

1 BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION
2 LINE SITING COMMITTEE

3
4 IN THE MATTER OF THE APPLICATION)
OF UNS ELECTRIC, INC., IN)
5 CONFORMANCE WITH THE REQUIREMENTS)
OF ARIZONA REVISED STATUTES)
6 40-360, et seq, FOR A) DOCKET NO.
CERTIFICATE OF ENVIRONMENTAL) L-0000F-09-0190-00144
7 COMPATIBILITY AUTHORIZING THE)
CONSTRUCTION OF THE VAIL TO) CASE NO. 144
8 VALENCIA 115kV TO 138kV)
TRANSMISSION LINE UPGRADE)
9 PROJECT, ORIGINATING AT THE)
EXISTING VAIL SUBSTATION IN SEC.)
10 4, T.16S., R.15E., PIMA COUNTY,)
TO THE EXISTING VALENCIA)
11 SUBSTATION IN SEC. 5, T.24S.,) EVIDENTIARY HEARING
R.14E., IN THE CITY OF NOGALES,)
12 SANTA CRUZ COUNTY, ARIZONA.) PUBLIC COMMENTS
-----)

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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, Esplendor Resort at Rio Rico, 1069 Camino
5 Caralampi, Rio Rico, Arizona, Ball Room, commencing at
6 9:32 a.m. on the 2nd day of June, 2009.

7

8 BEFORE: JOHN FOREMAN, Chairman
 DAVID L. EBERHART, Thunderbird Consulting
9 Group
 PAUL RASMUSSEN, Department of Environmental
10 Quality
 JESSICA YOULE, appointed member
11 PATRICIA A. NOLAND, appointed member
 JEFF McGUIRE, appointed member
12 MIKE WHALEN, appointed member
 BILL MUNDELL, appointed member
13 MIKE PALMER, appointed member
 BARRY WONG, appointed member

14

15

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1 CHMN. FOREMAN: My name is John Foreman. I'm
2 the chairman of the Arizona Power Plant and Transmission
3 Line Siting Committee. This morning is the time
4 scheduled for the evidentiary hearing in the application
5 of UNS Electric for a certificate of environmental
6 comparability authorizing the construction of a line and
7 the upgrading of a line presently in existence from the
8 Vail Substation to the Valencia Substation in Pima and
9 Santa Cruz Counties.

10 We have the first issue that we need to
11 address -- well, first of all, let me ask members of the
12 applicants' representational team to identify themselves
13 for the record.

14 MR. DERSTINE: Good morning, chairman -- maybe
15 you can hear me anyway. Good morning, Mr. Chairman,
16 members of the Committee, Matt Derstine, Jason Gellman.
17 Michael Patton from Roshka, DeWulf & Patten appears on
18 behalf of the applicant UNS Electric.

19 CHMN. FOREMAN: All right. Now, the first thing
20 that we are going to need to address here this morning
21 is an application or two applications to intervene that
22 have been filed, and my reading of the statute is that
23 the Committee needs to make the ultimate decision about
24 whether intervenors can be allowed to intervene,
25 potential intervenors can be allowed to intervene. So

1 I'm going to ask the two intervenors to introduce
2 themselves in the order in which they made application,
3 so, Mr. Magruder, would you start first.

4 MR. MAGRUDER: Good morning, chairman. My name
5 is Marshall Magruder. I'm a resident of Tubac. I'm a
6 ratepayer for UNS Electric. I've been a former energy
7 commissioner for the Santa Cruz County and the City of
8 Nogales.

9 CHMN. FOREMAN: All right. Tell us why it is
10 you want to intervene in these proceedings.

11 MR. MAGRUDER: First, as a ratepayer, I'm
12 interested in the potential increase in rates. Second,
13 I'm interested in obtaining the most reliable and the
14 best services for Santa Cruz County, and third, that I
15 want to make sure it uses the least intrusive route with
16 respect to the environment and involving people in the
17 neighborhood of new transmission lines.

18 CHMN. FOREMAN: All right. Now, and I intend to
19 deal with the intervenor's request to intervene
20 separately. And I want to just advise the committee of
21 the prior contact that I've had with each one of the
22 potential intervenors. Mr. Magruder was at the
23 preapplication in this matter. He identified himself as
24 a potential intervenor in this matter earlier.

25 I -- my understanding, Mr. Magruder, you have

1 been allowed to intervene before in line siting
2 proceedings; is that right?

3 MR. MAGRUDER: Yes, I was an intervenor in Line
4 Siting Case Number 111.

5 CHMN. FOREMAN: All right. Now, you understand,
6 and I've advised you before, that this is not a rate
7 setting proceeding, and we are not going to discuss
8 rates in this hearing. So I want to make sure that you
9 understand that, again, right up front. But I do want
10 the committee members to have the benefit of knowing
11 that you have taken part in the prehearing conference,
12 that you have followed the prehearing procedural order
13 that I indicated that you would need to follow, and you
14 have provided us this morning with copies of the
15 exhibits that you would like to offer into evidence in
16 that case -- in this case; is that correct?

17 MR. MAGRUDER: That's correct, chairman.

18 CHMN. FOREMAN: And those exhibits are contained
19 in -- I guess they are red and green?

20 MR. MAGRUDER: And blue.

21 CHMN. FOREMAN: Even more multicolored binders
22 that should be before each committee member. Does any
23 member of the committee have a question that you would
24 like to ask?

25 MEMBER MUNDELL: Mr. Chairman.

1 CHMN. FOREMAN: Member Mundell.

2 MEMBER MUNDELL: I don't know if it is really a
3 question, but I probably for, lack of a better word,
4 qualify as an expert witness on Mr. Magruder. He has
5 intervened on numerous times when I was on the
6 corporation commission, and I didn't always agree with
7 him, but he always provided a perspective that I think
8 was needed so that the commissioners and initially this
9 committee could make informed intelligent decisions, so
10 he has, like I said, participated, and I think he is
11 pretty modest in his remarks, but he has participated on
12 numerous occasions in front of the commission over the
13 last, I don't know, eight or nine years, so I would just
14 give my colleagues that insight.

15 CHMN. FOREMAN: Member Wong.

16 MEMBER WONG: Yes, thank you, Mr. Chairman and
17 Mr. Magruder, would you restate for the record, I didn't
18 catch that about your background. You are intervening
19 in your capacity representing an entity or group or in
20 your individual capacity?

21 MR. MAGRUDER: Committee Member Wong, I am an
22 individual intervenor. I'm not representing a group. I
23 was a former member of the Joint Energy Commission for
24 Santa Cruz County and the City of Nogales. The
25 commission was disestablished in August of last year.

1 So I'm representing myself.

2 MEMBER WONG: Yes. You -- do you live or have
3 property or businesses within the vicinity of this
4 proposed project? Can you describe that capacity.

5 MR. MAGRUDER: I do not live close or very close
6 to this proposed project, but I am very interested in
7 the impacts of this project on the ratepayers in Santa
8 Cruz County and the residents of Santa Cruz County.

9 MEMBER WONG: In the general capacity of
10 interest about rates? The impact of this project on
11 overall rates; is that correct?

12 MR. MAGRUDER: Rates are one impact, but there
13 were several others that I put in my motion to
14 intervene. Give me a second to look it up.

15 MEMBER WONG: Please.

16 MR. MAGRUDER: I can't find it right now, but
17 mainly, it is the electrical reliability in Santa Cruz
18 County and in some hearings we had in 2005, my concern
19 in those hearings and the title of those hearings were
20 reliability of electricity in Santa Cruz County and that
21 is my major concern. To do that, obviously, there will
22 be cost to people, but I'm -- the premise that the
23 applicant has made is that this will improve reliability
24 in Santa Cruz County and I'm not convinced that is true.

25 MEMBER WONG: Thank you, Mr. Chairman.

1 CHMN. FOREMAN: Thank you.

2 Any other comments by any member of the
3 committee? Member Eberhart.

4 MEMBER EBERHART: Thank you. One area I would
5 like the applicant to cover, I think they mentioned in
6 their application that there is an existing CEC that has
7 not been built yet, and the question I have is, is this
8 application in replacement of the existing right-of-way
9 and CEC that Shea have been granted previously, or is
10 this in addition to the existing CEC?

11 CHMN. FOREMAN: And --

12 MEMBER EBERHART: Particularly for that issue
13 are the alignments to be -- if this is in addition to,
14 are the parallel alignments for the right-of-way, and
15 that is the question I would like to have covered in the
16 presentation. Thank you.

17 CHMN. FOREMAN: Is there any question or comment
18 you would have for Mr. Magruder before the committee
19 votes on whether or not he should be allowed to
20 intervene?

21 MEMBER EBERHART: No, sir. Thank you.

22 CHMN. FOREMAN: Member Noland.

23 MEMBER NOLAND: Mr. Magruder, Chairman Foreman
24 advised you that this is not a rate hearing, and in your
25 filings for intervenor, you really do outline more rate

1 concerns than other environmental or line siting
2 concerns. Do you feel that you can limit yourself to
3 what this committee actually has to deal with, and that
4 is the environmental line siting concerns, not the rate
5 concerns?

6 MR. MAGRUDER: Committee Member Noland, in
7 response to that, you are trying to make a decision
8 between various alternatives, if I'm not mistaken, in
9 this case. Each of those alternatives might have a cost
10 difference. I'm not interested in the exact cost, but
11 the relative cost, and the -- because whatever happens,
12 if this is a prudent decision, the ratepayers will pay.
13 That is not what this is all about. What I think this
14 committee is doing is making a decision on where to put
15 the line. Some places are more expensive than others,
16 and that is what I'm talking about with respect to cost.

17 CHMN. FOREMAN: The statute, and we've talked
18 about this before, Mr. Magruder, the statute does talk
19 about cost and relative cost as something that we can
20 address, but not rates.

21 MR. MAGRUDER: I understand.

22 CHMN. FOREMAN: So the answer to Member Noland's
23 answer is?

24 MR. MAGRUDER: I'm not trying to talk about
25 rates. I'm trying to talk about the cost of the project

1 in general terms.

2 MEMBER NOLAND: Thank you.

3 CHMN. FOREMAN: Any other questions or comments
4 from committee members?

5 All right. Do I have a motion, then, from the
6 committee with regard to allowing Mr. Magruder to
7 intervene?

8 MEMBER NOLAND: Mr. Chairman, I make a motion
9 that we allow Mr. Magruder to intervene.

10 MEMBER YOULE: Second.

11 MEMBER WONG: Second.

12 CHMN. FOREMAN: And probably before we take a
13 roll call on the vote -- well, we can take a roll call
14 on the vote and a roll call for presence. We now have,
15 I think, most everybody that is going to be present
16 here. Well, looks like we are missing a couple folks.

17 Let me take roll call now.

18 Member Eberhart.

19 MEMBER EBERHART: Is this roll call?

20 CHMN. FOREMAN: This is roll call for, are you
21 here?

22 MEMBER EBERHART: Yes, sir, I'm here.

23 CHMN. FOREMAN: Member McGuire.

24 MR. MCGUIRE: Here.

25 CHMN. FOREMAN: Mr. Mundell.

1 MEMBER MUNDELL: Present.

2 CHMN. FOREMAN: Member Noland.

3 MEMBER NOLAND: Here.

4 CHMN. FOREMAN: Member Palmer?

5 Not here yet.

6 Member Rasmussen.

7 MEMBER RASMUSSEN: Here.

8 CHMN. FOREMAN: Member Whalen.

9 Member Wong.

10 MEMBER WONG: Present representing the public.

11 CHMN. FOREMAN: Member Youle.

12 MEMBER YOULE: Here.

13 CHMN. FOREMAN: Very good. Now, with regard to

14 the motion, and the motion is to allow Mr. Magruder to

15 intervene as a party in this matter.

16 Member Eberhart.

17 MEMBER EBERHART: Aye.

18 CHMN. FOREMAN: Okay. Member Maguire.

19 MR. MCGUIRE: Aye.

20 CHMN. FOREMAN: Member Mundell.

21 MEMBER MUNDELL: Aye.

22 CHMN. FOREMAN: Member Noland.

23 MEMBER NOLAND: Aye.

24 CHMN. FOREMAN: Member Rasmussen.

25 MEMBER RASMUSSEN: Aye.

1 CHMN. FOREMAN: Member Wong.

2 MEMBER WONG: Aye.

3 CHMN. FOREMAN: Member Youle.

4 MEMBER YOULE: Aye.

5 CHMN. FOREMAN: The Chair votes aye. So by a
6 vote of eight to zero, counting correctly, the motion
7 passes.

8 And, Mr. Magruder, subject to the conditions
9 that we previously discussed, you are a party.

10 Now, let's move to Ms. Webb.

11 And, Ms. Webb, if you would briefly summarize
12 why it is you would like to intervene as a party in this
13 matter.

14 MS. WEBB: Mr. Chairman, members of the
15 committee, my name is Elizabeth Buchroeder-Webb, but
16 please refer to me as Ms. Webb, it is much easier.

17 I'm a resident of Pima County, and I'm also a --
18 well, I'm a TEP ratepayer, but I have concerns, so I
19 have concerns predominantly with Segment 1A at the
20 northern end and I have questions about why a new CEC is
21 being sought in a case that already has a decision if
22 this is just an upgrade versus installing new
23 transmission lines. I have concerns about appropriate
24 monopole color choices in our view shed here in the
25 Sonoran Desert with the mountain in the background and

1 the blue skies. It is very important.

2 I have severe concerns and questions about
3 appropriate outreach to communities that will be
4 impacted by decisions by other private entities in the
5 area where this application by UNS Electric is being
6 sought. And I have a very strong background in my
7 community seeking voice, and not just in electrical
8 issues, and I think that is something that I can show to
9 you, and I can, from the prehearing conference, I took
10 what Chairman Foreman had to say very strongly.

11 You can see in the binder that I've addressed my
12 issues. A lot of the issues fall under the category of
13 "aggressive outreach." I feel a lot of the questions
14 could have been answered had the outreach had been done
15 appropriately in this Segment 1A area, and I appreciate
16 the opportunity to speak as an intervenor. Thank you.

17 CHMN. FOREMAN: All right. Are there questions
18 or comments from members of the committee before we vote
19 on Ms. Webb's application?

20 Member Eberhart.

21 MEMBER EBERHART: Thank you, Mr. Chairman.

22 Ms. Webb, do you have any potential witnesses
23 you plan to have testify?

24 MS. WEBB: Member Eberhart, I'm the only
25 witness.

1 MEMBER EBERHART: Ms. Webb, is there -- I'm not
2 trying to limit you. I'm just trying to get a handle on
3 how -- what time length you expect your presentation to
4 take.

5 MS. WEBB: I've gotten much better since the
6 last one. As I told Chairman Foreman, I anticipate my
7 direct testimony to be about 15 to 20 minutes.

8 MEMBER EBERHART: Ms. Webb, is there any
9 advantage being an intervenor as opposed to just giving
10 a public presentation like any member of the public
11 would be able to do before the committee?

12 MS. WEBB: I think I have quite a few advantages
13 to give to this, and I'm trying to find a way to
14 articulate. I know as an engineer, my experience has
15 been with you that it has got to be succinct and here I
16 go again. Number one, the experience that I've had
17 that, although the applicant has been working on its
18 public outreach and it has gotten better, it continues
19 to fall short in the Vail area. And we need to find a
20 solution, and I need to testify as to what has been
21 occurring and what we can do to fix it. I need to talk
22 and show examples of mono selections that can work in
23 our area. I need to talk about the private entity that
24 is going to work on development in the area and show
25 that to you so we can work on the solution. So I really

1 appreciate the opportunity.

2 MEMBER EBERHART: Ms. Webb, do you live in the
3 area where the proposed construction is going to be?

4 MS. WEBB: I live in the vicinity of the Vail
5 Substation in the northern end of the project within the
6 boundaries of our --

7 MEMBER EBERHART: Thank you.

8 Mr. Chairman, that is all the questions I have.

9 CHMN. FOREMAN: Questions or comment from any
10 other committee members?

11 All right. Ms. Webb, I was present at a portion
12 of the line siting hearing in number 137, and I also
13 reviewed the letter that you wrote concerning previous
14 Chairman Boucek's attempts from time to time to get you
15 to do what it is she felt you needed to do as a
16 participant in that proceeding. And I must say that I'm
17 very disappointed in the way that you were critical of
18 her when she was trying to do her job. And I bring that
19 up because I want you to understand that if you are
20 allowed to participate as an intervenor in this matter,
21 from time to time, I may have to put limits on what you
22 are doing, encourage you to go down one path rather than
23 another path. I want you to understand that it is not
24 personal, but I will expect you to do what it is I
25 direct you to do. Do you understand that?

1 MS. WEBB: Yes, Chairman Foreman, I do.

2 CHMN. FOREMAN: Okay. Is there a motion with
3 regard to Ms. Webb's participation as an intervenor?

4 MEMBER EBERHART: Mr. Chairman.

5 CHMN. FOREMAN: Member Eberhart.

6 MEMBER EBERHART: Mr. Chairman, I would make a
7 motion to allow Ms. Webb to be an intervenor in this
8 case.

9 MEMBER MUNDELL: I will second that.

10 CHMN. FOREMAN: Is there any further discussion?
11 All right. Member Eberhart.

12 MEMBER EBERHART: Aye.

13 CHMN. FOREMAN: Member McGuire.

14 MR. McGUIRE: Aye.

15 CHMN. FOREMAN: Member Mundell.

16 MEMBER MUNDELL: Mr. Chairman, briefly explain
17 my vote. Sometimes it is difficult for laypeople to
18 participate not only here, but in front of the
19 corporation commission itself, and so I can -- I agree
20 with your admonition to Ms. Webb that she is to abide by
21 your rulings and be respectful of you and the committee
22 members as we go forward, but I would say the same
23 thing, that her participation in other cases that I
24 voted on was very valuable, giving a perspective that
25 was not presented by the utility or by other individuals

1 or intervenors, so, again, this is an ongoing process
2 for all of us to learn the rules, and sometimes as
3 lawyers, we understand the rules of evidence and
4 procedure, but for nonlawyers, it is a learning process,
5 so I'm -- I agree with your admonition, and I'm sure
6 that Ms. Webb will abide by that as -- and will
7 participate like the other individuals that are
8 participating in this proceeding. I vote aye.

9 CHMN. FOREMAN: Member Noland.

10 MEMBER NOLAND: Aye.

11 CHMN. FOREMAN: Member Rasmussen.

12 MEMBER RASMUSSEN: Aye.

13 CHMN. FOREMAN: Member Wong.

14 MEMBER WONG: Aye.

15 CHMN. FOREMAN: Member Youle.

16 MEMBER YOULE: Aye.

17 CHMN. FOREMAN: And the Chair votes aye. So by
18 a vote of eight to zero, the motion to allow Ms. Webb to
19 participate as an intervenor has passed.

20 All right. Now, are there preliminary issues
21 that we need to address before we proceed to opening
22 statements? Any problems with data requests, with
23 disclosure that have not been talked out and resolved
24 amongst the parties as I asked at the hearing last week?

25 Mr. Magruder.

1 MR. MAGRUDER: Chairman, I'm Marshall Magruder,
2 again. As we discussed during the prehearing
3 conference, I had some unanswered data requests, and
4 since then, from about 20 or 30 questions that I had, I
5 received response to one. Thank you.

6 CHMN. FOREMAN: All right. Are you objecting to
7 that? Are you prepared to proceed? Is there a problem
8 that we need to address here today, or are you just
9 noting that in passing.

10 MR. MAGRUDER: I'm noting it in passing, but in
11 my testimony it will depend on cross-examination,
12 because I intend to try to get the same answers that I
13 requested in my data request during cross-examination of
14 the applicant.

15 CHMN. FOREMAN: Okay.

16 MR. MAGRUDER: Thank you.

17 CHMN. FOREMAN: Any other issues or matters that
18 we need to address before we start opening statements?

19 Ms. Webb.

20 MS. WEBB: I really pared down my case, but I
21 would like to mention, I didn't feel some of my data
22 requested had been fulfilled, either, but I will pass on
23 that, too, but I want to mention it now so it doesn't
24 sound like sour grapes later in case if it comes up in
25 my cross-examination, that I'm not able to address it

1 appropriately.

2 CHMN. FOREMAN: All right. We've got that --
3 those issues addressed for the record. Let's move,
4 then, to opening statements. Let's start with the
5 applicant.

6 I'm sorry, Member Mundell,.

7 MEMBER MUNDELL: Thank you, Mr. Chairman.

8 I just wanted to also do a -- clarify for the
9 record, is Ms. Webb forever waiving her right to the
10 data requests that she didn't think she got? I mean,
11 sour grapes is one thing, wanting the information and
12 not getting it, maybe we should have some discussion on
13 it, or in the alternative, is she says that she no
14 longer wants that information. But I wasn't clear by
15 her statement, because she said "for now." And that is
16 -- to me that is a critical definer from the standpoint
17 of, does she want the information or doesn't she? And
18 is there an issue in the utility in not providing it?

