then I withdraw it.

25 MEMBER WOODALL: Okay.

1 CHMN. CHENAL: Member Haenichen gave very sage
2 advice to me when we were on the bus based on a fortune
3 cookie that he saw years and years and years ago, which
4 has defined decision-making in his life. Look afar -- do
5 I have this right, Member Haenichen?

6 Look afar and see the end from the beginning.
7 Look afar and see the end from the beginning.

8 So tomorrow, when we start these deliberations,
9 I can see some discussion about a blending of these
10 concepts, a corridor and the concept that's in the
11 proposal about the boundaries, but having the structures
12 abut the right-of-way. There just may be -- I expect
13 that there's going to be some discussion about that, and
14 so I think we should have -- if I wasn't clear, I think
15 we should have two maps tomorrow, one with boundaries and
16 one with corridors, and we'll work with the language.
17 And either one of those will, I'm sure, be acceptable to
18 the Committee, assuming we grant the CEC.

19 MEMBER WOODALL: Mr. Chairman, just maybe to
20 show my hand, I'm really supportive of the boundary
21 approach here because it doesn't seem that any of the
22 intervenors have an objection to it. They're indifferent
23 to it. And I don't see really any advantage one way or
24 the other. So I'm more supportive of the boundary
25 approach. And I realize we'll have further discussion on

1 it, but I just wanted to tip my hand.

2 CHMN. CHENAL: Member Noland.

3 MEMBER NOLAND: Mr. Chairman, this is going to
4 shock all of you, but I feel about the same way as Member
5 Woodall does. I think this is something that, really,
6 the Commission should make a final determination on or
7 give us some guidance on. It's a totally new thing. We
8 haven't dealt with this before. Will it work? We won't
9 know for 12 years, 10 or 12 years. I'll be gone, that's
10 for sure.

11 But I think it's a new concept. Those are
12 always a little hard to wrap your head around. But I
13 think I -- without any opposition from really any of the
14 intervenors, I am willing to look at it as an option in
15 this CEC.

16 CHMN. CHENAL: Okay. Thank you.

17 Is there anything the Committee has before we
18 adjourn for this evening and resume tomorrow morning with
19 our deliberations at 9:30?

20 (No response.)

21 CHMN. CHENAL: Is there anything the applicant
22 wants to add before we adjourn for this evening?

23 MR. SUNDLOF: No, Your Honor.

24 CHMN. CHENAL: Okay. And any of the other
25 parties?

1 (No response.)

2 CHMN. CHENAL: Okay. One final comment. Is
3 there anyone for public comment in the audience?

4 (No response.)

5 CHMN. CHENAL: I didn't think there was, but I
6 should ask.

7 Okay. Thank you. We'll adjourn this evening,
8 and we'll resume tomorrow morning at 9:30. Thank you,
9 everybody.

10 (The hearing recessed at 4:15 p.m.)

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1 STATE OF ARIZONA)
2 COUNTY OF MARICOPA)

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

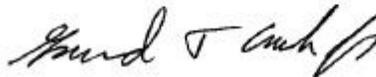
9 I CERTIFY that I am in no way related to any of
10 the parties hereto nor am I in any way interested in the
11 outcome hereof.

12 I CERTIFY that I have complied with the ethical
13 obligations set forth in ACJA 7-206(F)(3) and ACJA
14 7-206(J)(1)(g)(1) and (2). Dated at Phoenix, Arizona,
15 this 13th day of September, 2018.

16
17 

18 _____
19 CAROLYN T. SULLIVAN, RPR
20 Arizona Certified Reporter
21 No. 50528

22 I CERTIFY that COASH & COASH, INC., has complied
23 with the ethical obligations set forth in ACJA
24 7-206(J)(1)(g)(1) through (6).

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