19 MS. WEBB: Committee Member Mundell, as part of
20 my testimony, I can show later that there are a lot of
21 projects in my area, and due to some time constraints
22 and financial restraints, I will just wait and ask those
23 data requests in those cases that are coming up, so...

24 MEMBER MUNDELL: Thank you, Mr. Chairman, for
25 your indulgence.

1 CHMN. FOREMAN: Any other comments or questions?
2 Okay. Let's move, then, to opening statement.

3 Counsel, you may proceed.

4 MR. DERSTINE: All right. I think I got my mic
5 on. So let me say again, good morning, Mr. Chairman,
6 members of the committee.

7 For my opening, I want to take not a lot of
8 time. I don't think I will use up the full 30 minutes
9 that I've been allotted to give you an overview of this
10 case of the project and preview the witnesses and the
11 evidence that you are going to hear from the applicant.

12 Let me, before I do that, let me just mention,
13 you should have before you a place mat, for the lack of
14 a better term. I don't think anyone is going to eat
15 cereal on this, but I think we refer to it as a place
16 mat. One side is a map of the project north to south.
17 The other side is the project broken down by segment as
18 those segments were called out and described and
19 discussed in the application. The place mats for the
20 public who are here is also shown up on the screen.

21 The -- let me just orient you briefly to it in
22 terms of how the route and the alternatives are being
23 called out. The existing line is shown by the dashed
24 black line. Our preferred route is shown in yellow or
25 gold, I guess, depending how you see that color. And

1 the alternatives are described and shown in blue.

2 On this map, you will also see the various land
3 uses that are surrounding the project identified by
4 color. These are -- these maps and these diagrams are
5 from the application and you will also see them in the
6 PowerPoint presentations from our witnesses. You should
7 also have before you our exhibit book. Some of those
8 exhibits will be introduced in our direct case. Others
9 we may or may not use for purposes of cross-examination
10 or rebuttal. Hopefully, you have that exhibit book in
11 front of you, as well.

12 So, let me talk a little bit about the witnesses
13 and the evidence. We are going to call three witnesses,
14 and hopefully, we will get through two of them today.
15 Mr. Beck, seated to my right here in the maroon shirt,
16 red shirt, will testify concerning purpose, need and the
17 development of the project. He will also testify about
18 the evolution of this project over time.

19 Mr. Warner, who sits to Mr. Beck's right, is
20 from Transcon Environmental. Mr. Warner will testify
21 concerning the environmental constraints, considerations
22 that went into this project, and the development of the
23 preferred and the alternative routes that you see before
24 you on the screen.

25 Mr. Miller, also of Transcon, will be your last

1 witness to testify about the public process, public
2 outreach to the public who live along the line, the
3 proposed route as well as agencies.

4 Our intention today is to call Mr. Beck and
5 Mr. Warner as a panel, and that is why we have them
6 seated here together. Our intent with calling them as a
7 panel is that we can get through their direct testimony
8 today in an efficient way and also answer your questions
9 before you have to make a decision on a route tour,
10 which I understand will be -- will take place at the end
11 of the day.

12 So with that, let me talk briefly about the
13 purpose and need and the testimony that you will hear
14 from Mr. Beck on subject. UNS Electric serves Santa
15 Cruz County through a radial 115 kV transmission line.
16 That line was constructed in 1966. It runs
17 approximately 54 miles from the Nogales Tap down south
18 to the Valencia Substation in the city of Nogales.

19 The line strings together four substations along
20 its route. If you can see on the diagram, you will see
21 on both sides of the diagram how the line is broken out
22 and lines up with the substations. There is Kantor,
23 Canez to Sonoita, and Valencia all the way to the south.
24 You can see my steady hand on the laser.

25 An important factor, and I think it was

1 mentioned by Member Eberhart, is that a large portion of
2 the existing line was already rebuilt from the Nogales
3 Tap South to Kantor in a 1988 case, case 78, that
4 stretch of this line was already rebuilt on steel
5 monopoles. The conductor was replaced and transformers
6 replaced. Although that segment, that large segment of
7 the line is only energized on 115 kV, it was built to
8 138 kV standards and can be energized to 138 kV without
9 any additional work. So an important feature of our
10 application is we are not going to touch and spend any
11 money on that segment of the line. Nogales Tap down to
12 Kantor.

13 What we are asking to do is to rebuild the
14 remainder of the line from Kantor South.

15 CHMN. FOREMAN: And, Mr. Derstine, I think we
16 discussed the legal entity that was authorized to build
17 that. Is there a change in entity?

18 MR. DERSTINE: I think the history of that case
19 78 is that at the time of case 78 and the reconstruction
20 of that portion of the line, this system was owned by
21 Citizens Electric. Since that time, it was acquired by
22 UniSource Energy Services and now UNS Electric. So the
23 ownership of the system has changed, but the -- in
24 terms -- I'm not sure if there is a concern about the
25 impact or the ownership of the project.

1 CHMN. FOREMAN: And I'm just trying to make sure
2 that we get the legal entities clear and that the
3 members of the committee are clear on this. Would I be
4 correct, also, in my understanding that while this
5 process of transfer from Citizens to UNS was not
6 approved in advance by the corporation commission, it is
7 something that -- it was something made known to them
8 and they are aware of it. Is that accurate?

9 MR. DERSTINE: I think Mr. Beck will correct me
10 if I'm wrong. It was my understanding the acquisition
11 of Citizens by UniSource was indeed approved by the
12 commission, and so the acquisition of the Citizens
13 System here in Santa Cruz County, as well as the
14 Citizens System in Mohave County, were acquired by
15 UniSource and that acquisition of the facilities, that
16 system -- those systems were indeed approved by the
17 commission.

18 CHMN. FOREMAN: But there was not -- if I'm
19 remembering correctly, and correct me if I'm wrong, but
20 there was not a condition attached to the CEC in number
21 78 that required explicitly the commission to authorize
22 the transfer; is that correct?

23 MEMBER YOULE: Of the CEC?

24 CHMN. FOREMAN: Of the CEC.

25 MR. DERSTINE: I think that is accurate.

1 CHMN. FOREMAN: So UNS's acquisition of legal
2 interest or legal authorization to proceed, according to
3 the CEC, came as a result of the acquisition of Citizens
4 lock, stock, and barrel, not the specific acquisition of
5 the rights that accrued under the CEC; is that correct?

6 MR. DERSTINE: I want to make sure I understand
7 your question. At the time that UniSource acquired
8 Citizens System and its assets, that section of the
9 line, that construction was completed and was done.
10 There was nothing further to be done by UniSource and
11 UniSource has done nothing with that portion of the
12 line. Does that answer your question?

13 CHMN. FOREMAN: No.

14 MR. DERSTINE: Okay. Let's get to it, then.

15 CHMN. FOREMAN: The question is whether the
16 corporation commission has approved the acquisition by
17 UNS of the rights that were granted in the CEC in number
18 78, and if so, how that occurred? If I'm understanding
19 what you have represented to us is that UNS acquired
20 those rights as a result of the acquisition of all of
21 the Citizens rights. UNS did not acquire separately and
22 distinctly the specific rights authorized by CEC in
23 number 78; is that true?

24 MR. DERSTINE: I think what is true, Chairman,
25 is that in the commission order that approved the

1 acquisition of the Citizen assets, it called out and
2 provided for and authorized the transfer of all the
3 Citizen infrastructure assets, equipment to UniSource.

4 CHMN. FOREMAN: And that universe of assets
5 would include the asset associated with the right to do
6 what was authorized by the CEC in number 78; correct?

7 MR. DERSTINE: I think that is correct.

8 CHMN. FOREMAN: Okay.

9 MR. DERSTINE: But, again, there was nothing
10 left to do but to continue to operate that system as it
11 stood at the time, and nothing has been done since then.

12 CHMN. FOREMAN: That was the inference I drew in
13 looking at this. But it is an important point, and if
14 it is not true, I would like to have my understanding
15 corrected.

16 MR. DERSTINE: So, again, this project is to
17 rebuild the remainder of this line that serves Santa
18 Cruz County from Kantor South. It does that, and what
19 we are asking for in this application is to then replace
20 the wood structures, the wood H-frame structures that
21 hold the line from Kantor down to Valencia, these
22 43-year-old wood poles, to replace the transformers and
23 the conductors and to upgrade them from 115 kV to 138
24 kV.

25 That rebuild of that infrastructure from Kantor

1 to Valencia will indeed improve reliability of this
2 project, reliability of the line, reliability of service
3 to Santa Cruz County. But another important need and
4 purpose of the project is to increase the overall
5 capacity of the service and the line to Santa Cruz
6 County, and we do that through the interconnection to
7 the TEP EHV system at the Vail Substation. You will see
8 that interconnection here on Segment 1, what we called
9 out as Segment 1A in our application, and there you will
10 see the preferred route in gold and the alternative
11 route, southern route in blue to interconnect from the
12 Nogales Tap to the Vail Substation.

13 And why are we doing that? Santa Cruz County is
14 currently served from the WAPA system. The WAPA system
15 connected the line to Santa Cruz County at Nogales Tap,
16 and that is to tie in to WAPA. WAPA currently does not
17 have and has not had sufficient capacity on that system,
18 transmission capacity, to allow UNS Electric to serve
19 peak load in this service territory, in Santa Cruz
20 County.

21 So the constraint comes from the WAPA system and
22 by tying in to the TEP EHV system, we are allowed to
23 increase the capacity from 50 megawatts currently to
24 120 megawatts. The reason for doing that is in order to
25 meet peak load today, and what we've been doing for

1 years on this system is to run local generation down to
2 Valencia Substation. Gas turbines that are located
3 there at Valencia. The problem with serving peak and
4 increasingly serving peak load through running local
5 generation is that many of those generators are older
6 and expensive to run. They are inefficient.
7 Furthermore, by having to rely on local generation to
8 serve peak, we are not allowed to use lower cost, other
9 sources of power, which would otherwise transmit on the
10 system.

11 So that is the purpose and the need of this
12 project. Replace 43-year-old wooden structures and
13 older -- 43-year-old line and transformers from Kantor
14 South, increase capacity from 50 megawatts to
15 120 megawatts, and you will hear that testimony from
16 Mr. Beck.

17 So let me spend a few minutes on how we are
18 going to do that, how we are going to rebuild this
19 project, how we are going to improve the reliability and
20 increase the capacity and the routes that we are going
21 to use to do that.

22 When UNS Electric approached this project, and
23 it has been in their ten-year plan for a number of
24 years, the assumption was we could rebuild it in place,
25 rebuild the existing line as it stands. That eliminates

1 the need for additional right-of-way. It is the least
2 expensive way to do what needs to be done on the system
3 apart from the 45 miles of new line that are needed to
4 interconnect at the Vail Substation at the north end of
5 the line.

6 As they went out and surveyed the line,
7 determined that there is encroachment in two areas on
8 the existing line, development encroachment that
9 occurred over the past 43 years in the right-of-way that
10 make it difficult and in some cases dangerous to
11 construct, rebuild the line there. We have problems
12 with access, constructability. Those two areas -- it is
13 going to be easier for me to point to this segment map
14 here on the right. Those two areas are in Segment 3,
15 the Canez Substation down to Sonoita. You will see here
16 that our preferred route comes off the existing line and
17 loops down to the west and ties in to avoid the building
18 and the encroachment in that area.

19 The other area of constraint is here in Segment
20 4 and it is a small piece along Grand Avenue, and you
21 will see that with that little cut off where our
22 preferred route in yellow moves off the dashed existing
23 line.

24 Those two sections are the only two sections
25 where we are asking to move off the existing line for

1 constructability, access, encroachment issues.

2 There is, however, another -- one other small
3 section at the bottom of Segment 2 where our preferred
4 route moves off of the existing line. You will see that
5 here in this detail section. Early in the public
6 process, we received feedback from private landowners
7 who owned the land under the existing line and bought
8 under the existing line, that their preference would be
9 to have the line moved west so that the line doesn't
10 bisect and cut through their property. Based on that
11 public feedback and input, our preferred alignment in
12 Segment 2 follows the existing line all the way down to
13 just north of the Canez Substation and then jogs west to
14 follow a railroad alignment where the company already
15 owns some right-of-way.

16 In recent weeks, we've heard and have gotten
17 increasing feedback from other landowners, again private
18 landowners in this area, as well as some environmental
19 groups. I think you will hear from these folks in
20 public comment this morning, that their preference would
21 be that we either stay in the existing alignment or that
22 we move this line further west over the railroad into or
23 over the Santa Cruz River and put it onto another
24 landowner who doesn't have a line and hasn't had a line.

25 This area in Segment 2, at the bottom of Segment

1 2, is an environmentally sensitive area. It is probably
2 the most environmentally sensitive area we have on this
3 route. You will see it as referred to as the mesquite
4 bosque in our application. I would describe it as a
5 dense, wooded area of mesquite and brush. It is my
6 understanding it is an important habitat for birds and
7 other wildlife. But, again, there are existing private
8 landowners who live under our line, which is there and
9 has been there for 43 years. And so you will hear from
10 their interests and their views about now, as part of
11 this project, moving the line either further west over a
12 railroad into a river with permitting issue, floodplain
13 issues, and either further up over onto another
14 landowner so we jog around their ownership and their
15 land.

16 There is good and sound reasonings why we don't
17 do that and why we don't include that as a result and
18 you will hear that testimony from Mr. Beck and
19 Mr. Warner, but I wanted to highlight that issue for you
20 because I think you will hear public comment on that
21 this morning.

22 So, again, the project is to rebuild in place
23 from Kantor South to Valencia our line where it stands,
24 except for an area of encroachment here in Segment 3, a
25 small area of encroachment here in Segment 4, and we

1 have the considerations and concerns about the bottom of
2 Segment 2 with the private landowners there just above
3 the Canez Substation.

4 Let me just touch on cost. It is a topic that
5 you want to hear about. It is obviously near and dear
6 to Mr. Magruder, and candidly, we have answered quite a
7 bit of data requests and given him all the information
8 we have available to us on projected costs for this
9 project. Mr. Beck will cover them in his testimony, but
10 let me highlight them here for you.

11 The limited total cost of project is
12 \$33.7 million. Let me break it down into broad
13 categories. \$4.4 million is the cost to build the
14 45 miles of line needed to interconnect from the Nogales
15 Tap to the Vail Substation. \$5.5 million is the
16 estimated cost, and it is difficult sometimes to project
17 these costs, to acquire right-of-way in the areas where
18 we are moving off the existing alignment. \$23.8 million
19 is the cost to buy the poles, the conductor, the
20 transformers, to rebuild these sections from Kantor down
21 to Valencia.

22 Now, let me briefly touch on public process. As
23 I stated, Mr. Miller of Transcon will testify about
24 public process, our public outreach. Before filing this
25 application, there was indeed extensive agency outreach

1 and public outreach. That started in earnest in
2 December 2007, with a first of four newsletters
3 regarding this project. The newsletters informed the
4 public of the planning and development of the project
5 and later the newsletters informed the public about the
6 proposed routes, preferred and alternatives.

7 The newsletters, as well as radio ads, both
8 giving an English and Spanish, provided information
9 about the public open houses that were being held to
10 publicize the project and to generate feedback from the
11 public regarding concerns they have about the project,
12 where they would like to see us build this line, how
13 they would like to see us build this line. These three
14 series of open houses were held February, May, and
15 December of 2008. The February open houses were held in
16 Nogales and Rio Rico. The open houses in May and
17 December were held in Nogales, Green Valley, and in
18 Tucson near the Vail Substation.

19 There was also a telephone information line, and
20 if you've gone to look, there is extensive information
21 about this project on the UNS Electric Web site and has
22 been for some time. Interactive maps showing the
23 routes, et cetera.

24 So that is it. That is our project. That is
25 our case. I heard that case 142 and case 143 were

1 finished in a matter of five hours or so. I have to say
2 that news almost made me cry. It hasn't been my
3 experience with these siting cases. I don't think this
4 case will be a five-hour case. At the same time, I
5 think with the presentation of our testimony or
6 evidence, that this is a case that can and should be
7 heard in three -- the three days we set aside, even
8 including a route tour, if you elect to do that form.

9 Thank you for your time. That is the end of my
10 opening remarks.

11 CHMN. FOREMAN: Questions for Mr. Derstine.
12 Member Noland.

13 MEMBER NOLAND: Thank you.

14 Mr. Derstine, you used the word "encroachment"
15 several times. And in one area, you actually stated
16 that there was structures under the line. Is that what
17 you are saying? And could you please point out where
18 that is.

19 MR. DERSTINE: Mr. Chairman, Member Noland, the
20 main encroachment areas are in Segment 3 under the
21 existing line. When I say "encroachment," I mean houses
22 that have been built up close to the right-of-way, in
23 some cases even into the right-of-way as well as stuff,
24 sheds, basketball hoops, patios, all variety of things
25 that you might see in and around homes built up close to

1 the right-of-way and in many cases directly into the
2 right-of-way. We will have the Google Earth fly over as
3 well as Google Earth static images and photographs that
4 Mr. Beck and Mr. Warner can present to you today that
5 will give you a better understanding of what that looks
6 like, and why in that section we are moving off the
7 line.

8 That other area I referred to as "encroachment"
9 is along Grand Avenue in Nogales. It is a busy road
10 with commercial businesses along there. Right now in
11 those businesses, gas stations, retail stores have built
12 up into or under our line, and because we have very
13 limited access in that area, it is almost impossible to
14 try to rebuild that line safely in that area. So we've
15 proposed our preferred alignment is to move off Grand
16 Avenue in that location.

17 MEMBER NOLAND: Mr. Derstine, on Segment 4 on
18 the small upper square, are you proposing that the new
19 alignment be along the railroad alignment?

20 MR. DERSTINE: On Segment 4 or...

21 MEMBER NOLAND: Segment 2, I'm sorry.

22 MR. DERSTINE: Segment 2, no, and I think that
23 is an important point. This alternative that moves over
24 along the railroad from the Kantor Substation down south
25 is an alternative that we thought we needed to include

1 in our application, because we've been -- received the
2 message loud and clear that we need to include
3 alternatives, but it is not a preferred alternative.
4 And, in fact, it is an alternative that we don't think
5 should be built, but it is there. It was there for
6 consideration by the public. The only real issue and
7 movement of the existing line that we think is
8 appropriate in Segment 2 is this area here.

9 MEMBER NOLAND: That is the one I'm speaking of.
10 Is that along the railroad alignment?

11 MR. DERSTINE: Yes, in this section where our
12 preferred route seeks to move the line, jogs it over
13 west, it comes up close against the railroad into a --
14 up against a right-of-way that UNS Electric already
15 owns, and that was the reason for moving the line over
16 there. Again, because we have a linear feature of the
17 railroad there to follow, some existing right-of-way,
18 and as I mentioned, we had input from the owners in that
19 area that they would like to see the line moved over
20 there so it is not running down the middle of their
21 property. It shifts the line over to the western edge
22 of the property.

23 MEMBER NOLAND: And finally, I'm having trouble
24 understanding encroachment in dedicated right-of-way.
25 Was this agreed to? Was this approved of by the

1 utility, the former utility or the current utility?

2 MR. DERSTINE: I doubt that it was approved of
3 or agreed to, but it appears that it was allowed to
4 happen. And it has been there for some time. And it
5 was there in place, those structures, those buildings,
6 those sheds at the time that UniSource acquired the --

7 CHMN. FOREMAN: And the record should now show
8 Member Palmer is present.

9 Member Palmer.

10 MEMBER PALMER: Thank you, Mr. Chairman and
11 Derstine. You referenced an increase in capacity from
12 50 megawatts to 120 megawatts. That is a 140 percent
13 increase. Is that in anticipation of growth in Santa
14 Cruz County or is that to exercise an option to sell
15 power to Mexico?

16 MR. DERSTINE: I'm not aware of any desire to
17 sell power to Mexico that would happen through this
18 system. What is happening today is that we don't have
19 capacity. Right now our peak, and Mr. Beck has a number
20 of slides that will illustrate this to you, our peak
21 load exceeds the 50 megawatts of capacity that we
22 currently have on this system. We anticipate growth. I
23 think the extent and level of future growth, as always,
24 is a difficult thing to predict accurately. But what we
25 do know is we don't have capacity to serve peak today.

1 And that will only increase in the future.

2 MEMBER PALMER: I was referencing case 111. The
3 345 kV that was proposed through the Wilderness Area and
4 down into Nogales for exportation of electric power to
5 Mexico. So that is not on your agenda?

6 MR. DERSTINE: That is not this case. It has
7 nothing to do with exporting power to Mexico. This is
8 to improve the capacity to serve Nogales today and in
9 the future and improve reliability.

10 MEMBER PALMER: And you can account for this
11 140 percent increase not just by the fact you are going
12 from 115 kV to 138 kV, but that there is a technological
13 evolution in conductors that allows for that?

14 MR. DERSTINE: There is certainly improvement in
15 the equipment and the infrastructure transformers and
16 conductors to allow for that. Right now we have, even
17 at the 115 level, I believe, additional -- we could
18 carry additional capacity on that line. We just can't
19 get it over the WAPA system.

20 MEMBER PALMER: I gotcha. Thank you.

21 CHMN. FOREMAN: Any other questions or comments?

22 Member Mundell.

23 MEMBER MUNDELL: Thank you, Mr. Chairman.

24 Mr. Palmer made me want to ask a couple
25 additional questions. In case 111, the 345 kV, did the

1 utility put on testimony concerning a smaller upgrade to
2 serve the Nogales area?

3 MR. DERSTINE: Mr. Chairman, Member Mundell, I
4 don't believe in case 111, that is the siting of what I
5 think has been referred to as the Gateway Project, that
6 there was any testimony or evidence included about
7 upgrading this project as we presented it today in this
8 application. There was indeed, however, testimony in
9 2005 Santa Cruz reliability docket in which this project
10 was discussed and presented by UNS Electric as a first
11 and important initial step in continuing to improve and
12 upgrade the service quality in Santa Cruz County.

13 I think all of the ratepayers and customers in
14 Santa Cruz County will tell you, and I've heard it from
15 Mr. Magruder and others, that the service quality has
16 improved dramatically since the focus and the
17 reliability concerns that go back years on this system.
18 At the same time, these improvements need to be done.
19 They need to be done for the reasons I stated in terms
20 of the capacity limitations in the WAPA system and
21 replacing these older infrastructure that run from
22 Kantor South, but this was a project that was outlined
23 in the reliability docket and has been included in UNS
24 Electric's ten-year plan for several years.

25 MEMBER MUNDELL: Thank you.

1 CHMN. FOREMAN: Mr. Derstine, page 3 of the
2 application indicates that you are asking for a 500-foot
3 wide corridor through the entire length of the project,
4 except for a 1250-foot wide corridor in the Preston
5 Mobile Home Park in Nogales. From other portions of the
6 application, I understand that that is somewhere near
7 the southern part of Segment 4. Is this an area to
8 which you -- I assume Mr. Beck, then, will address the
9 reasons for the extra width through the mobile home
10 park?

11 MR. DERSTINE: Yes, he will. It will be a part
12 of his direct testimony and presentation. I will simply
13 note that the request for a wider corridor in that
14 section is to try to work with the owner of the -- the
15 landowner of that mobile home park. Right now, I think
16 I recall that the line kind of passes right over the
17 middle of that property and that mobile home park and so
18 our intent in that area is to try to minimize the impact
19 on that landowner and asking for the wider corridor
20 width in that small section gives us the flexibility to
21 do that.

22 CHMN. FOREMAN: Is this one of the areas of
23 encroachment to which Member Noland referred that has
24 come since the construction of the original line?

25 MR. DERSTINE: Well, I don't know when that

1 mobile home park came into existence, but certainly, as
2 it is today, I believe that we have mobile homes and
3 further down the line businesses where the line passes
4 directly over it. So I think it could be considered an
5 area of encroachment.

6 CHMN. FOREMAN: Okay. Very good. Thank you.

7 All right. Mr. Magruder, tell us what it is you
8 would like for us to do and why.

9 MR. MAGRUDER: Good morning, Committee.

10 Right now I'm not sure I want to support this
11 project, but I'm also not against the project. I think
12 that is an important initial statement I want to make.

13 But I do find that there are areas that I have
14 serious questions that I think need to be answered,
15 answered to the committee before you make your decision.
16 The actual testimony I make might be fairly short,
17 because most of my time will probably be spent in
18 cross-examination to get these answers.

19 First, whenever I talk to the committee, I
20 always want to remind you what the word "to site" means,
21 which is a part of your title. The dictionary
22 definition means, to determine a place, a location, a
23 point. It does not mean, area or corridor. In my
24 opinion, I feel every pole location should be given to
25 you before you make your decision, because a 500-foot

1 wide corridor has significant impact on every property
2 owner along the route, and I think it is unsatisfactory
3 for those pole positions not to be provided to the
4 public and to you as the committee before you make your
5 decision.

6 Next, I would like to talk about the cost of the
7 project. In the application, it says, between \$24 and
8 \$47 million, and it says, if the preferred routes are in
9 the application are chosen, it will be \$25 million. We
10 just heard it is at \$37 million, and since the 21st of
11 April when the application was submitted, that is quite
12 an increase in the cost.

13 Next, the cost, I think, will change. When you
14 change the normal -- the plug at the Nogales Tap to the
15 WAPA system to the plug when you plug into the Vail
16 system, and that is change in cost for buying the
17 transmission line services of the company that changes
18 from WAPA to TEP, and those costs you will be deciding
19 on in this case, because you are changing the plug and
20 where we get our electricity from. One of my items I
21 will bring out in my testimony is I would like to see
22 the possibility of having both places use a \$2.1 million
23 switch that exists at the Nogales Tap so you can choose
24 between Nogales Tap and -- the WAPA line and the TEP
25 line. If you have that choice, it makes supply

1 reliability increase, because you have two sources to
2 get electricity from instead of one.

3 The poles, I think the finished color of the
4 poles is very important. I've already written a sample
5 CEC choice on reducing the contrast between the pole
6 finish and the sky affects the visibility of the pole,
7 and in some places, dulled galvanized steel will blend
8 in, and in other places, the core ten black poles
9 against the sky stand out. The cost is almost trivial
10 between the two, and when you site poles, I think you
11 should determine the visibility impact of the poles and
12 where it goes, and the color is very important.

13 Abandonment of Segment -- in Segment 1A of the
14 Nogales Tap might also include abandonment of the
15 \$2.1 million switch. We've paid for that. I don't want
16 it thrown away.

17 In Segment 2, the southern end, which has
18 already come up, will need extensive review.
19 Previously, I've asked the applicant to furnish a map
20 and a picture of almost every tree that is going to be
21 removed, because the community along that area is very
22 concerned about the largest Bosque in the United States
23 being ruined by parts of it by this transmission line.
24 I'm also proposing that a 40-foot right-of-way be used
25 in that area instead of a 100-foot right-of-way,

1 because -- and I will discuss the technical reasons
2 later.

3 I also recommend in the area of the railroad, in
4 a 40-foot right-of-way, that the present distribution
5 lines be added to the transmission lines on the same
6 structure so there is only one set of poles instead of
7 two, due to the environmental sensitivity of that area.
8 If you lose transmission, you will lose distribution, so
9 what is the difference? And so I know it is a problem
10 of double circuit, two different types of use of the
11 same pole, but just because it is so important, I think
12 that in this small area that might be reasonable.

13 The other concern I have on the routes is in the
14 upper -- in the Segment 4 at the bottom part in the
15 diagram, you see there is a blue line at the bottom end
16 that makes a little loop to the east. That is from Gold
17 Hill Road to the Valencia Substation. I agreed with the
18 Gold section, to avoid the Grand Avenue, but I think
19 that when we go on the tour tomorrow, that little
20 segment, I think, might be better than the preferred
21 segment, mainly because the preferred segment crosses
22 through shopping centers, a mobile home park, the county
23 facility, the Sgt. Manuel Tapia Memorial Trail and
24 other -- and it is just -- goes right through downtown.
25 We will compare it to crossing some industrial

1 buildings.

2 The next subject is, there has been a lot of
3 public participation, and the case is a lot better in
4 this one than when I saw case 111. But in the ACC order
5 in 1999, we are supposed to have a citizens action
6 council that meets periodically to discuss these types
7 of issues in advance. The last meeting of this ACC
8 order local participation group was in September 2001,
9 and I can list about 25 reasons why we need to have a
10 local group participating to discuss energy issues in
11 Santa Cruz County.

12 Normally, we hear a 15-minute slide show and
13 they leave. There is no feedback, and the feedback is
14 what counts. I've also submitted changes to the draft
15 CEC requesting that a pole placement plan be included as
16 a submittal 30 days after the CEC's approved by your
17 committee. So we know what colors the poles are, really
18 the color of the poles. You may change the route. And
19 you might change what colors you want.

20 Then I had another paragraph requesting that an
21 independent and approved archeologist and an independent
22 and approved biologist be assigned to participate as was
23 put in cases in the conditions in case 111.

24 Also, case 111 had my fourth major comment,
25 which was a mitigation and restoration plan to be

1 submitted on areas of new construction.

2 That concludes my opening remarks.

3 CHMN. FOREMAN: Thank you.

4 Any questions or comments from committee
5 members? All right. Very good.

6 Ms. Webb, please tell us what your issues are.

7 MS. WEBB: Mr. Chairman, members of the
8 committee, my name is Elizabeth Webb and I'm a TEP
9 ratepayer and community volunteer in the Vail area. I'm
10 predominantly concerned with Segment 1A at the northern
11 end of the project. I am not an attorney, but I will
12 try my best.

13 The exhibits and testimony I intend to present
14 will show that there was no open house in the Vail or
15 Corona de Tucson -- in Vail or Corona de Tucson. South
16 and southeast of the proposed project in Segment 1A.
17 The exhibits will also show that weathered steel
18 monopoles next to the sky, distant mountains and
19 existing steel lattice structures are visually
20 incompatible and mar view sheds. The evidence will show
21 16 -- let's see, I can't even say it, 16 planned
22 projects in the next 25 years associated with the Vail
23 Substation.

24 I have a couple of questions that I really would
25 like to have the committee ask. Why is this continually

1 called an upgrade when the evidence clearly shows
2 construction of a new transmission line regardless of
3 whether or not the northern or southern alternatives
4 chosen in Segment 1A when the Nogales Tap is removed
5 from the existing substations?

6 Let's see, it is very confusing. In conclusion,
7 when -- what I'm asking for is a citizens advisory
8 council, a broad comprehensive organization, not
9 piecemeal. Although those new stakeholder groups that
10 the company is using are absolutely fabulous, there has
11 to be an organization that would mirror, say, the SATS
12 organization that is drawn from the community with
13 citizens of so these questions can be answered, because
14 half of my questions I had previously were answered when
15 I met with Mr. Ed Beck at the prehearing conference.

16 The public cannot make informed comments if they
17 do not have informed information to make those comments
18 from.

19 And I would like to ask the committee to add
20 this to the CEC that I have put in my witness
21 testimony -- in my book and it is in there listed as
22 number 23 in the CEC. I also would like to ask that
23 galvanized steel are put against existing steel lattice
24 structures or environments that are against mountains in
25 the background, and also against the sky. Because that

1 is more visually compatible and I intend to show that in
2 the evidence.

3 Thank you.

4 CHMN. FOREMAN: Questions or comments from
5 committee members concerning Ms. Webb's opening?

6 All right. We are going to take a brief recess.
7 At the end of that recess, we are going to have an
8 opportunity for public comment. We have a number of
9 members of the public who are present, and this is an
10 open and public meeting, and you, of course, are all
11 welcome to be here. It is in addition to being a
12 meeting, a hearing, and so we have to insist upon a
13 certain level of decorum amongst the folks that are
14 here. And so you are welcome to stay so long as you
15 don't disrupt. If you do disrupt, I am going to have to
16 ask you to leave.

17 Those of you who would like to publicly comment
18 on the application, I would like for you to come up and
19 during the break and give us your name and where you
20 live and if you want to put "oppose" or "support" or
21 "oppose Segment 2," or whatever your position is so we
22 will have some kind of idea. We would like a record of
23 who it is that makes a presentation here and I want you,
24 when you make your presentation, to spell your name so
25 the court reporter will be able to get this down and we

1 will be able to make a record of what it is that is
2 presented.

3 Now, one gentleman approached me and indicated
4 he had a written presentation that he wanted to make.
5 If you want to make a written presentation, that is
6 fine. If you have enough copies for the committee
7 members and one for each one of the parties, and you
8 want to share those in advance, that would be great, so
9 they would be able to follow along as you make your
10 presentation. If your presentation -- if you use
11 something in writing, I'm going to expect you to
12 summarize it and not just read it into the record,
13 because we will have a copy of it placed in the record
14 and that will be available for the record, which will
15 eventually go to the corporation commission, which has
16 the opportunity to approve, modify, or deny the granting
17 of the CEC or the denial of the CEC by this committee.

18 We also are going to have a public comment
19 session at 6:00 p.m. this evening for those who have
20 conflicts during the day, and if you want to wait until
21 later to make your comment, you may do that. So let's
22 take a 15-minute break. We will come back at about five
23 minutes after 11:00, and we will proceed at that time.

24 (Recess from 10:50 a.m. until 11:05 a.m.)

25 CHMN. FOREMAN: We are going to go back on the

1 record, and I omitted during our last session to
2 indicate that Member Whalen was here, although I had
3 indicated that Member Palmer was here, so I apologize
4 for not timely getting that on the record.

5 Now we have the opportunity for public comment.
6 We had a sign-in sheet. I have the sign-in sheet. We
7 will start with Steve Powell.

8 Sir, if you would come forward, I think that
9 mic, if you turn it on, will work, hopefully. And
10 please start out by telling us your name, full name, and
11 give us your last name and spell it for the court
12 reporter.

13 MR. POWELL: My name is Steve Powell. I am a
14 resident -- P-o-w-e-l-l. I'm a resident of the area.

15 CHMN. FOREMAN: Where about in the area?

16 MR. POWELL: I live about two miles, two and a
17 half miles north of the Canez Substation, and...

18 MR. DERSTINE: Mr. Chairman.

19 MR. POWELL: I actually live on the proposed
20 alternate route.

21 CHMN. FOREMAN: Mr. Derstine.

22 MR. DERSTINE: I simply wanted to note that our
23 environmental consultants have up on the screen to the
24 left a Google Earth map that I believe is the area that
25 is being discussed by this gentleman presently and there

1 may be others, so if it is helpful to the committee to
2 have Google Earth image, we can zoom in or out if that
3 is helpful.

4 MR. POWELL: I actually live right out there.

5 CHMN. FOREMAN: Mr. Powell, let me ask you to
6 turn that mic off and, if you would, step over and take
7 the mic that is at the table over here and see if you
8 can use that without causing -- all right. Now, where
9 is it that you -- that you live, sir?

10 MR. POWELL: I live on the west side of
11 Pendleton Road about three miles north of the Canez
12 Substation.

13 CHMN. FOREMAN: That mic is not picking up very
14 well.

15 MR. POWELL: Actually, my property is right
16 there.

17 CHMN. FOREMAN: Is that the portion that you
18 wish to make reference to?

19 MR. POWELL: That is part of it. I would like
20 to go on record of saying that I am opposed to that
21 particular route, which is the alternate route. But the
22 other part of my comment concerns the construction of
23 the tours themselves. I have a well on my property
24 which is very close to where that route is, to the
25 railroad right-of-way. My property actually abuts the

1 railroad right-of-way, and my well is very close to
2 that, and the water level in my well, static water
3 level, is at 15 feet. And my question and comment is,
4 have they made any kind of provisions or studies as to
5 water level, what effect going down into the water table
6 would have, putting these poles in if they get into the
7 water table, is there contamination issues as far as the
8 groundwater goes?

9 There are people all along there that have wells
10 all along the railroad, and water contamination is one
11 of my main concerns as far as construction goes, if
12 their foundations for their poles are such that they
13 would get into the water table, what procedures will
14 they use to prevent contamination of the groundwater,
15 contaminating people's wells. All that water flows
16 north along there, so there is a possibility it could
17 contaminate groundwater for quite a ways, so that was my
18 main concern.

19 And, again, like I say, I am opposed to the
20 ultimate route because it wouldn't help me out at all.
21 That is my main concern, if they do get into the
22 groundwater or it looks like they could, would they
23 provide testing of people's wells before and after to
24 establish whether or not contamination had occurred. I
25 think it would be up to them to provide some kind of

1 standard or test to show whether or not contamination
2 had occurred.

3 And that is basically the -- my comments.

4 CHMN. FOREMAN: Very good. Thank you. Thank
5 you for coming and talking.

6 All right. Next is Larry Melnick. Again, sir,
7 if you would give us your name, spell your last name,
8 and tell us what your comment is.

9 MR. MELNICK: Larry Melnick. Thank you for
10 letting me speak. Larry Melnick, M-e-l-n-i-c-k, and I
11 live at 47 Santa Gertrudis Lane, which is right outside
12 of Tumacacori on the East side of the river. I totally
13 agree with the company on using the existing route, and
14 I am completely against the alternative route, because
15 of the impact that it would have on the entire community
16 over there. A 500-foot easement would totally destroy
17 our property and the orchard we are planning on putting
18 in and would just be totally unusable.

19 The impact it would have with the alternative
20 route would totally impact the historical significance,
21 archeological significance, and the costs on
22 condemnation of all the private landowners along that
23 alternative route would absolutely be horrendous, and I
24 hope that the site committee will pick the preferred
25 route of the company, which does work, and the expenses

1 would be way down.

2 CHMN. FOREMAN: Thank you very much.

3 Next we have Marty, and is it, Jakle?

4 MR. JAKLE: I have a visual aid that I want to
5 use. And I know that some of these photos that I have
6 are hard for all of you to see.

7 CHMN. FOREMAN: If you would, before you get too
8 far into it, tell us your name and spell your last name
9 for the court reporter.

10 MR. JAKLE: My name is Marty Jakle, J-a-k-l-e.
11 I live at 195 Polvo Court in Rio Rico. P-o-l-v-o.

12 And the pictures is where my property is located
13 and some other pictures that I have up here on the board
14 are in this -- and you can follow it a little better if
15 you can't really see what I'm -- what it is. And I have
16 enough copies for everybody that needs them. I used my
17 credit card at Kinko's.

18 Like I said, my name is Marty Jakle. I live at
19 195 Polvo Court, and if you go to about the third page,
20 UniSource was kind enough to outline my property in
21 yellow. You can see that my property gets a double
22 whammy. It is -- I have an easement on the current
23 alignment and then the proposed alternative is on the
24 other side, so one easement is on the east and one
25 easement is on the west of my property.

1 I have a master's degree in zoology. I retired
2 as a biologist after working in Arizona for 30 years. I
3 was a founding member, along with Duncan Patten, of the
4 Arizona Riparian Council. I was on the board for
5 20 years. I'm now currently a member of the board of
6 the Friends of Santa Cruz River.

7 I bought my property where I did because of its
8 wildlife values. If any of you are familiar with
9 wildlife and ecology and this type of thing, this is a
10 great place, not only for birds, but for all species of
11 wildlife.

12 So this is -- this is where I live, and it is
13 right in the center of Segment 2 where the proposed
14 alternative goes over to the railroad, and I wish I
15 would have had a five-year-old help me with my diagram,
16 but I've kind of taken this picture and blown it up a
17 little bit, so I can, you know, show you where my
18 property is and what I'm concerned about. I wear two
19 hats. I wear the hat of a property owner because my
20 property is right here, and I wear the hat of somebody
21 that is interested in what happens to the environment,
22 because I've been involved in this work for probably
23 25 years. I have worked in it as a professional, as a
24 volunteer, and as a, you know, in my personal interest.

25 Now, one thing -- well, there is several things.

1 Okay. The current alignment I've got shown here, and
2 the proposed alignment is over here close to the tracks.
3 Now, the mesquite bosque is this area here, and there is
4 some ag land in there, and as you can see from my aerial
5 photograph or the aerial photograph on the board, but a
6 lot of it is really good habitat. Now, as we all know,
7 we live in Arizona. If you go down slope, the trees get
8 bigger. They get more robust and this has a high
9 diversity of species. It has mesquite, hackberry,
10 elderberry, cat claw and a whole understory. It is a
11 great habitat. It is a dwindling resource in the
12 southwest.

13 The -- one of the justifications, oddly enough,
14 is that by moving it over here prevents fragmentation of
15 habitat. However, as you will see tomorrow on your
16 tour, roughly two-thirds, what I have outlined in red of
17 this current alignment, has already been clear-cut, and
18 I've got a photo of the clear-cut, and there is -- it is
19 right here. So we are going to keep from fragmenting
20 habitat by moving the line -- and keep in mind, this
21 habitat here is much better and, hopefully, you will see
22 this on the tour. It is much better, the trees are
23 larger, the species mix is more robust. It just has
24 higher bio diversity. So we will take an area that
25 already has been nuked and go nuke a new area that is

1 even better. That is a bad idea.

2 Now, like I said, I wear two hats in this. I've
3 got -- I bought my place for the property. I hunted
4 probably five years, got aerial photos, the whole ball
5 of wax and looked to find what properties didn't have a
6 house on it, what was out of the floodplain, and what
7 had good habitat, and I found it. And I moved in, and
8 when I did, I knew there was an easement on this side
9 and an easement on that side. Fine.

10 Now I learned, and I will get more in about
11 process, just two and a half weeks ago that this,
12 according to the National Electrical Safety Code, should
13 be 100-foot wide. Now, 100-foot wide comes almost to
14 the back door of my house and it eliminates a huge
15 amount of my really nice vegetation, but it is not just
16 my house, it is all along this stretch, and you can see
17 that, I hope.

18 CHMN. FOREMAN: Now, sir, in order for your
19 statement here to be meaningful, we need to do a little
20 helping. First of all, you have made reference to a
21 number of written materials. There is a written handout
22 that you provided that is dated May 31, 2009, and you
23 put a board up. Neither of those have been offered or
24 admitted into evidence.

25 It is unclear whether the committee has the

1 separate ability to offer exhibits, but is there an
2 objection from any committee member to me having the
3 board marked as Committee Exhibit Number 1 and the
4 handout marked as Committee Exhibit Number 2 so we can
5 make sure that there is an appropriate reference in the
6 record? Is there any objection?

7 No objection.

8 Is there any objection from any of the parties
9 to marking the board as Committee Exhibit Number 1 and
10 we will just make it COM-1 and the handout as COM-2?

11 MR. DERSTINE: No objection.

12 MR. MAGRUDER: No objection.

13 MS. WEBB: No objection.

14 (COM-1 and COM-2 admitted.)

15 CHMN. FOREMAN: Good. Now we have that marked,
16 again, because I missed it as you went by, precisely
17 which segment and which portion of which segment are you
18 referring to?

19 MR. JAKLE: This is in Segment 2, and you can
20 match that, the aerial photo that I have. Okay. This
21 would be -- zoom it out a little more so I can kind of
22 get a feel for where we are.

23 CHMN. FOREMAN: So if you go to the upper
24 right-hand corner of the Segment 2 where you have the
25 inset, is your property one of those properties that is

1 in-between the blue and yellow line there,.

2 MR. JAKLE: My property is between the blue and
3 yellow line. I can't quite figure out where on this
4 map. Maybe somebody in the audience can help me out.
5 Okay. So that is my place, and you can see the -- that
6 it has a good amount of riparian habitat.

7 CHMN. FOREMAN: Again, Mr. Derstine, the
8 preferred route is the yellow line. The presently
9 existing route is an alternative in this area; is that
10 correct?

11 MR. DERSTINE: That's correct, Mr. Chairman.

12 CHMN. FOREMAN: Okay. Now we are oriented and
13 your statement will be a little more meaningful. So now
14 your position is that you support the placement of the
15 line in its present location, which would be the blue
16 line here, and you oppose the placement, the siting of
17 the line in the yellow line, which is the company's
18 preferred route; is that correct?

19 MR. JAKLE: That's correct. I think that that
20 yellow line -- I kind of have my colors backwards, I
21 think. The yellow line is the one that runs along the
22 railroad; is that correct?

23 MR. GELLMAN: Yes.

24 MR. JAKLE: Then that would be the preferred
25 alternative and I'm opposed to the preferred alternative

1 for the main reason that there is -- it is a lot of my
2 really good habitat. Plus in the diagram, you can see,
3 it is not only at my place, but it is all throughout
4 that preferred alternative alignment, which would be
5 here, going through the mesquite bosque. Now, this is a
6 picture of what the habitat looks like now. It is
7 really -- I mean, I work in this arena. I know what
8 good riparian habitat looks like. This is good stuff.
9 This is some of the area that would be within the
10 100-foot alignment of the preferred alternative.

11 Now, the environmental analysis, the factors
12 that UniSource says they analyzed in their -- I pulled
13 this off the Web site, is vegetation and habitat, and
14 special status species. Well, after I attended the
15 December open house, I wrote Mr. Michael Warner a letter
16 saying at that time they had a bunch of alternative
17 routes. They hadn't selected one. I said, you know, I
18 live right in the project area. My property is on both
19 sides, and by the way, I have really good habitat there,
20 and I have the federal candidate species, the
21 Yellow-Billed Cuckoo on my property. Now, one would
22 think that they would come out and talk to me, and say,
23 hey, you know, Jeez, this is a big part of our analysis.

24 Also in that letter I told him I was a retired
25 biologist. I was in -- interested in riparian habitats.

1 I'm pretty knowledgeable in this stuff. I didn't hear,
2 and here I'm getting into kind of the process. I didn't
3 really hear. I got the mailings on what it actually
4 meant to not only my land, but the land throughout this
5 preferred alternative corridor until about two and a
6 half weeks ago, and then they said, well, according to
7 the National Electrical Safety Code, we would like to
8 have 100 feet, and we would be purchasing an easement
9 off of the landowners along it. I said, well, you know,
10 Jeez, I'm not going to sell you 62 and a half feet or
11 whatever it is of my land, so you can clear-cut it. And
12 at that time, they told me, well, you know, we really
13 would like to work with landowners, but we do have the
14 power of condemnation.

15 So now we are getting into the process. I know
16 the general from UniSource talked about the open houses
17 they had and the mailings they had, but I worked for the
18 U.S. Department of -- the Bureau of Reclamation for
19 14 years. I worked in the environmental division when
20 they did the construction of the CAP canal. Now, I
21 know, having worked in this arena, National
22 Environmental Policy Act, NIPA, EIS, EAS, endangered
23 species clearance, this is the last thing you want is to
24 have a room of stakeholders with significant concerns
25 show up at the zero hour saying, we didn't know about

1 this.

2 My neighbors who live to the east of me, or
3 excuse me, to the south came over last night and he
4 said, do you know what they are planning? I said, yeah,
5 I've known for two and a half weeks. They said, we just
6 learned about it today.

7 So this is a process that is really flawed.
8 Having worked in this arena for a number of years, I
9 would say, well -- it is the worse process I've seen.
10 Now, I worked for a federal agency, and we worked with a
11 lot of feds, so maybe private landowners are different,
12 but this is a process that needs to work better. There
13 needs to be a two-way street, meetings with
14 stakeholders, what are your concerns, how can we -- how
15 can we address the significant concerns? Okay. Now --

16 CHMN. FOREMAN: Is there anything else you want
17 to --

18 MR. JAKLE: Now, I'm not against the upgrade.
19 What I'm against is environmental destruction. I
20 offered in that letter two possible alternatives. I
21 said that it could be possible to bring the alignment
22 down in its current alignment and then come over to the
23 railroad track where, generally, I haven't walked it. I
24 haven't walked the ground, but I looked at the aerials
25 and I live out there, I know it fairly well. It looks

1 like the habitat quality is lower, so that is a possible
2 alternative. Bring it down through its current corridor
3 and shift it over to the railroad south of Canez
4 Station. I meant to put it, but Canez Station would be
5 right there. Another possibility is taking the line and
6 moving it to the west of the railroad.

7 Now, there is a big "if" here. The big "if" is
8 if UniSource is sensitive to the environment. Now, that
9 is a big "if." A filled this room "if," because they
10 haven't been so far. But if they were willing to work
11 and really kind of get religion in this, then I think
12 that we could avoid the habitat destruction and still
13 meet a lot of the concerns about encroachment. But it
14 means having some kind of partnership.

15 CHMN. FOREMAN: Thank you very much, sir.

16 Any comments or questions from committee
17 members?

18 MR. MUNDELL: One quick one.

19 CHMN. FOREMAN: Member Mundell.

20 MEMBER MUNDELL: Thank you, Mr. Chairman.

21 So I can get my bearings, on Segment 2, where is
22 the mesquite area that you described? Just so I can
23 mark it on my map.

24 MR. JAKLE: I'm assuming that this is Powell.

25 MEMBER MUNDELL: Maybe if you don't know, there

1 will be testimony when we proceed through the process.

2 MR. JAKLE: I would have to look at -- this
3 photo here would be better. I think we could just see
4 it from this, if we could just zoom this out. Okay.
5 What is the dog lag right at the middle of the screen?
6 What road is that? That is where the line comes over --
7 that is the -- okay. So Palo Parado Road would be the
8 line just north of that. Okay. And the mesquite
9 habitat, well, for purposes of this, you can see from
10 Palo Parado south all the way down to about Canez
11 Substation. Now, there is, you know, bits and pieces
12 that are in ag, but again, for the most part, it is the
13 mesquite bosque, the good stuff.

14 MEMBER MUNDELL: That is what I'm talking about,
15 the mesquite bosque. I was trying to make sure I figure
16 out where it was on the different maps. I guess I will
17 ask the question when we have the utilities' witness or
18 their lawyer, one of the two.

19 Thank you, Mr. Chairman.

20 CHMN. FOREMAN: Mr. Jakle? Because you have
21 referred to that, you are going to have to cut loose of
22 it, so if you would take that and give it to this lady
23 right up here so she can put a -- something on it, and
24 then if you would be so kind to give her also one copy
25 of the printed material.

1 Mr. Derstine.

2 MR. DERSTINE: I just wanted to -- I'm not a
3 good speaker, but I just want to respond to --
4 Member Mundell's question. We are talking about this
5 cross-hatched section here in section 2. It is detailed
6 here. This is the preferred route where it jogs over
7 and in this area is Mr. Jakle's property. So that is
8 the focus of that public comment.

9 CHMN. FOREMAN: Now, you are referring to an
10 area on the north end of the inset to Segment 2, and it
11 appears that there is a solid green area from the north
12 end of that inset where the jog comes over from the
13 existing line to the proposed line along the railroad
14 route, and there is sort of an area between the proposed
15 route and the alternate route, which is also the
16 existing route that, I take it, is the Bosque area and
17 we will have, I assume, testimony about it.

18 I had understood Mr. Jakle to say his property
19 was south of an area which appears to be clear-cut, that
20 bosque, that is in the middle of the segment.

21 Mr. Jakle, is that --

22 MR. JAKLE: That's correct. I think.

23 CHMN. FOREMAN: Okay. All right. Let's move
24 on, then, to Sherry Sass.

25 MS. SASS: Good morning. Thank you for letting

1 me speak. My name is Sherry Sass, S-h-e-r-r-y, S-a-s-s.
2 And I'm president of Friends of the Santa Cruz River,
3 which is a local volunteer group dedicated to protecting
4 the habitat created along the Santa Cruz River corridor,
5 mostly in Santa Cruz County.

6 I have a letter, but I didn't realize you were
7 such a big committee, so I would like to submit the
8 letter that I sent to Mr. Beck a few days ago as part of
9 my testimony, but what I wanted to talk about in front
10 of you, and I will give you a copy if you can spread
11 them around, I guess, after this.

12 I want to reiterate what Marty said. He is our
13 resident riparian expert or one of them on the board.
14 The mesquite bosque habitat that aligns the river in
15 Santa Cruz County is some of the last surviving mesquite
16 woodlands that have made it through the original
17 settlement of many different cultures coming through
18 here and using this very rich bottomland for
19 agriculture, and then after that for building. So it is
20 a very remnant habitat as it is, and I just wanted to
21 mention -- oh, I should say I'm a biologist, as well,
22 although I haven't practiced as one professionally for
23 some years, but my training is ecology and aquatic
24 biology and ecology. So I'm attracted to this kind of
25 area, but so is everything else.

1 The important bird areas -- biologists for
2 Audubon, Scott Wilbor, did this tremendous riparian
3 habitat guide to private landowners seeking to preserve
4 habitat for birds and other wildlife. And he did it
5 primarily for this county because of the importance of
6 this habitat for birds, and I just wanted to quote some
7 things that he said about this Bosque.

8 The once vast mesquite bosque or woodland is the
9 most threatened habitat along the river, and he gives
10 some suggestions to private landowners, which I guess
11 UES is a landowner. It is not exactly private.
12 Protecting mesquite bosques from tree harvest is the
13 greatest benefit you can do for this important habitat.
14 If you need to collect wood from this forest, use wood
15 on the ground first, and second, if you must cut trees,
16 only cut trees less than 12 inches.

17 If you want a copy of this later, would that
18 help?

19 Leave old, large trees and branches even if they
20 are dead, because they provide critical places for
21 cavity-nesting birds, mammals, and reptiles to raise
22 their young. In regard to birds, protecting forest
23 tracts of large mesquite will benefit Gray Hawk foraging
24 habitat, and foraging and nesting habitat for Elf Owl,
25 Yellow-Billed Cuckoo, Bewick's Wren, Ladder-backed

1 Woodpecker, Ash-throated Flycatcher, Phainopepla,
2 Verdin, Black-tailed Gnatcatcher, and many others.

3 CHMN. FOREMAN: I assume they are spelled all
4 like they sound?

5 Ms. Webb says she has a copier available and at
6 the break will be able to make a copy of that, and if
7 you have -- if you have a letter that summarizes your
8 concerns, if you would like to leave that as -- we will
9 mark it as Committee Exhibit Number 3.

10 So we have a letter that summarizes your
11 concerns, and we have a booklet from which you were
12 reading that the court reporter will be able to capture
13 the spellings of some of the interesting and exotic
14 birds to which you made reference.

15 Is there anything else that you would like to
16 call to the committee's attention?

17 MS. SASS: A couple other things. Another
18 researcher, Julie Stromberg from ASU, she is a riparian
19 ecologist, estimates that it takes over 100 years for a
20 bosque to regrow or grow. They think maybe 100 to
21 200 years, so when you think about the clear-cutting
22 that happens under a power line, and in this letter,
23 there is a couple of pictures from -- actually, from
24 Marty's -- around Marty's house of a kind of before and
25 after, which I hope you will see on your site visit.

1 Once that habitat is gone, it is not like it comes back
2 in a few years. So there really is a difference in
3 quality between the old established multi-storied
4 densely vegetated diverse bosque and then your
5 individual mesquite trees there that will go up in an ag
6 field that hasn't been mowed in a while. Big, big
7 difference.

8 And another thing I would like to point out,
9 which is not in this letter, is that this is a linear
10 habitat we are talking about. This environment, this
11 vegetation only will establish itself. It needs shallow
12 groundwater, needs good soils. It will only happen in a
13 thin strip along southwestern rivers, and as I say, it
14 has already been chopped up quite a bit. We lost most
15 of it.

16 When you talk about a 500-foot leeway for
17 putting these poles, I think Mr. Magruder made a
18 tremendous point, that we were really not aware of, or I
19 wasn't, when we met with some UES people a week or so
20 ago that where you put that pole in a 500-foot line
21 perpendicular to the river, it makes all the difference
22 in the world, so I really do hope you carefully consider
23 Mr. Magruder's suggestion of really knowing where those
24 poles are going exactly, not within 500 feet. That is
25 most of the habitat in a lot of places, so that is

1 really important.

2 And another issue that Mr. Campana, I guess,
3 will bring up either now or later is the route that I
4 believe the lawyer mentioned earlier about that was
5 considered and then sort of put aside on that Segment 2,
6 which used to be B, right, that that little stretch just
7 north of Canez Substation, going west of the railroad
8 tracks, there is a whole agricultural area on the west
9 side, so that in some places, there is really good
10 mesquite habitat, but mostly not. It is just
11 environmentally ecologically -- rather, it is a much
12 better choice, much, much, much better.

13 It is one landowner. That is all Rio Rico
14 property owned, as far as I know, and I would think they
15 would have no objection to having, you know, to
16 negotiating with UES to have a line along the west side
17 of the railroad track, which would avoid not only all
18 this great habitat on the east side of the railroad
19 track in this area, but also deal with issues of
20 encroachment that are in the existing pathway.

21 So that is my comment and I apologize to the
22 court reporter for overloading her with bird names.
23 Thank you.

24 CHMN. FOREMAN: Any questions or comments? Very
25 good. Thank you, ma'am.

1 Rich Bohman.

2 MR. BOHMAN: Mr. Chairman, members of the
3 committee, my name is Rich Bohman, B-o-h-m-a-n, and I
4 live in Tubac. I'm here today representing the
5 Santa Cruz Valley Citizens Council, and the area that
6 I'm going to be addressing, I believe, is going to turn
7 out to be a very noncontentious area. We are in the
8 same mindset as UniSource Electric on where they would
9 like to have the route.

10 If you look at Segment 2, I'm talking basically
11 our membership area goes down from the north end of the
12 county until it reaches Rio Rico platted property, which
13 basically in this case would be the Kantor Substation
14 until you see Josephine Canyon, right in that area. And
15 I did want to mention that a couple months ago we did
16 have a couple folks from UNS Electric brief our
17 membership meeting and give us a very detailed
18 presentation on the 138 upgrade.

19 On May 18th, we took a position, and it was a
20 unanimous vote by the membership to support the existing
21 route only, not the route that you see in blue that goes
22 along the railroad tracks. As we've heard from other
23 people, that route involves mesquite bosque. It
24 involves private property, ranchings. It would require
25 either eminent domain or sale of private property and it

1 would just be terrible. The existing route is the only
2 one that we support, and we certainly --

3 CHMN. FOREMAN: Mr. Bohman, let me stop you.
4 How far south does your interest lie? Do you go all the
5 way to the Canez Substation?

6 MR. BOHMAN: No, we don't. We go, if you are
7 looking at the Segment 2 map, we go basically to Camino
8 Josephine, which would be approximately where you see
9 the somewhat diagonal nomenclature of Josephine Canyon.
10 Do you see it just east of Tumacacori?

11 CHMN. FOREMAN: I do.

12 MR. BOHMAN: We certainly don't want to impose
13 our desires on the people from Rio Rico or Nogales, but
14 we can speak to that northern area.

15 And I did want to say that I was somewhat
16 surprised at the width of the right-of-way that was
17 mentioned today. I know currently, I believe, along the
18 railroad tracks, it is less than 40 feet. I think Union
19 Pacific has 37-and-a-half foot right-of-way to -- we
20 were thinking that if they did use that route, that it
21 would be maybe 100 feet, but as Ms. Sass mentioned and
22 Marshall Magruder, 500 feet, that is unconscionable.

23 CHMN. FOREMAN: Let's see if we can resolve
24 that. There is something called a "corridor" and there
25 is something called a "right-of-way." A "corridor" is

1 an area within which the right-of-way is located. Now,
2 my reading of the application is that except for the one
3 trailer park that we talked about down in Segment 4, the
4 one area down in Segment 4, the application requests a
5 500-foot corridor, but asks only of a 100-foot
6 right-of-way within that 500-foot corridor. Is that the
7 position of the applicant?

8 MR. DERSTINE: Yes, it is.

9 CHMN. FOREMAN: Does that resolve a little of
10 your concern?

11 MR. BOHMAN: Yes, that explains and it would
12 mean they wouldn't have to clear-cut that entire area,
13 so that is good to know.

14 But going back, and I will -- because it is
15 noncontentious, we do support only the existing
16 right-of-way in the area that I mentioned. Thank you
17 very much.

18 CHMN. FOREMAN: Thank you for coming and
19 talking.

20 All right. Marcelino Varona, Jr.

21 MS. VARONA: My name is Marcelino Varona. I'm a
22 resident of the city of Nogales. 826 North Linda Vista
23 Drive. My last name is V as in Vick, a-r-o-n-a. Thank
24 you for the opportunity to address this committee. I
25 would like to talk about Segment 4.

1 I just would like to make a recommendation to
2 the committee on the original site that is proposed by
3 UniSource. Where I'm talking about from Gold Hills down
4 south of Gold Hills. You can see that the gold mark
5 there is taking you through a populated area there, an
6 area where people go out to exercise. There is also --
7 which is called the Manuel Tapia Memorial park. We also
8 have shopping centers within that area. There is a
9 proposed trailer park there, but the proposed trailer
10 park, half of it, to my knowledge, has been sold and
11 dismantled and that is as you are going up to the Santa
12 Cruz County complex, which will now be to the east of
13 the complex will be a new -- brand-new detention center.
14 With about 200 beds.

15 I would think that taking the alternative route
16 on the east side from Gold Hills south would be more
17 practical, because you can see there in the middle part
18 you are coming down basically through produce
19 warehouses, and the aesthetics where people go to the
20 shopping center where we attract our tourists wouldn't
21 be very pleasant environment there. So I would just
22 like for you to, as you go out and travel the area, that
23 you consider where the line is going through on the east
24 side in comparison where it is going to be going through
25 a major populated and tourist area of our community.

1 Thank you for the opportunity to address you.

2 CHMN. FOREMAN: Thank you very much, sir.

3 Any comments or questions?

4 MEMBER WONG: Yes.

5 CHMN. FOREMAN: Member Wong.

6 MEMBER WONG: Just for clarification,
7 Mr. Varona, you oppose the Segment 4 alternate route?

8 CHMN. FOREMAN: Supports the alternate.

9 MEMBER WONG: You support the alternate, the
10 blue line; is that correct?

11 MR. VARONA: Mr. Chairman, Member Wong, yes, I
12 do, sir, and I did -- I also would like to mention that
13 I'm the former mayor of the City of Nogales.

14 MEMBER WONG: Therefore, you oppose the existing
15 route that is in golden orange color?

16 MR. VARONA: Simply for the statements that I
17 offered, I do, sir, yes.

18 MEMBER WONG: Very good. Thank you.

19 MR. VARONA: Thank you, Mr. Wong.

20 CHMN. FOREMAN: All right. Next we have
21 Margaret Estrella.

22 MS. ESTRELLA: Good morning. My name is
23 Margaret Estrella, E-s-t-r-e-l-l-a. We reside, my
24 family and I, at 196 Popo Court where we have been for
25 15 years. It would be right south of Mr. Jakles.

1 CHMN. FOREMAN: Popo is P-o-p-a?

2 MS. ESTRELLA: P-o-p-o.

3 CHMN. FOREMAN: P-o-p-o.

4 MS. ESTRELLA: Popo Court. And we are right
5 below Mr. Jakle. We have the same problem as he does.
6 We have the existing line on the east side of the
7 property and the preferred alternative route would go on
8 the west side. We are definitely opposed to that
9 because it --

10 CHMN. FOREMAN: Which --

11 MS. ESTRELLA: Because of the same issue.

12 CHMN. FOREMAN: Which do you support and which
13 do you oppose?

14 MS. ESTRELLA: We support continuing it on the
15 existing line. We oppose where they want to run it
16 along the railroad track. We have the same problem.
17 Everything we built up, we've done the best to leave the
18 existing trees, et cetera. The amount of birds and
19 things that we have on our properties would be the same
20 as Mr. Jakles, so I won't be redundant about that.
21 Putting it on the back side will -- is the same thing.
22 We have to wipe all that out and then I think our house
23 is the closest to the railroad tracks, so removing all
24 of that would expose us and our property to all of the
25 illegal traffic that goes up and down that corridor,

1 which includes, you know, drug trafficking and illegal
2 aliens, so we definitely do not agree with it.

3 CHMN. FOREMAN: Thank you very much.

4 MEMBER MUNDELL: Quick question.

5 MS. ESTRELLA: Sir, may I leave this letter with
6 the lady? It is just a summarization of what I said.

7 CHMN. FOREMAN: We will mark that as Committee
8 COM-4.

9 MEMBER MUNDELL: I just have a question, ma'am.

10 CHMN. FOREMAN: Member Mundell.

11 MEMBER MUNDELL: How close is your property
12 boundary to the existing line? You may have said it and
13 I missed it.

14 MS. ESTRELLA: To the existing line it runs
15 through the top portion. You can see there where the
16 cleared area is, it runs through that cleared area.

17 MEMBER MUNDELL: So I'm clear, the existing line
18 runs through a portion of your property?

19 MS. ESTRELLA: The eastern part, yes, the
20 eastern side.

21 MEMBER MUNDELL: Thank you.

22 MEMBER NOLAND: Don't go. You were this close
23 to a clean getaway.

24 CHMN. FOREMAN: Member Noland.

25 MEMBER NOLAND: The only question I had is: Do

1 you have any recommendation or approval of the other
2 proposal that the alternate alignment be placed on the
3 west side of the railroad?

4 MS. ESTRELLA: I have no problem with that.

5 MEMBER NOLAND: Thank you.

6 MS. ESTRELLA: When they spoke with us
7 yesterday, we suggested that, but we were told it was
8 not an option.

9 MEMBER NOLAND: Thank you.

10 CHMN. FOREMAN: Very good. Jeff Williams.

11 MR. WILLIAMS: Okay. Thank you for having me up
12 here. My name is Jeff Williams, W-i-l-l-i-a-m-s. I
13 live at 1580 North Pendleton, and I and my family own
14 approximately 11 lots in here.

15 CHMN. FOREMAN: And to help us, sir, where is
16 Pendleton for those of us who are not familiar with it?

17 MR. WILLIAMS: That is the main drag we are
18 talking about between the yellow and blue line there,
19 just north of Marty's place.

20 CHMN. FOREMAN: Okay. So we are talking, again,
21 about the inset area in Segment 2?

22 MR. WILLIAMS: Yes.

23 CHMN. FOREMAN: I see Pendleton Drive now.

24 MR. WILLIAMS: Yes. Approximately, right in
25 here. In my opinion, and my family's opinion, if you

1 could go west of the railroad tracks, would be ideal,
2 otherwise, we keep it in the existing right-of-way. You
3 know, just like Marty and Peggy said, we don't want all
4 mesquites just cleared out for no reason. Well, for
5 your reasons. For ours, it isn't much of a reason,
6 because all the habitat we will be losing. We have been
7 there approximately 26 years, and built all our
8 buildings and stuff for the County's existing
9 qualifications as to their easements and setbacks, and
10 this alternate route along the railroad tracks would
11 completely muck out a few lots that would be unbuildable
12 at all for the County's setbacks from the power lines.
13 I think keeping it where it is is the best route for all
14 involved, just upgrade the existing line that is there
15 right now.

16 I guess that is about all I have to say, because
17 everybody has already covered the rest of the subjects.
18 Thank you very much.

19 CHMN. FOREMAN: Any questions or comments? Very
20 good.

21 Thank you, sir, for coming and talking.

22 Now, I had one other gentleman who approached me
23 before the public comment session and, sir, you
24 wanted -- well, step forward, if you would, please.

25 MR. CAMPANA: These are some comments that I

1 made.

2 CHMN. FOREMAN: While he is passing that out, we
3 will mark this as COM-5.

4 I think the other one is the one that works.
5 Tell us your full name and spell your last name.

6 MR. CAMPANA: Mr. Chairman, thank you for
7 allowing me to speak. My name is Ron Campana,
8 C-a-m-p-a-n-a. I'm a resident of Rio Rico and a
9 ratepayer to UniSource Energy Services. I live at 1520
10 Pendleton Drive, just north of the Canez Substation in
11 Rio Rico. I own -- my wife and I own our home and
12 another home south of us next to the Canez Substation.
13 And also a vacant lot.

14 I just want to express I support the upgrade
15 project and I also support the preferred alignment
16 outlined in the CEC by the UniSource Energy Services. I
17 believe that is probably the best alternative; although,
18 I empathize with my neighbors and friends, but I'm not
19 as passionate as they are about the alignment. Although
20 I think UniSource Energy Services overlooked an
21 opportunity to get this -- the preferred alignment and
22 the current alignment out of the -- out of the
23 residential areas in Rio Rico. I think they should look
24 at moving the line to the west side of the railroad
25 grade in agriculture land and that would eliminate all

1 of the issues that some of my neighbors and friends have
2 talked about and are concerned about here today.

3 UniSource staff has told me they are concerned
4 about the floodplain issues and the encroachment of the
5 river next to the railroad grade, and I think that they
6 can come off of -- across Pendleton Drive at Ostion and
7 go down to railroad grade, stay on the west side of the
8 railroad grade until they get just south of the -- of
9 where the Santa Cruz River encroaches onto the railroad
10 grade. They can hop over on the west side and go all
11 the way down to the Canez Substation and connect to
12 that -- to that substation, and then continue south to
13 the Sonoita Substation along the east side of the
14 proposed -- the preferred alignment. That is all
15 agriculture, as well, in that area.

16 CHMN. FOREMAN: And that would be consistent
17 with the present route?

18 MR. CAMPANA: Yes, south of the Canez Substation
19 is part of the preferred alignment, as well.

20 CHMN. FOREMAN: Okay.

21 MR. CAMPANA: I'm suggesting that if they move
22 it to the west side of the railroad grade, they would
23 eliminate all the issues with the private property
24 owners on -- in the preferred and in the current
25 alignment.

1 CHMN. FOREMAN: Now, let me back you up to the
2 area north of the Canez Substation. You indicated that
3 you preferred the preferred route over the present
4 route, which is also the alternative route. Tell us
5 why.

6 MR. CAMPANA: I think it is -- there is already
7 a distribution line in that area. They have -- they
8 have a right-of-way, 37-and-a-half foot right-of-way in
9 that area. They would require just a little bit more,
10 according to the staff that I've talked to, and there is
11 already a maintenance road that runs the length from --
12 from as far as Palo Parado all the way down through to
13 Rio Rico Drive and there would be -- other than clearing
14 it, and I'm hoping they can mitigate some of the issues
15 that have been discussed here, but I think that is the
16 best choice for this project in that area.

17 CHMN. FOREMAN: Okay. Thank you very much.

18 All right. Again, if there is anyone here who
19 wants to speak at the evening session who has not spoken
20 so far, we will be reconvening again at 6:00 p.m. this
21 evening to have an evening public comments session. We
22 reached the lunch hour. I think the appropriate thing
23 to do at this time would be to recess until 1:30. I'm
24 sure that committee members will want to have questions
25 that have been raised by the public comment session

1 addressed by our witnesses this afternoon.

2 Are there any other housekeeping matters that we
3 need to address before we reconvene at 1:30?

4 Member Eberhart.

5 MEMBER EBERHART: Thank you, Mr. Chairman.

6 Just to clarify a comment you said about this
7 evening's public hearing. Are people that have already
8 testified going to be allowed to speak again this
9 evening?

10 CHMN. FOREMAN: Well, we will talk about it. If
11 the folks who have already spoken want to say the same
12 thing that they've said so far, then probably not. If
13 there are new things that need to be said or new
14 comments that need to be made, perhaps in response to
15 something that -- some testimony that occurs, then on
16 that limited basis, yes. And of course it depends how
17 many want to talk and what sort of time limit we have,
18 because we have a limited amount of time that we can
19 expend. So we will try and be reasonable.

20 Any other thoughts? All right. Very good. We
21 look forward to seeing you all at 1:30.

22 (Recess from 12:07 p.m. until 1:29 p.m.)

23 CHMN. FOREMAN: : Sir, would you pick that
24 microphone up? It is on.

25 MR. BAFFERT: Mr. Foreman, can you hear me?

1 CHMN. FOREMAN: : I can hear you. Could you
2 give us your full name and spell your last name, please.

3 MR. BAFFERT: My name is William Baffert.
4 B-a-f-f-e-r-t.

5 CHMN. FOREMAN: : All right. Sir.

6 MR. BAFFERT: I live in Nogales since 1925.

7 CHMN. FOREMAN: : All right. I understand that
8 you are interested in making public comment.

9 MR. BAFFERT: All right. The sign up there said
10 from Vail to Valencia. I would like to talk from
11 Valencia to Vail.

12 CHMN. FOREMAN: : Well --

13 MR. BAFFERT: In other words --

14 CHMN. FOREMAN: : Is there a particular --

15 MR. BAFFERT: Not all the way up there. Just a
16 mile.

17 CHMN. FOREMAN: : Where do you live, sir, in
18 relationship to the line that is --

19 MR. BAFFERT: I'm in favor of the easements
20 remain where they are right now, the golden line on the
21 maps.

22 CHMN. FOREMAN: : All right. I'm showing you
23 now on the screen on the left, the very lower portion of
24 the application. Do you recognize this picture on the
25 left here?

1 MR. VERONA: Mr. Chairman, this is
2 Billy Baffert. He is a long time rancher. His property
3 is on the blue line. The alternative line -- and
4 talking with Mr. Baffert, he was a former county board
5 of supervisor member. He favors the gold line. That is
6 what he wants to say, he favors the gold line. His
7 property is on -- right around that area there.

8 Now go ahead and tell him why you favor the gold
9 line.

10 MR. BAFFERT: Okay. Now, the reason that I'm
11 for the gold line is because there is too many easements
12 already where the blue line goes. Starting with Grand
13 Avenue, we are going to go east now, Grand Avenue is one
14 easement, right, and then after Grand Avenue, we have --
15 Marcelino.

16 MR. VERONA: He is looking here at the Grand
17 Avenue right here. This is Grand Avenue right there.
18 Here is the easement.

19 MR. BAFFERT: We have Grand Avenue, and then we
20 have the railroad track, and then we have the Nogales
21 wash and we are going east. We are going east, and then
22 we have a 36-inch sewer line from Mexico where is right
23 ready to bust any minute, and then we have a 30-inch
24 waterline from Meadow Hills coming south. And there is
25 too narrow in there to have so many easements, and then

1 those easements are going to have to be purchased. Why
2 purchase them when you already have the gold ones? That
3 is all I have to say.

4 CHMN. FOREMAN: : Thank you very much for coming
5 and talking to us.

6 MR. BAFFERT: And thank you for letting me
7 speak.

8 CHMN. FOREMAN: : We appreciate your input.
9 Thank you, sir, for assisting.

10 All right. I think we have reached the stage
11 where the applicant may begin your presentation of
12 evidence.

13 Call your first witness, please.

14 MR. DERSTINE: Good afternoon. I would like, on
15 behalf of the applicant, to call Mr. Ed Beck and
16 Mr. Mike Warner. I will introduce them one at a time in
17 terms of their qualifications.

18 CHMN. FOREMAN: : Do you wish them both sworn
19 and to have them testify at the same time? In other
20 words, as a panel?

21 MR. DERSTINE: I do, Chairman.

22 CHMN. FOREMAN: : Mr. Beck, do you wish an oath
23 or affirmation?

24 MR. BECK: Either one is fine.

25 CHMN. FOREMAN: : Raise your right hand, please.

1

2

EDMOND A. BECK,

3 a witness herein called by the Applicant, having been
4 first duly sworn by Chairman Foreman to speak the truth
5 and nothing but the truth, was examined and testified as
6 follows:

7

8

9

CHMN. FOREMAN: : Mr. Warner, oath or
affirmation?

10

11

MR. WARNER: Whatever.

12

MICHAEL L. WARNER,

13 a witness herein called by the Applicant, having been
14 first duly sworn by Chairman Foreman to speak the truth
15 and nothing but the truth, was examined and testified as
16 follows:

17

18

19

20

21

CHMN. FOREMAN: : All right. I would like for
each of you gentleman, starting with Mr. Beck, to give
us your full name, spell your last name for the court
reporter.

22

MR. BECK: My name is Edmond A. Beck. B-e-c-k.

23

CHMN. FOREMAN: : Mr. Warner.

24

MR. WARNER: Michael L. Warner.

25

CHMN. FOREMAN: : Spell the last name, please.

1 MR. WARNER: W-a-r-n-e-r.

2 CHMN. FOREMAN: : Very good. Mr. Derstine,
3 let's proceed.

4

5 EXAMINATION BY MR. DERSTINE AND COMMITTEE MEMBERS:

6

7 MR. DERSTINE: Mr. Beck, let me start with you
8 and ask you if you can give us an overview of your
9 background and experience, please.

10 MR. BECK: Yes. My name is Edmond Beck. I have
11 an MBA from the University of Arizona, bachelor of
12 science in civil engineering from the University of
13 Arizona. I'm a member of the American Society of Civil
14 Engineers, member of the Market Interface Committee of
15 the WECC, and as of next week, I will have 30 years of
16 experience in the utility business, including design and
17 construction management for transmission and generation
18 projects, contract development and negotiation for
19 transmission and generation, and for system wide
20 planning of the transmission and distribution system for
21 TEP and UNSE.

22 I have participated on behalf of both companies
23 in the regional planning entities, including SWAT, the
24 Southeast Arizona Planning Group, the West Connect
25 Planning Group. As a member of the West Connect

1 Steering Committee, member of the Southwest Reserve
2 Sharing Group, board member of the Arizona Independent
3 Scheduling Administrator, and participated in the ACC's
4 biennial transmission assessment. I am currently the
5 director of line siting services for UNSE and TEP.

6 CHMN. FOREMAN: Mr. Derstine, the presentation
7 that Mr. Beck is going to be making is found at Exhibit
8 Number 3 of your exhibits; is that correct?

9 MR. DERSTINE: It is. I was going to get that
10 in a second. I'm happy to identify it now.

11 CHMN. FOREMAN: And Mr. -- go ahead.

12 MR. DERSTINE: And, Mr. Beck, have you testified
13 before the Siting Committee before,?

14 MR. BECK: Yes, I have.

15 MR. DERSTINE: Can you give us some
16 understanding of how many occasions you have had the
17 opportunity to testify before this Committee?

18 MR. BECK: I have testified in several siting
19 cases before the Committee stretching back a number of
20 years. I have also testified before the ACC in some
21 other cases and some perk transmission hearings as well
22 as the UNSE rate case.

23 MR. DERSTINE: And as the Chairman was kind
24 enough to mention, Mr. Beck, I understand that as part
25 of your testimony today, you prepared a PowerPoint slide

1 presentation; is that true?

2 MR. BECK: That is correct.

3 MR. DERSTINE: And that slide presentation is
4 marked as exhibit UNS-3; is that right?

5 MR. BECK: Yes.

6 MR. DERSTINE: And do you have that before you?

7 MR. BECK: Yes, I do.

8 MR. DERSTINE: Mr. Beck, let me also touch on a
9 couple of other exhibits while we are on that topic.
10 The application that was filed in this case has been
11 marked as UNS-1. Have you seen the application before?

12 MR. BECK: Yes, I have.

13 MR. DERSTINE: Were you involved with the
14 supervision and preparation of that application?

15 MR. BECK: Yes, I was.

16 MR. DERSTINE: As part of your
17 responsibilities -- let me stop there and ask you, give
18 us -- give the Committee an outline and understanding of
19 your involvement with this particular project. You
20 touched on your education, your experience. Tell us
21 about your involvement with this particular project,
22 please.

23 MR. BECK: My involvement with this particular
24 project stretches back to a previous job function that I
25 had at the companies, which was as superintendent of

1 transmission and distribution planning. We had
2 designed -- we had planned the project, identified the
3 need for the project, and as that process progressed, we
4 hired Transcon Environmental to do the environmental
5 work as well as help us with the application, and during
6 that process, the company created the new position
7 director of line siting, which I was then the successful
8 candidate.

9 MR. DERSTINE: So I guess going back for some
10 time, even in the prior position or title with the
11 company, you've been involved with this project and now
12 have overseen it kind of from beginning to end; is that
13 right?

14 MR. BECK: That's correct, from day one of the
15 project, I have been involved.

16 MR. DERSTINE: Let me direct your attention to
17 what has been marked as Exhibit UNS-9. If you don't
18 have that, I'm happy to provide it to you. It should be
19 in your...

20 MR. BECK: Yes, I do have it.

21 MR. DERSTINE: All right. My exhibit list shows
22 that UNS-9 is the notice of signed postings and an
23 affidavit of publication. Were you responsible for or
24 oversee the posting of signs that is required by the
25 siting statute providing public with notice of this

1 project and these hearings?

2 MR. BECK: Yes, I was.

3 MR. DERSTINE: Can you walk -- give us some
4 understanding of what is in UNS-9?

5 MR. BECK: In UNS-9, we have included a copy of
6 the newspaper notification regarding the project, public
7 announcement. We have the affidavit of publication from
8 Tucson newspapers identifying that this was -- this
9 notice was put in the newspaper. We also have the
10 notice of filing of the presentations and signed
11 postings of notice. And then we have a map within that
12 document that shows where the signs were posted for this
13 public hearing, and then pictures of the signs that were
14 actually posted.

15 MR. DERSTINE: In looking at the map, am I
16 correct in understanding that signs were posted along
17 the routes, that is, the preferred route as well as
18 alternatives?

19 MR. BECK: That's correct. We posted along the
20 existing route as well as the alternatives that had been
21 identified.

22 MR. DERSTINE: And copies of those signs are
23 included in the UNS-9?

24 MR. BECK: Yes, there are pictures of those
25 signed postings.

1 MR. DERSTINE: Mr. Warner, if I may, I want to
2 briefly turn to you. Could you introduce yourself to
3 the Committee and give us some of your personal,
4 educational background and experience?

5 MR. WARNER: Yeah, I got a bachelor's from
6 Brigham Young University and studied agronomy there. I
7 received a master's degree in landscape architecture,
8 specializing in environmental planning from Utah State
9 University. I'm a member of the American Institute of
10 Certified Planners. I'm a member of the American
11 Society of Landscape Architects. I've been consulting
12 for about 20 years and most of that has been dedicated
13 to utility work. At one stint, I also was a city
14 planner. I'm a founder and president of Transcon
15 Environmental, and that is a firm that focuses almost
16 exclusively on utility environmental work, linear
17 rights-of-way, that kind of thing, and the activities
18 that are necessary for that.

19 MR. DERSTINE: Mr. Warner, have you had occasion
20 to testify before this Siting Committee in the past?

21 MR. WARNER: Yes. I've testified three times
22 before this Committee.

23 MR. DERSTINE: Mr. Warner, can you please
24 describe your involvement, your company's involvement
25 with this particular project?

1 MR. WARNER: We were hired by UNS Electric to
2 perform the environmental studies that are necessary to
3 complete the application and to assist UniSource in
4 their activities with public outreach. We were also
5 involved in preparing a lot of the exhibits that you see
6 in your applications and will be seeing as we describe
7 the process.

8 MR. DERSTINE: Mr. Warner, as part of your
9 testimony today, did you prepare a PowerPoint slide
10 presentation?

11 MR. WARNER: Yes.

12 MR. DERSTINE: Is your slide presentation marked
13 as exhibit UNS-7.

14 MR. WARNER: Yes.

15 MR. DERSTINE: At this point, I would like to
16 change gears and witnesses for the moment and, Mr. Beck,
17 have you provided the Committee with an understanding of
18 the need, the purpose, and the benefits of this project?

19 MR. BECK: I prepared in the PowerPoint
20 information to go to the purpose and need and what the
21 project is about.

22 MR. DERSTINE: Using your slide presentation,
23 will you please walk us through that?

24 MR. BECK: Sure. First of all, UNS Electric had
25 identified the need to increase capacity to the Nogales

1 area. We have a limitation of 50.9 megawatts on the
2 Western Area Power system that serves UNS Electric
3 today. We also know that the structures on the existing
4 115 kV line that serves Nogales are reaching the end of
5 their useful life. They are at least 40 years old and a
6 typical life of a wood pole is approximately 40 years.

7 Relative to the load issue, I have created a
8 chart that shows historic load from 2004 up through 2008
9 and then forecast load for 2009 through 2014. Also,
10 I've identified in the next column the annual local
11 generation hours, or RMR generation, that is required to
12 support the Nogales load. The issue we have with
13 Western Area Power is that at 50.9 megawatts, there is a
14 voltage issue on the Western system that in order to
15 overcome that voltage issue, we must put local
16 generation on the line in Nogales. The number of hours
17 per year that that generation is required, which
18 effectively is the number of hours the load is greater
19 than 50.9 megawatts, is what is shown in that last
20 column.

21 I put a slide in to show graphically in red you
22 will see the peak load. It has been increasing over
23 time. And the blue is the 50.9-megawatt limit that we
24 have today. One thing I want to point out is that
25 regardless of the forecast numbers, and you will always

1 have argument what the forecast, how close is the
2 forecast, will it be right? The one thing we can
3 guarantee is future forecasts will not be right on.
4 There will be some variation, but in last year, 2008,
5 our peak load down in Santa Cruz County was
6 approximately 73 megawatts. It is greater than the 50.9
7 today. We have a capacity issue today.

8 Next, this is just a graphical representation of
9 the annual local generation hours. As you can see, a
10 steady trend upward. If we don't do something, we will
11 just have to run the local generation down in Nogales
12 more and more, producing wear and tear on those
13 generators, increased cost to customers, because they
14 are less efficient peaking units. They are not intended
15 to be run all the time and, depending on the gas price,
16 currently the gas is down a little bit, so it is not as
17 extreme for running the local generation, but there is a
18 cost added to the customers.

19 Again, it is 50.9 is our limitation with
20 Western. What I would like to talk just a little bit
21 about, Western Area Power and what the connection is
22 today. This map is intended to show the Western Area
23 Power Parker-Davis system. The Western Area Power
24 Administration has several lines in Arizona. They are
25 identified by the projects that they were built for.

1 The particular one that comes down into the southeast
2 Arizona area is the Parker-Davis system. Starts off up
3 along the Colorado River. You will see a couple of
4 lines along the Colorado River, and then this line that
5 is going down into the Phoenix area, continues on down
6 through Tucson and down to the Benson area. At the --
7 this point near Benson is approximately the Adams Tap,
8 which you will hear about later. The Western Area Power
9 Administration's charge in life is to deliver what is
10 so-called "preference power" from the generators,
11 primarily the hydrogenerators along the Colorado River
12 and to a lesser extent, some of the Navajo output up in
13 northeastern Arizona associated with the Central Arizona
14 Project.

15 On the right of this slide, you will see
16 entities that are the preference power customers of
17 Western. These are the entities that actually get power
18 produced by the dams. As you will note, there is
19 municipalities, federal agencies, some state agencies
20 and irrigation districts that get that power. You will
21 also note that neither UNS Electric or Tucson Electric
22 Power are on that list. We are not preference power
23 customers.

24 To the extent Western Area Power has excess
25 transmission capability available for use by others over

1 and above what is needed for preference power customers,
2 they do put it up for sale to basically first come,
3 first serve. Citizens Utilities, the predecessor to
4 UNSE, historically bought all of its transmission from
5 Western -- well, to the Mohave area over the
6 Parker-Davis system as well as another intertie system
7 of Western, and for Santa Cruz County over the
8 Parker-Davis system coming down towards Tucson.

9 Down at the bottom of this, you will see in
10 purple the existing 115 kV line. That is the line that
11 exists today that we are here talking about.

12 MR. DERSTINE: Mr. Beck, can I stop you there
13 for a second. Going back to the prior slide, eight, am
14 I correct in understanding that UNS Electric doesn't
15 receive any power or WAPA power, but UNS does have and
16 use some transmission capacity over the WAPA line; is
17 that fair?

18 MR. BECK: That is correct. The preference
19 power coming out of the WAPA generators, none of that
20 goes to UNS Electric or to TEP. The excess transmission
21 that is available is what UNS is using to transport its
22 resources. UNS Electric has a portfolio of resources
23 that it uses to serve its load. There are basically
24 five contributors that are the largest producers of
25 power that UNS Electric buys from. Those are Arizona

1 Public Service, Salt River Project, Public Service of
2 New Mexico, the Panda Gila River Power Project, located
3 just south of Phoenix, and to a much lesser extent, but
4 occasionally Pacific Corp. out of the northwest, and
5 then on a daily and hourly basis, spot market purchases
6 are made to make up the difference.

7 So all of those resources, that resource mix
8 that UNS Electric has, that is what is serving the load
9 and is using the WAPA system today to get from the
10 generator down to the Nogales Tap, which is on the north
11 end of the purple line just south of Tucson and then
12 from there it travels over the UNS Electric transmission
13 down into the Santa Cruz area.

14 I would like to compare and contrast that
15 Western system against the TEP system that we are
16 proposing to interconnect to. As you can see on this
17 map, the TEP system connects and has lines that go out
18 to multiple areas on the transmission grid. We are able
19 to transact business at more locations with the TEP
20 system than could be done with the Western Area Power
21 system. So there will be a little bit of flexibility
22 added if UNS Electric is connected to the TEP system.
23 Including the opportunity to connect to future renewable
24 resources if and when they develop along these paths.

25 The little bouncy dot just went in to show the

1 connection into the TEP system at Vail.

2 We looked at -- when we identified the capacity
3 constraint, we looked at a couple different things that
4 could be done to overcome that. One was to upgrade the
5 existing WAPA system and participate in that. The other
6 was to interconnect to the TEP system. To provide
7 additional capacity on the WAPA system, we identified
8 the need to convert the existing 115 kV line that starts
9 at Saguaro, which is off the map, but near Red Rock,
10 northwest of Tucson proper area.

11 And the Adams Tap, which is down towards Benson,
12 that line is the Western Area Power line. It is a 115
13 kV line. To get any additional capacity would require
14 upgrading that to 230. The voltage for transmission
15 systems varies by utility. For TEP, we go from a 138 kV
16 to a 345 kV when we jump in voltages. The Western Area
17 Power, they go from a 115 kV line up to typically a 230
18 kV line, a multiple of two. That is why we would say
19 that that line would be converted to 230 versus some
20 other voltage. The line from Saguaro substation to the
21 Adams Tap is approximately 115 miles and we identified a
22 conversion cost of approximately \$750,000 per mile,
23 assuming no right-of-way would be required, which would
24 result in a capital cost of over \$75 million.

25 MR. DERSTINE: Mr. Beck, let me ask you, is it

1 necessary, in order to get the capacity increase that
2 UNS Electric needs, is it necessary to rebuild 115 miles
3 of line on the WAPA system or is there something less
4 you could do?

5 MR. BECK: There is small increments of capacity
6 that could be gained by a couple of minor
7 interconnections to the Western system, but they
8 wouldn't gain you the capacity increase that would take
9 us up to the 120 that we had identified we could do with
10 the TEP connection.

11 Now, going to the interconnection, the potential
12 for connecting UNSC to TEP at its Vail substation, we
13 identified the cost, the capital cost or interconnects,
14 at about \$4.4 million. And that is what it would take
15 to build that roughly four miles of line and make the
16 changes at Vail substation to accommodate the
17 interconnection.

18 MR. DERSTINE: So when I looked at the prior
19 slide, is it only \$750,000 to upgrade WAPA or is it a
20 bigger number than that?

21 MR. BECK: No, it is in excess of \$75 million.
22 \$750,000 times 115 miles, which is north of \$75 million.

23 Another issue that has been raised and has been
24 looked at by the companies is a comparison of the
25 wheeling costs that would be charged to the UNSE

1 customers and what the difference would be between the
2 Western Area Power system and the TEP system. The way
3 that wheeling costs are charged to UNS Electric today by
4 Western and the way they would be charged by TEP are
5 under what is called "network service," and it is based
6 on a load ratio share, which is the percentage that an
7 entity contributes to the peak on the transmission
8 system coincident with the peak on that entity's
9 transmission system. So, for example, on the Western
10 Area Power system, their system peak average for seven
11 months of data we looked at was 2,662 megawatts. You
12 take that 2,662, and you put the actual UNSE load on top
13 of that number, divide the two out. That is two load
14 ratio share and then you multiply that by the annual
15 revenue requirement of the transmission system, which is
16 in the case of Western Area Power is \$36,322,000 and
17 some dollars. It results in a charge, and, again, this
18 is for an average from the July of '08 to March of '09
19 of \$42,500 per month.

20 Now, equivalently on the TEP system, we did an
21 analysis for the same time period, looked at what the
22 TEP system peaks were, did the load ratio share for the
23 Nogales/Santa Cruz load against the TEP peaks, just for
24 comparison purposes, the system peak on TEP average is
25 3,457 megawatts. So it is -- 800 megawatts greater than

1 what the Western peak is. So when you do the load ratio
2 share, it would be less than what it was on Western.
3 The annual revenue requirement for TEP system is
4 slightly higher at \$38,552,000, but the net result is
5 that the charge to UNSE for network service across the
6 TEP system would be \$36,700 per month. So basically, a
7 \$6,000 per month savings to the UNSE customer for the
8 transmission service to get from the resource, the
9 generator, down to the equivalent of the Nogales Tap
10 location.

11 MR. DERSTINE: Mr. Beck, let me stop you there
12 for a minute and make sure I understand and the
13 Committee understands what you are talking about here.
14 Wheeling costs is the same as transmission costs? Are
15 they essentially the same thing? Is that what we are
16 talking about?

17 MR. BECK: That's correct, yes.

18 MR. DERSTINE: And so what slide 16 of your
19 PowerPoint presentation is comparing are the
20 transmission charges between sending power over those
21 two systems; is that right?

22 MR. BECK: Correct.

23 MR. DERSTINE: And what I take from slide 16 is
24 that by moving from WAPA to the TEP system through the
25 Vail interconnection will result in lower transmission

1 charges for UNS Electric customers; is that right?

2 MR. BECK: That's correct.

3 MEMBER YOULE: Mr. Beck, can I ask you a quick
4 question.

5 CHMN. FOREMAN: Member Youle.

6 MEMBER YOULE: Sorry. You had point-to-point
7 service with WAPA, and they charged it to network; is
8 that correct?

9 MR. BECK: Actually, UNS Electric requested that
10 change. It took effect last June, June of 2008.

11 MEMBER YOULE: Okay.

12 MR. BECK: And the reason was, the difference
13 between a point-to-point service and a network service,
14 network service is basically a pay as you go service.
15 If you happen to use less in a given month than your
16 average, you will pay less, but if you take
17 point-to-point service, you reserve for your peak amount
18 all month every month of the year, so you get no benefit
19 of that difference.

20 MEMBER YOULE: So the network service from WAPA
21 was a better deal basically for UNS; is that correct?

22 MR. BECK: Yes.

23 MEMBER YOULE: Thank you.

24 MR. BECK: Now, I would like to give an overview
25 of the project and how it progressed over time as we

1 developed the project. Initially, when we identified
2 the need for a project and the connection to Vail and
3 the need to upgrade the existing 115 portions up to 138
4 kV, UNSE looked at this as a simple rebuild in place,
5 just like you had heard earlier, roughly half of this
6 project was rebuilt in 1988. We were looking to rebuild
7 the balance of the project in the existing corridor
8 utilizing existing right-of-way and the only new
9 construction that would be involved -- well, this
10 portion shows what would not have new construction.
11 This is the existing portion built under the CEC case
12 78. It already exists and it is 138 capable.

13 We identified the segment to the south as
14 needing reconstruction. Then we identified the little
15 piece on the north as being new construction over to
16 Vail. A subset of the process we identified was because
17 that northern piece had been rebuilt to 138 capability,
18 and we didn't need to do any construction, there was
19 still the issue that it wasn't authorized to operate at
20 138 kV. So that is why it is included in this
21 application, strictly for getting the authority to
22 change the voltage of operation from 115 kV to 138 kV.

23 As I mentioned, initially, we were going to
24 rebuild the line in place where we had to rebuild it,
25 but we identified on the north end that there was no

1 line between Vail and the Nogales Tap, and it would be
2 new construction; therefore, we identified a study area.
3 As part of Transcon's initial assignment, it was to look
4 at that study area and look up the alternative routes
5 that could be utilized for the project and make a
6 recommendation on the correct route to use.

7 MR. DERSTINE: Mr. Beck, can I stop you there
8 for a minute? I know it is not shown on the slide, but
9 there are other substations, TEP substations, within the
10 vicinity south of Tucson. Why was your study area
11 focused solely on the Vail substation?

12 MR. BECK: As I mentioned, initially, our
13 thought was to rebuild the line in place. We do have
14 the connectivity issue of Kantor substation, Canez
15 substation, Sonoita substation and Valencia. Those are
16 given points with given substations you wouldn't want to
17 try to move. It would be too expensive. So the line
18 connectivity had to connect those, and we thought for
19 the most part we could rebuild the line in place and
20 make those connections.

21 As we started to look at the details of the
22 project, and we had our construction people go down and
23 review the route, the existing alignment, we identified
24 some areas on the southern end, which we had briefly
25 mentioned today, that caused problems from construction

1 or access for construction, and/or encroachments from
2 property owners. And so we decided that in a couple of
3 those areas, especially the one around the Sonoita area
4 as well as the Grand Avenue down in Nogales, that we
5 were probably going to have to deviate from the route in
6 those areas.

7 To the extent we were going to do that, we then
8 directed Transcon to develop a study area that was a
9 wider study area that would cover not only just the
10 existing alignment, but a swath of land on either side
11 of that alignment. So this study area was developed.

12 To make the process of analysis and
13 identification as we went along in the project a little
14 bit easier, we decided to create or break the project
15 into segments. So we identified Segment 1, the north
16 end basically from Kantor north to the Vail substation;
17 Segment 2, being the next one that goes from Kantor down
18 to Canez; Segment 3, which goes from Canez to Sonoita;
19 and then Segment 4, the southern end which goes from
20 Sonoita to Valencia substation.

21 As we went through that -- we went through an
22 extensive public process to try to notify people along
23 the route about the project. We will have testimony
24 later on -- about that.

25 I would like to just briefly go through the

1 segments in a little bit of detail. Again, on the north
2 end in the end, we identified two alternatives that were
3 viable alternatives, but we identified the one that is
4 to the north as a preferred route for UNS Electric,
5 primarily because state land provided this input that
6 that was their preferred route. They preferred it over
7 the southern route. All things being equal, either
8 route was workable. The southern route was a little bit
9 longer, but in the end, state land said they really
10 liked the northern route.

11 MR. DERSTINE: Mr. Beck, am I correct in
12 understanding that the entire boxed section is state
13 land?

14 MR. BECK: I believe that is true.

15 MR. WARNER: Not quite.

16 CHMN. FOREMAN: Member Noland has a question.

17 MEMBER NOLAND: That is right. I get precedence
18 over you.

19 MR. GELLMAN: Every day of the week.

20 MEMBER NOLAND: Mr. Beck, a clarification. I'm
21 not sure you answered Mr. Derstine's question about
22 other locations that could have been used rather than
23 the Nogales Tap to Vail substation and that there are
24 other areas that might better or adequately have served
25 that route going south. Could you please answer that,

1 and then I want to clarify one other thing that you
2 said, because I think it is an important point that was
3 brought up earlier by the public comment. When you were
4 stating that about the notices that were put in
5 newspapers, you mentioned the Tucson newspapers, but I
6 believe that also the notices were published twice in
7 the Nogales paper and also the Green Valley; is that
8 correct?

9 MR. BECK: That's correct.

10 MEMBER NOLAND: Now you can answer the other
11 question.

12 MR. DERSTINE: Thank you for helping me out on
13 direct.

14 MR. BECK: I appreciate that because I missed
15 the question. There was one other alternative that
16 could have been a part of this project from a TEP/UNS
17 perspective. That would be the TEP south substation,
18 which is basically right over here near I-19 and Pima
19 Mine Road. It is another 345 kV station, but it is
20 eight to ten miles away from the Nogales Tap. With the
21 understanding that the whole section of line that was
22 built up to the Nogales Tap needed no work, we didn't
23 have to do anything. If we looked at the south
24 substation as an alternative, we would either come
25 across in some fashion and get rid of a portion of the

1 line that was still usable, as well as incur the
2 additional cost of extending the line eight to ten miles
3 versus the four miles to Vail. So Vail was a much
4 closer substation for us and from a transmission
5 capacity standpoint, Vail was actually a preferred
6 location because we have two EHV transmission lines
7 coming into Vail from the east side of our system, and
8 one coming in from the south side, whereas at the south
9 substation, we only have a line from the north and one
10 from the east.

11 MEMBER NOLAND: Thank you.

12 MEMBER RASMUSSEN: Mr. Chairman.

13 CHMN. FOREMAN: Member Rasmussen.

14 MEMBER RASMUSSEN: Briefly, since we are talking
15 about all the alternatives, I am curious as to why a
16 line from the Nogales Tap due east and then up to the
17 Vail rather than coming south across and up wasn't one
18 of the possible alternatives, from your standpoint?

19 MR. BECK: Well, actually, one of the routes
20 that was identified and didn't make it into our final
21 alternatives list pretty much came along an existing
22 alignment back this way, but as the analysis was done,
23 and Mr. Warner can speak more to this, as that analysis
24 looked at that route, it was eliminated from further
25 analysis.

1 CHMN. FOREMAN: Member Mundell.

2 MEMBER MUNDELL: Well, I don't know if there is
3 any follow up. I guess the obvious question is, why?

4 MEMBER RASMUSSEN: That was my question.

5 MR. WARNER: State land said they didn't want
6 that one, and they were pretty firm on that. They came
7 out and said that was unsatisfactory, and that basically
8 was what dropped it from further consideration.

9 CHMN. FOREMAN: Member Noland.

10 MEMBER NOLAND: I'm afraid you are going to have
11 to use a microphone for even me to hear.

12 MR. WARNER: Would it be helpful -- I know we
13 have these microphones that will call us too shrill.
14 Would it be helpful if I stood?

15 MEMBER NOLAND: I don't know. Any time you
16 talked, it would help if you used the microphone so
17 everybody can hear.

18 MR. WARNER: State lands asked us to drop that
19 from further consideration. I think it was primarily
20 because it was a diagonal crossing bisecting some of
21 their parcels and they would prefer not to be there. We
22 will talk a little bit about the other alignments and
23 what gave them some of the advantages, but from an
24 environmental consideration, there weren't very many
25 differences between the alternatives that were analyzed.

1 Can you hear me okay?

2 CHMN. FOREMAN: Yes. Proceed.

3 MR. BECK: Before I go into the next segment,
4 which is actually where reconstruction will take place,
5 I just want to talk a little bit about the structures.
6 This is the existing structure that the majority of the
7 115 kV line is built like. It is H-frame wood
8 structures, very similar to this. We are proposing to
9 replace that structure with a steel monopole, 138 kV
10 with a circuit strung on one side of the poles. The
11 poles will be capable of a second circuit. We are not
12 intending to put that on at this time. We are not
13 asking for permission to build that second line at this
14 time. With the recognition that in the future, if it
15 makes sense to go ahead and put a second circuit on
16 there, we would come back before the Siting Committee
17 for whatever approval would be required to do that.

18 Basically, once we are done, that H-frame goes
19 away and you would be left with that steel monopole.

20 MR. DERSTINE: Mr. Beck, let me ask you --

21 CHMN. FOREMAN: Member Eberhart.

22 MR. DERSTINE: Stepping on everybody. Go ahead.

23 MEMBER EBERHART: I did have a couple questions
24 regarding both of those issues. Particularly, Mr. Beck,
25 the one photograph we have in, I think it is, Exhibit

1 COM-3, the photograph of the clear-cut through the
2 mesquite bosque, how do you build a new facility right
3 on top of an existing H-frame facility? How would
4 that -- how could that be done? Because your slide
5 exhibit showed that, but how do you do both at the same
6 time, maintain existing electric service and build a new
7 line in the same place?

8 MR. BECK: Well, Member Eberhart, this is an
9 artist's representation. The new structure would
10 actually be built offset next to the H-frame structure.
11 So we would be just adjacent to it, build the new
12 structure, string in the line, be able to transfer,
13 energize the new line and then go in and rip out the old
14 line. So within 100-foot right-of-way, there is
15 sufficient room for us to go in, in most places, and
16 build adjacent and then remove the old. There will be a
17 few areas where we might have to do, what is called, a
18 shoofly. Build a temporary line, offset it a bit, build
19 it to the side of the right-of-way and put the permanent
20 construction in place and remove the shoofly.

21 MEMBER EBERHART: Thank you.

22 Mr. Chairman, I have one more question.

23 Mr. Beck, you testified that the proposal at
24 this time is to do a single circuit. At what level
25 would -- and are there any projections on the year

1 forecasted when you would need to come back for a second
2 line or a second circuit?

3 MR. BECK: The issue that we are dealing with is
4 that by putting two lines on a single pole, you are not
5 really gaining much from a reliability perspective,
6 because if you lose one, you are likely to lose both,
7 and so for additional capacity in the future, it will
8 probably entail a different alignment, a different
9 construction somewhere else. So at some point in the
10 future, there would be a need for an adjacent, or not
11 necessarily adjacent, but another line down into the
12 Nogales area.

13 MEMBER EBERHART: Mr. Chairman, thank you, but
14 my question was more to internal forecasts as far as
15 power need or a year in the future, 2020, 2050? Has
16 there been any forecast when, if ever, you might need
17 the second circuit?

18 MR. BECK: It is definitely beyond 2014, because
19 that is how far our table loads went to. I would have
20 to look back into my records, but I believe we
21 identified about 2020 was when we would be up to the
22 120-megawatt capacity limitation. And keep in mind,
23 that 120 can be stretched further because we do have
24 local generation that we can support some with local
25 generation, so there is some flexibility.

1 MEMBER EBERHART: Thank you.

2 CHMN. FOREMAN: Just a follow-up question. For
3 that portion of the line where you would be replacing
4 the wood H structures with the steel monopoles, do I
5 understand or may we infer from your testimony that
6 you've just given, then, that the pole -- all of the
7 pole placements will be consistent with the present pole
8 placements?

9 MR. BECK: No.

10 CHMN. FOREMAN: Please explain.

11 MR. BECK: To a large degree, where the existing
12 structures are on ridge lines, we will place them pretty
13 much adjacent to the existing structures on the ridge
14 line, just because of clearance issues. When you are on
15 flat terrain and if you have some capabilities to span
16 differently with the new structures, there may be
17 efficiencies gained by moving the structures from
18 directly adjacent to the existing. Does that make
19 sense?

20 CHMN. FOREMAN: So would the span issue that
21 you've talked about mean that with the new poles, you
22 could increase the distance between the poles?

23 MR. BECK: In some cases, we will be able to do
24 that. Now, again, it is terrain-related. On some
25 portions of this line with the terrain, we have to stay

1 on the ridge lines just to be able to make clearance.
2 When we are on the flatter ground, we can adjust the
3 span and potentially span out a little bit with the new
4 line.

5 CHMN. FOREMAN: As you go through your
6 testimony, could you indicate to us those portions of
7 the route where you would be able, if you were replacing
8 poles, to place the poles in the same place and those
9 portions of the route where you would be replacing
10 poles, but you would be putting them in different
11 locations?

12 MR. BECK: I believe in my flyover, I can at
13 least identify a lot of those areas.

14 CHMN. FOREMAN: Great.

15 MEMBER MUNDELL: Mr. Chairman.

16 CHMN. FOREMAN: Member Mundell.

17 MEMBER MUNDELL: Just the inverse of the
18 Chairman's question, will there ever be a time where we
19 have to have poles closer together?

20 MR. BECK: More than likely, there will be some
21 areas where the poles could be closer together. In --
22 one instance would be if we are in some areas where we
23 are working with, for example, vegetation and trying to
24 limit how much we have to clear, it may make sense to
25 move poles closer, keep the line up higher, so you don't

1 have interference with underlying vegetation.

2 MEMBER MUNDELL: I guess I was looking at it
3 from a different perspective. If I know where the poles
4 are now, and I don't have a concern about that from a
5 quality of life perspective, and now we are going to
6 move the poles, because -- I appreciate the Chairman's
7 question that started this questioning, because I just
8 assumed they would be at the same location. You were
9 going to put in these newer, better poles, but now I'm
10 hearing they are going to be, I guess, if we grant the
11 CEC, you will be able to put them wherever you want to
12 put them based on some internal criteria that you are
13 going to use. Is that what I'm hearing?

14 MR. BECK: That would be nice if that were the
15 case. I'm not sure that is where we will end up.

16 MEMBER MUNDELL: What does that mean?

17 MR. BECK: More than likely, I assume there will
18 be conditions where we can place poles. We intend to
19 work with the landowners along the way. I would like to
20 just address the issue of the corridor width that has
21 been brought up today, kind of in relation to your
22 question. We are looking for, generally, a 500-foot
23 right-of-way other than the one area on the south end.
24 500-foot corridor, excuse me. But we only want 100-foot
25 right-of-way within that corridor, and the reason we

1 want a 500-foot corridor is to allow us the flexibility
2 to work with the landowners along the route for any
3 specific instance on their property where it would make
4 sense to make some adjustments in the alignment,
5 including pole location. If -- you know, we do the
6 layout and identify pole locations and we meet with the
7 property owners and say, we are going to put a pole here
8 and a pole there, and they have a real objection to it,
9 to the extent we can, we will work with them in the
10 adjustments with the pole locations. We have the
11 flexibility to do that.

12 MEMBER MUNDELL: Mr. Beck, the members of the
13 committee understand why we have corridor widths based
14 on prior cases, so based on what you just said, is the
15 landowner -- you wouldn't be opposed to, then, some
16 condition that allows some recourse if, in fact, the
17 land -- you want it one place and the landowner wants it
18 someplace else. I heard what you said. Again, I've
19 been doing this long ago. I heard you say you are going
20 to work with the landowner and if they have a problem,
21 we will work with them and talk with them. The question
22 becomes if push comes to shove and we grant the CEC and
23 allow you to put all the new poles in and you have a
24 difference of opinion with the landowner, how does that
25 get resolved?

1 MR. BECK: That is a good question, you know, if
2 it is bad enough, I'm sure the complaint would be raised
3 with the Commission, that would get us probably back in
4 front of possibly the Siting Committee to work out an
5 issue.

6 MEMBER MUNDELL: That is something to think
7 about as we progress forward. I appreciate the Chairman
8 and the colleagues bringing the issue up. Like I said,
9 for whatever reason, I just assumed they would be the
10 same locations, just new bigger, stronger poles.

11 Thank you, Mr. Chairman.

12 CHMN. FOREMAN: Proceed.

13 MR. BECK: To a large degree, they will be
14 adjacent to or in the same locations, but there will be
15 specific instances where it makes sense to make
16 adjustments.

17 This is going into Segment 2, which is the
18 portion that will be starting the reconstruction.
19 Again, it goes from Kantor South down to Canez. When we
20 did our field reviews from a construction standpoint,
21 there is some terrain issues, a few access issues along
22 the way, but they really don't get to be much of a
23 problem until you get down toward Canez substation.

24 We worked with various property owners along the
25 way who gave us input and said they would like this

1 reroute here. As a result, that is the preferred route
2 that we came forward with. Based on the public comment
3 today, it is apparent there are other opinions that
4 didn't come out in our public process, which I would
5 still argue was a very extensive and good public process
6 to the extent we could do one. But to the extent there
7 is enough public that wants us to stay on the existing
8 route, UNS Electric is fine with doing that. In this
9 area, we can rebuild on the existing alignment. There
10 are a few challenges, but we can deal with those
11 challenges in this area.

12 The portion on the northern part here,
13 Mr. Warner will talk a little bit more about when we get
14 into some of the environmental review work that was
15 done.

16 MEMBER NOLAND: Don't leave that segment, yet,
17 Mr. Beck. You were close. I guess my question would
18 be, did you consider locating the line on the west side
19 of the railroad tracks and what -- for what reasons did
20 you not site it on that side of the railroad?

21 MR. BECK: We did, in fact, look at that issue,
22 but if it is okay with the Committee, I would like to
23 defer that issue to when Mr. Warner gets a more detailed
24 flyover that he is going to do and then we can both
25 address the various issues that were identified.

1 MEMBER NOLAND: That is fine with me.

2 MR. BECK: In Segment 3, which extends from
3 Canez substation down to Sonoita, when we had our
4 construction people out looking at the buildability of
5 this portion of line, we have major problems, major
6 issues with encroachments, encroachments being either
7 structures, fences, sheds built underneath the line
8 itself, or blocking access to the line route. And to a
9 point that was raised earlier, we do have a right-of-way
10 there. There is the potential to go in there and use
11 that right-of-way, but there is extensive encroachment
12 that we thought it might be better to look for an
13 alternative route in that segment. And that is what we
14 identified as our preferred route, the alignment we did
15 identify would alleviate some of those issues, and I
16 will show some detail of this in the flyover.

17 CHMN. FOREMAN: Member Eberhart.

18 MEMBER EBERHART: Thank you, Mr. Chair.

19 Mr. Beck, I just had a quick question. You
20 mentioned that you do have right-of-way in the area.
21 Sometimes right-of-way comes in different packages.
22 Sometimes it is an easement rather than fee title. Do
23 you know which makes a big difference as far as trying
24 to come in and to make changes after the fact to
25 improvements that have been made on the land? Do you

1 know if UNS has that in fee or is that an easement
2 right-of-way?

3 MR. BECK: I'm not sure which the correct
4 language to use is. I was assured we would have the
5 right to go in and have the property owners vacant the
6 right-of-way.

7 MEMBER EBERHART: Thank you.

8 CHMN. FOREMAN: Member Noland.

9 MEMBER NOLAND: Mr. Beck, how much right-of-way
10 is currently owned by the utility along that blue line?

11 MR. BECK: 100-foot. 100-foot width.

12 MEMBER NOLAND: Thank you.

13 MR. BECK: We proceed then on to Segment 4.
14 Southern end of the route going from Sonoita down to
15 Valencia. I would like to point out this is the only
16 segment, the only area on the proposed project where on
17 this short segment, the existing line is not even shown
18 as an alternative. This is the piece along Grand
19 Avenue, the -- to be able to rebuild that line just is
20 not feasible in an efficient manner or with a lower cost
21 or a minimal cost. We would have to reroute the line on
22 a temporary basis in order to go in and rebuild the
23 existing line and then go wreck out the temporary line
24 that we built. If you are going to build a temporary
25 line, you may as well just build a new line in a

1 permanent place if there is a good location.

2 We did identify an alternative to fix that
3 issue. You will see a couple alternatives and as I
4 mentioned, we will go into a little more detail in that
5 a little later.

6 MR. DERSTINE: Before you move on, can I have
7 you touch on the subject of cost, Mr. Beck? You heard
8 my opening statement, and I made some representations
9 about what the evidence would be on cost. Can you give
10 the Committee your testimony on cost, please?

11 MR. BECK: Yes. We have gone through and done a
12 pretty extensive cost analysis of the construction
13 portion on this project. We don't have detailed cost
14 estimates on all of the land issues associated with the
15 various segments. But for the preferred route, we did
16 identify the costs, and as you had mentioned in your
17 opening statement, they totaled -- the numbers you had
18 were correct.

19 MR. DERSTINE: I think I gave an overall project
20 number of \$33.7 million?

21 MR. BECK: Yes, that is the estimate for the
22 overall project. There is a difference between the
23 application and that total in that the application was
24 strictly looking at the transmission-related parts of
25 the project. The overall cost that Mr. Derstine gave

1 this morning includes all the substation work and
2 equipment and changes at the substations related to the
3 project. So the overall project cost is greater than
4 the \$26 million stated for the preferred route in the
5 application. And the difference being primarily
6 substation additions and transformer change outs as part
7 of the project.

8 MR. DERSTINE: Can you touch on what will be
9 required. We know there will be a four to five-mile
10 segment of line to interconnect from the Nogales Tap to
11 Vail. What needs to be done at the Vail substation in
12 order to accommodate this new line?

13 MR. BECK: There is a new 345 to 138 kV
14 transformer being placed at Vail. A portion of that
15 cost is a portion to TEP customers, and a portion of it
16 is assigned to UNSE customers. There will be the cost
17 of the line segment to be built from the Vail substation
18 over to the tap and then we have the costs of the line
19 coming down from Kantor to the south as well as some
20 work at Valencia with a transformer and relocation of
21 two transformers in Valencia up to the other
22 substations. We have two existing transformers at
23 Valencia that are what are called "dual tap
24 transformers." They are capable of operation at 115 or
25 138 kV. We have two substations along the way that have

1 transformers that are only capable of operation at 115
2 kV. We will take the two transformers at Vail, move
3 them upstream to the other two locations so that -- and
4 then replace the transformer at Valencia so that all of
5 the transformers will be compatible with the 138 kV
6 operation.

7 MR. DERSTINE: In my opening, Mr. Beck, I also
8 gave a breakdown of \$5.5 million to acquire new
9 right-of-way. How is that number projected? Is that a
10 hard number? Is it an estimate? What are we looking
11 at?

12 MR. BECK: That is actually an estimate, and it
13 includes some environmental costs in that number, so it
14 is not raw right-of-way cost. It also includes
15 environmental work. And we are right in the middle of
16 our annual budget process at UNS Electric, and as we
17 speak, those numbers are being revised. More than
18 likely, they are going up as the cost of land
19 potentially increases along the route.

20 MR. DERSTINE: Breaking down the last category
21 when I broke down the \$33.7 was \$23.8 million for poles,
22 conductors, and transformers. Is that a pretty hard
23 number or might that change?

24 MR. BECK: There will be a slight variation in
25 that, but that is a pretty solid number. That is based

1 on an engineering analysis that was done for the
2 project. Unless there is a major change in markets
3 again where steel or concrete costs skyrocket, those
4 numbers should be pretty solid.

5 MR. DERSTINE: Getting back to the right-of-way
6 number, you've mentioned that number may go up. Is the
7 land along this route different than my house which has
8 gone down a lot? Is it possible that land may go down
9 in price?

10 MR. BECK: There is always that possibility, but
11 it appears that land costs seem to have bottomed along
12 the route, doesn't mean they have, but it appears from
13 our perspective that they have at least stabilized and
14 potentially could start increasing again.

15 MR. DERSTINE: Mr. Beck, my understanding is
16 that at this point in time in your presentation, you
17 have a Google Earth flyover simulation for the
18 Committee; is that right?

19 MR. BECK: That's correct.

20 MR. DERSTINE: Who prepared this -- the flyover?

21 MR. BECK: This was prepared by Trans.

22 MR. DERSTINE: Mr. Warner, can you give us a
23 little background on the Google Earth simulation. This
24 simulation, kind of what -- how it was prepared? I know
25 the Committee has seen numerous Google Earth flyover

1 simulations and are familiar with the platform, but a
2 little bit of background how this flyover was prepared
3 and what it will show.

4 MR. WARNER: What we intend to show by this
5 flyover is the alignment and some of the ultimate
6 alignments that are depicted in the application. We are
7 using the Google Earth professional platform that allows
8 you to place within the framework photographs and some
9 monuments that will allow us to look at things as we go
10 along the way. I think Mr. Beck intends to show you
11 basically some of the more open areas and some of the
12 areas that were issues, and so that you can get a feel
13 for where they are along the route. On your right-hand
14 side, you are going to see a map that depicts the area.
15 It is part of your place mat, and we will reference
16 periodically through the Google Earth platform and that
17 map to help you understand where we are at as we
18 progress.

19 MR. DERSTINE: Now, Mr. Warner and Mr. Beck, so
20 I understand where we are going with the presentation,
21 it is my understanding that this first simulation we are
22 going to see is generally kind of an overview of the
23 existing lines, some of the features of the environment
24 surrounding the existing line. Maybe cover some of the
25 constraints that Mr. Beck has talked about and then the

1 two of you will go greater in depth as we break it down
2 by segment; is that correct?

3 MR. BECK: That's correct.

4 MR. WARNER: That's correct.

5 MR. DERSTINE: Mr. Beck, why don't you go ahead.

6 MR. BECK: For this first --

7 CHMN. FOREMAN: Sorry, Member Eberhart, did you
8 have a question?

9 MEMBER EBERHART: Thank you, one quick question.

10 Do you know, the Google Earth, what year the
11 aerial photography was taken because there was earlier
12 testimony, I believe, that there has been some recent
13 clear-cutting in that mesquite area that may not show up
14 on this, if this is --

15 MR. BECK: This is correct. This is a 2005
16 aerial photography that is part of the Google.

17 MEMBER EBERHART: So this is four years old
18 topography that we are looking at?

19 MR. BECK: That's correct.

20 MEMBER EBERHART: Thank you.

21 MR. BECK: As Mr. Derstine indicated, this will
22 be a high level relatively fast fly over the existing
23 alignment to point out some issues we saw along the way,
24 some of the encroachments and identify the areas we --
25 we are going to identify alternatives and then we will

1 come back and look at the alternatives and the preferred
2 route so we can get down into more detail.

3 We would like to start at the Nogales Tap with a
4 couple of pictures. First picture, this is sitting on
5 Wilmot Road looking to the east at the Nogales Tap
6 switch yard that exists on the Western Area Power line.
7 The Western Area Power line is coming in from kind of
8 behind you in this picture, goes across the switch yard
9 and out the other side, continuing on to the Benson
10 area.

11 This is a picture looking to the south along
12 Wilmot Road from the Nogales Tap. You will note that
13 these are -- this is what the poles will look like on
14 the new construction. You will notice a slight variance
15 as we move down this line, because those poles are
16 single circuit. They are not capable of double circuit.
17 These are the poles that were installed by Citizens in
18 1988. If in the future we wanted to come back and
19 double circuit all the way back to Vail, this section of
20 line would have to be rebuilt with new poles.

21 MR. DERSTINE: So, Mr. Beck, am I correct in
22 understanding that what -- the photograph we are looking
23 at here is that section of line from the Nogales Tap
24 south to Kantor that was previously rebuilt by Citizens?

25 MR. BECK: That's correct. It is this line

1 right here on the map.

2 MEMBER EBERHART: Mr. Chair.

3 MR. BECK: And it is looking from the tap point
4 to the south in this direction.

5 CHMN. FOREMAN: Sorry, Member Eberhart.

6 MEMBER EBERHART: I hate to be a broken record.
7 Just for clarification, are the poles that are shown in
8 this photograph the weathering steel core ten poles or
9 are these galvanized poles?

10 MR. BECK: These are the core ten weathering
11 steel, which is what we proposed to use for the project.

12 We will now start the actual flyover. Again,
13 for this northern part we are not intending to do
14 anything, but just to give you a sense of what is out
15 there. There is not much in the way of development on
16 the northern part of the project.

17 As you can see, there is a little bit of
18 development here adjacent to the line. We are
19 continuing to head south. You can see a few drainages
20 crossing the line. Here is the corner, the turning
21 point, which Mr. Warner is showing you on the map.
22 There is a slight variation in the Google photography in
23 the aerials. That is why the coloration change. It is
24 not an underlining copper ore, that we know of.

25 Again, we are continuing basically to the

1 southwest. Again, it is pretty much open terrain.
2 Notice some washes across here. Nothing too major in
3 the way of the drainages or ridge lines. You can see
4 they are getting a little more washing in here, so we
5 have more terrain issues. This is all state land along
6 here. As you can see on the map, all the blue is state
7 land. Here again, a little bit of development that has
8 taken place along the line. We are coming up to the
9 county line here.

10 CHMN. FOREMAN: Just a moment. Member Wong.

11 MEMBER WONG: A question, Mr. Beck. So far, are
12 those all H poles or describe -- you showed monopoles at
13 first. Some of this, do they include H poles?

14 MR. BECK: No. These are all monopoles. This
15 is all the piece that was rebuilt in '88, that whole
16 stretch that was rebuilt are single pole steel, single
17 circuit structures.

18 MEMBER WONG: That is the case from Nogales Tap
19 to the Kantor substation?

20 MR. BECK: That's correct.

21 MEMBER WONG: They are monopoles?

22 MR. BECK: That's correct. We will have another
23 picture showing you closer to Kantor, and I will point
24 it out. There is actually a second structure in the
25 corridor.

1 MEMBER WONG: Yes, if you would point out where
2 it deviates from a monopole to another type of pole, if
3 you would point that out.

4 MR. BECK: Sure.

5 MEMBER WONG: Thank you.

6 MR. BECK: Again, we are continuing southwest,
7 crossing county line. And we will have another picture
8 before we get to the Kantor substation.

9 This is the existing 115 kV line that was
10 rebuilt in '88 on the left side. On the right side is a
11 46 kV line. This was the 46 kV line that was built from
12 the TEP system down to Kantor sub, which is this, the
13 background of this picture, to help support the UNSE
14 system seven or eight years ago, maybe. Five to seven
15 years ago. We built that line to provide some emergency
16 backup. You will note here is one of our signs noticing
17 the project. There is a little bit of terrain. You go
18 through a little wash here. You start going up over
19 some rises. Here are the poles on the ridge line for
20 the most part. And at this point, here is a transition.

21 CHMN. FOREMAN: Member Noland has a question.

22 MEMBER NOLAND: I guess I'm just a little dense
23 today, I don't know. Where does this other line come
24 from and is it in a different alignment than the one you
25 just gave us, the second line on the right?

1 MR. BECK: It shares this same corridor for a
2 portion of the line.

3 MEMBER NOLAND: And where does it not share?

4 MR. BECK: It starts at TEP's Canoa substation.

5 MEMBER NOLAND: Where is that on the map? The
6 one that you talked about earlier.

7 MR. BECK: It is a smaller 46 kV substation that
8 is generally just south of Green Valley. We built a
9 line to go from that substation that goes along
10 Mt. Hopkins Road, which I didn't point out but was on
11 the Google flyover. We crossed it. It comes across and
12 then joins up with this alignment and heads down that
13 alignment to Kantor substation.

14 MEMBER NOLAND: Thank you.

15 MR. BECK: And this is the transition point at
16 Kantor substation. This is Kantor substation on the
17 right edge of the picture. These poles are the -- are
18 the poles that come from the north, stop on those poles
19 and drop into the sub. The line comes out of the
20 substation onto the next set of poles and heads south.
21 So just past this pole from that point on would
22 primarily be the wood H-frames. There are a few
23 interspersed steel poles that were replaced for maintenance
24 reasons, but 98 percent of those poles are H-frame wood
25 all the way down to Valencia.

1 We will continue on, turning at Kantor
2 substation, which is right there on the map, there
3 was -- one of our alignments we will talk about was off
4 to the right there, but this was the existing line. You
5 can see the terrain is getting a little more hilly and
6 rugged. Here you are going up and over hill. You can
7 see the line does turn in a few spots here. Another
8 major drainage that we are crossing. This is in Segment
9 2.

10 Could you pause that?

11 I just want to point out here, here is a
12 development that was developed after the line was built.

13 Could you zoom in just a little?

14 Just to point out that that development
15 accommodated the corridor for the line. There isn't an
16 encroachment in here other than possibly right there,
17 but you can see the corridor has been pretty much kept
18 clean in that area.

19 CHMN. FOREMAN: And where is this located? Is
20 this Josephine Canyon?

21 MR. BECK: No, it is a little north of there.
22 It is right opposite Tubac.

23 CHMN. FOREMAN: All right. Question?

24 MEMBER WONG: Yes.

25 CHMN. FOREMAN: Member Mundell?

1 MEMBER MUNDELL: I can wait, Mr. Chairman.

2 MEMBER WONG: Mr. Chairman, Mr. Beck, you've
3 talked about encroachment a number of times. The
4 cities, towns or whoever is engaged in development, do
5 they routinely notify UNS/TEP that this development will
6 occur or do you find out about it after the fact?

7 MR. BECK: In Santa Cruz County it has been
8 problematic. There has not been a good system. Santa
9 Cruz County is improving the way they do things with
10 their right-of-way and permitting process. We hope
11 going forward that we work much closer with the planning
12 groups down there. The -- just as an example, trying to
13 get the information on the land ownership down in Santa
14 Cruz County was a real pain when we started this
15 project. Now they do have a lot of things on line,
16 approximately a year later. So they are making big
17 strides in what they are doing. We are hoping to be a
18 part of that and coordinate with their planning process
19 that is going forward. As an example, at TEP in Tucson,
20 we reviewed plat maps and so on as developments are
21 identified to be sure there is comparability. That
22 process has been lacking in Santa Cruz County.

23 MEMBER WONG: And, Mr. Chairman, Mr. Beck, you
24 mentioned Santa Cruz County. What about that segment of
25 Pima County, is there an adequate notice procedures to

1 TEP/UNS before development occurs?

2 MR. BECK: Yeah, generally, we have a pretty
3 good process within Pima County for the information to
4 get passed along to. In that case, TEP for review and
5 incorporation into -- either ours into theirs or theirs
6 into our plans so we are coordinated.

7 MEMBER WONG: And back to Santa Cruz County, you
8 address your concerns in that Santa Cruz County, you
9 said, is doing a better job. What is the communication
10 or dialogue? Is there -- have you communicated that to
11 the -- formally to the board of supervisors, and is
12 there going to be a formal process or is it spotty?

13 MR. BECK: I would say at this point it is
14 spotty. I don't think we've done a horrible
15 presentation to the board of supervisors, but we have
16 discussions with county personnel about issues that we
17 were seeing. When we went down and saw some of the
18 encroachments on the south end, that you will see coming
19 up, we were amazed that people were able to build where
20 they did. Now, probably there was no planning and
21 zoning group covering those areas, I don't know.

22 MEMBER WONG: Because of the issues you address,
23 is there a procedure within your company that you
24 routinely inspect the corridors for these type of
25 encroachments? Notwithstanding whether or not the other

1 governmental entities notify you.

2 MR. BECK: TEP and UNS both have an annual line
3 inspection program where we will do aerial overflight to
4 make sure -- we are looking primarily for maintenance
5 items on the line, but as they are flying the lines, if
6 they identify any issues, new buildings, structures,
7 construction going on that doesn't look compatible or
8 they are concerned about, they will raise it within the
9 company to the right groups to go check on it.
10 Primarily, our land department. So we do have a process
11 in place for annual inspections that Citizens may or may
12 not have had anything.

13 MEMBER WONG: Based on that internal procedure,
14 there should not be any surprises when you talk about
15 encroaching?

16 MR. BECK: There should be minimal surprises
17 that are not insurmountable that can be worked through
18 or fixed.

19 MEMBER WONG: Thank you.

20 MEMBER MUNDELL: I have a quick question.

21 CHMN. FOREMAN: Member Mundell.

22 MEMBER MUNDELL: I mean, I just want to make it
23 clear, your point here is that, A, the line was there
24 first, and then the way this subdivision was developed
25 took the line into consideration and built around the

1 line.

2 MR. BECK: That is correct.

3 MEMBER MUNDELL: Let me skip, then, why couldn't
4 the same thing be done in Segment 1A? It is trust land;
5 correct? It is vacant land right now; correct?

6 MR. BECK: Correct.

7 MEMBER MUNDELL: And you said the state land
8 department didn't want it to be built diagonally, but it
9 is vacant land right now, and isn't -- I'm not -- maybe
10 we will get to their concerns. It is not on the section
11 line.

12 MR. BECK: That probably is their primary
13 concern. We have a lot of issues with state land on
14 where they -- their preferences for lines versus what
15 seems to make sense for other reasons.

16 MEMBER MUNDELL: I guess I'm not understanding.
17 The point you made here was the line was there. You can
18 build around it when you develop your subdivision. I
19 mean, I assume the state trust department can do the
20 same thing or whoever the developer that buys land from
21 the state trust department, couldn't they?

22 MR. BECK: I believe they could, yes.

23 MEMBER MUNDELL: Thank you.

24 CHMN. FOREMAN: Member Noland.

25 MEMBER NOLAND: They, Mr. Beck, I assume these

1 homes have electricity?

2 MR. BECK: I would assume so, yes.

3 MEMBER NOLAND: In a previous life I used to be
4 a land planner. I used to do subdivision plats,
5 development plans. I built homes. I had to go to
6 Tucson Electric to get their approval on all of those
7 things before I could go further with the county. Even
8 in Santa Cruz County, which I believe we've crossed the
9 county line at this point in the Google map, you would
10 have to review something in order to connect people to
11 electric, would you not?

12 MR. BECK: For connection purposes, yes, but I
13 think some of the subdivision work that was done to the
14 south didn't appear to have to go through that process.

15 MEMBER NOLAND: They did have to have electric,
16 did they not? Do they have solar generation?

17 MR. BECK: No, they have electric. What their
18 process was via the county and Citizens Utilities, I
19 can't really respond to.

20 MEMBER NOLAND: Well, the other thing that is
21 required is title insurance to build a house, and if you
22 have fee simple right-of-way, then that should show up
23 on a title insurance policy. If it did not, then I
24 would assume those landowners have recourse against the
25 title insurance company, but I just don't understand

1 encroachment of any major facility on a legal
2 right-of-way. That is hard for me to fathom. Thank
3 you.

4 MR. BECK: It is hard for us, also, when we saw
5 the issues.

6 CHMN. FOREMAN: Please proceed.

7 MR. BECK: Again, we are continuing south along
8 the existing alignment, some more areas of development.
9 Now we are coming up into the mesquite area. There is a
10 picture I will show you right here -- here is an
11 example, and it is hard to see, but the wires are
12 actually up here. I don't know that you can see them
13 from where you are at. But if you get closer, you would
14 see, and there is the edge of a pole right there, so I
15 think we are taking the picture right under the H-frame.
16 But that is the line going overhead, and here is a
17 little shed-type structure, fence line and part of a
18 building.

19 This is the area that some of the public did
20 comment on today. This is just north of Canez
21 substation. Here is an instance where we did have to go
22 in and replace an H-frame structure because of a problem
23 on the old pole and it was a major problem for UNS
24 construction crews to go in and put this pole in. In
25 this case, they were able to do it. They worked with

1 the landowner to get in there. The vegetation does
2 exist under the line. Fences.

3 Now, just before we move on, this is kind of the
4 bosque area on the north end. There is Canez
5 substation. We will be talking later about our
6 preferred alignment that goes over along the railroad
7 right here. But, again, for this -- the purposes of
8 this flyover, we are going over the existing alignment.

9 CHMN. FOREMAN: Member Youle.

10 MEMBER YOULE: Can you go back to the photo with
11 the encroachment and vegetation. I have one question,
12 aren't there regulatory requirements for vegetation
13 clearance that you are under?

14 MR. BECK: Yes, there are. In fact, you heard a
15 little bit about that through the public comment today.
16 About six to eight months ago, UNS Electric was going
17 through doing a lot of vegetation management on its
18 system. In fact, in major portions of the area, along
19 the line through some of these areas, we did go in and
20 do a lot of vegetation management, and I think we have a
21 picture coming up that will show that. We've seen at
22 least one in public comment on this board showing the
23 cleared right-of-way, and that was done for vegetation
24 management purposes to meet NERC requirements that we
25 are obligated to meet.

1 MEMBER YOULE: Is that coming down from the
2 federal level?

3 MR. BECK: From the federal level, FERC,
4 federal.

5 MEMBER YOULE: And NERC.

6 MR. BECK: And to the extent we don't meet
7 those, we are subject to fines if we have an outage.

8 MEMBER YOULE: The area of vegetation in the
9 photo that we looked at before, does that have to be
10 cleared out further around that pole?

11 MR. BECK: In this case, right around the pole,
12 we are probably okay, because we have enough clearance.
13 That is why this -- we didn't pursue clearing on some of
14 the problem owners near poles. Out in mid-span you see
15 a clear-cut and our preference is to do clear-cut for
16 maintenance reasons and access reasons.

17 MEMBER YOULE: And fire prevention.

18 MR. BECK: Ends up being a fire break, whether
19 it be in this type of vegetation or out in the forest
20 lands.

21 MEMBER YOULE: Thank you.

22 CHMN. FOREMAN: Perhaps this would be a
23 convenient time to take a break. Let's take a 15-minute
24 break. We will be at 3:15 p.m.

25 (Recess from 3:01 p.m. until 3:15 p.m.)

1 CHMN. FOREMAN: We are back on the record.
2 Counsel, you may resume your examination.

3

4 DIRECT EXAMINATION (Continued)

5

6 MR. DERSTINE: Mr. Beck, why don't you proceed
7 with the flyover where we left off?

8 MR. BECK: We will basically -- we are going to
9 continue to go to the south from the Canez substation.

10 We are at a turning point right here where we
11 have a picture. Now, this does show the clearing that
12 is taking place relative to vegetation management, and
13 as you can see, it is a pretty clear swath from Canez
14 substation south.

15 MEMBER MUNDELL: Can I just ask a question.

16 CHMN. FOREMAN: Mr. Mundell.

17 MEMBER MUNDELL: Mr. Beck, I'm not understanding
18 what the previous picture -- could you put that other
19 picture back up again? Why is that okay? I mean, I
20 honestly am not understanding. Is it just because you
21 don't want to deal with it because there are homeowners
22 there? From a safety standpoint, a technical
23 standpoint, from the national standards? I honestly am
24 not understanding. I've always been under the
25 impression you want that vegetation away so you don't

1 have arcing and things of that nature. You just showed
2 me the other picture of how pristine it was underneath
3 the poles. Now we are back -- it does go to the
4 location, I will get to it when the time is, you know,
5 when it is appropriate, to understand your selection of
6 the different routes, because could you please explain
7 why this is okay from a -- again, from a technical and a
8 safety perspective.

9 MR. BECK: Yes. In the vicinity of the pole,
10 there is a lot more clearance to the conductors. The
11 conductors are way up in the air attached to the
12 insulators on the pole. As you get up in the span, the
13 wires sag or drop, and they are getting closer to the
14 ground. Therefore, clearance becomes more of an issue
15 out mid-span.

16 MEMBER MUNDELL: That is the arcing I've always
17 been told about; correct?

18 MR. BECK: Correct. So our general philosophy
19 is to try to clear-cut rights-of-way along the whole
20 route. That is just a typical standard for TEP and
21 UNSE. In this case, because access was potentially
22 blocked by the resident, we didn't go through this area
23 and clear-cut right up against the poles. But we still
24 had sufficient clearance. It wasn't a clearance issue
25 in here that caused us a problem where we had to go in

1 and actually clear this vegetation.

2 MEMBER MUNDELL: I appreciate that, but back to
3 the question of the right-of-way versus a fee simple. I
4 mean, you said -- then you said the landowner may not
5 let you have access. I mean, I guess maybe you are not
6 the right person to ask the engineer versus the lawyers,
7 but do you have, I will just throw the question out at
8 some point in time, do you have the ability to go on
9 there and clean up the trees and the shrubbery, et
10 cetera, if we were to pick this route?

11 MR. BECK: I believe for the majority of the
12 route, we do. Again, there are some legal questions
13 involved, but we probably have the right to go in and
14 clear-cut the majority of this right-of-way. If there
15 is areas right next to pole structures that we would not
16 have to cut and we can work with the resident on that
17 and leave some vegetation, we will do that. We won't go
18 in and clear-cut just for the sake of clear-cutting as
19 long as there is no clearance issues to the lines. So,
20 again, up right next near a pole, clearance isn't much
21 of an issue. You have vegetation, because if you get
22 out mid-span, you have to get rid of everything right to
23 the ground because of the clearance requirement of the
24 vegetation.

25 MEMBER MUNDELL: I will have follow-up questions

1 when we proceed. Thank you.

2 CHMN. FOREMAN: Member McGuire.

3 MR. MCGUIRE: What about maintenance on that
4 pole? How do you get to it in an emergency?

5 MR. BECK: In this particular instance, and I
6 was just talking to Mr. Campana, I believe this is
7 actually his property here, and he provided us a gate on
8 each end of his property, so we did have access in here,
9 and he worked with us when we set that pole and replaced
10 it.

11 MR. MCGUIRE: Can you explain to me what you
12 meant earlier to somebody's question. I thought you
13 said you had 100-foot, quote, unquote, right-of-way
14 currently. Is that what you said?

15 MR. BECK: In the stretch that we are talking
16 about, yes.

17 MR. MCGUIRE: What is your right-of-way here?
18 I'm not talking about the encroachment -- what was your
19 original right-of-way? Let me ask the question
20 differently.

21 MR. BECK: The majority of our right-of-way is
22 100-foot, but there are some areas, very minimal areas,
23 that have less than the 100-foot width.

24 MR. MCGUIRE: Will this -- this doesn't look
25 like more than three or four feet and I'm trying to

1 understand, where is the right-of-way in this picture?

2 MR. BECK: The right-of-way would be somewhere
3 on this property, so there has been a fence put on our
4 property, but he did provide a gate at each end so we
5 had access to get in and out, so, you know, that type of
6 a use in consultation with us, we can work with the
7 property owner if they want to fence a piece of property
8 as long as we have access to get in and do what we need
9 to do. In this case, we do have that.

10 MR. MCGUIRE: But as I understand your proposal,
11 you are asking this Committee not to use the existing
12 right-of-way for this section and to go to another
13 location, your preferred route, you know, totally new
14 piece of property; correct?

15 MR. BECK: That's correct. And the reason that
16 we are identifying that as our preferred route for the
17 most part is to alleviate construction and access issues
18 along the existing alignment. Granted, we may have the
19 right to go in and bull doze a path along that
20 right-of-way. We didn't feel it was in the best
21 interest of all of the property owners there for us to
22 do that, and with the cost that it would take for us to
23 do that type of clearing of encroachments, we could move
24 the line probably at a wash in cost.

25 MR. MCGUIRE: That was my follow-up question.

1 If the analysis has been done that it is going to cost
2 less money to use your preferred route than to use the
3 existing route, and you've taken into consideration, I
4 guess, the right-of-way costs, too, in your analysis?

5 THE WITNESS: Well, as I mentioned, we don't
6 have a good right-of-way number, yet. But from a
7 construction standpoint, for example, in Segment 2, the
8 preferred alternative, we estimated a construction cost
9 of \$8.5 million and for the alternative on the existing
10 line, \$8.2. So there is a \$300,000 difference.

11 MR. McGUIRE: Thank you.

12 CHMN. FOREMAN: Member Eberhart.

13 MEMBER EBERHART: Thank you. One quick
14 question. For right-of-way that you currently own, if
15 you are to build on the preferred alternative, which
16 would be a different alignment, what does TEP propose to
17 do with the existing right-of-way, which would then be,
18 I assume, abandoned?

19 MR. BECK: There are portions that have some
20 existing distribution underbuild, which you will see
21 some of in another picture coming up. In the areas we
22 have that distribution, we would maintain the
23 right-of-way for the distribution line. We would take
24 the 115 kV conductors and one of the poles on the
25 H-frame out and leave the other pole to hold up the

1 distribution line, and where we don't have distribution,
2 we likely would have either abandoned or sell that
3 right-of-way.

4 MEMBER EBERHART: Thank you.

5 MR. BECK: We are continuing south from Canez.
6 This is the area where you start to see a lot of terrain
7 issues. There are some houses. You get really dense
8 activity up in here, which we will show you some
9 pictures of, and then just the terrain issues of trying
10 to get access. When the line was originally built,
11 access came down the ridge line. The construction
12 people drove up and down the ridges to get to the poles.
13 Well, as you can see in a lot of these cases now, these
14 ridges have houses on either side that are blocking
15 access. Some of them still have access. If there is a
16 road, frontage road or a road to these residences, but
17 some of these have been blocked by houses, and it is
18 very difficult to get in to some of these locations to
19 either maintain the poles and/or rebuild them.

20 Now, here we are just south of Rio Rico. Here
21 is an example of a patio wall. Here they did leave a
22 gate, but it is not likely we could fit a line truck
23 through that gate to do any work. Going a little
24 further, you will see a tin shed built under the line, a
25 fence line, some vegetation. And this is just right

1 outside of Sonoita substation. Here is the distribution
2 that is on -- attached to that existing 115 kV line. It
3 is hanging on this one side of this pole. If we don't
4 use this right-of-way for the new line, this
5 distribution would stay in place, and we would remove
6 the 115 that is above it and one of these poles. As you
7 can see, the access, when you have to take a fence down
8 or a lot of vegetation out of here to be able to get
9 access.

10 Now, as we continue south out of Sonoita, things
11 are pretty good. We go along some industrial here, the
12 wastewater plant, a little bit of a turn. There is a
13 little more development here, and we get into some hilly
14 terrain again. Come across and head Old Tucson Road. I
15 have a picture here. This is showing we are in the road
16 right-of-way. This is Old Tucson Road looking south.
17 There is the 115 line right along the right-of-way. It
18 is workable. We can rebuild that section.

19 Continue along Old Tucson Road using the old
20 right-of-way until we get to the intersection of Grand
21 Avenue. Here is where we get into some real problems,
22 and we will talk after about our alternative that comes
23 around this way to skirt this problem. We will show you
24 a few pictures along here. This is looking along Grand
25 Avenue looking to the north. You can see there is a gas

1 station here with a canopy under the line. We have
2 distribution as well as the 115 kV above it. Other
3 structures down -- further down. This is
4 ADOT-controlled access. There is issues with where ADOT
5 would allow us to put poles. We looked at possibly
6 relocating to the east side. That was not feasible from
7 an ADOT perspective. To go back in here and rebuild
8 this, we would have to build a shoofly to temporarily
9 realign this and then rebuild all of this in place and
10 take the shoofly out, and there were issues to ADOT
11 relative to some extreme crash protection materials we
12 would have to put around the poles.

13 MEMBER PALMER: Mr. Chairman, I'm a little
14 confused. This is a 40-year-old 115 kV line; correct?

15 MR. BECK: Correct.

16 MEMBER PALMER: To construct that, you need
17 either a right-of-way easement or fee simple
18 right-of-way acquisition; correct?

19 MR. BECK: I believe along -- within Grand
20 Avenue alignment, we were able to build within the road
21 right-of-way.

22 MEMBER PALMER: But in the earlier examples of
23 encroachment, the encroachment occurred after the fact
24 of the installation of the 115 kV and the acquisition or
25 the acquisition of right-of-way and the installation of

1 the actual line. So how did that encroachment happen if
2 you had 100-foot wide right-of-way? How did somebody
3 just decide to construct a structure that interfered
4 with your access to the line?

5 MR. BECK: I think it is just a case of the
6 individuals along the way decided to build something,
7 and I don't think the county had strong building code,
8 building inspection requirements, especially on some of
9 the more remote rural areas, and they just put up their
10 structures.

11 MEMBER PALMER: But there is integrity in the
12 right-of-way. In other words, you've got a legal
13 standing to have that right-of-way and to prevent
14 construction within that right-of-way without your
15 permission?

16 MR. BECK: I believe that is correct, yes.

17 MEMBER PALMER: Because this is part of your
18 argument for deviating from the current existing line,
19 part of your argument is that you have limited access in
20 some areas?

21 MR. BECK: Correct.

22 MEMBER PALMER: Thank you.

23 CHMN. FOREMAN: I have a question, and the
24 question is: You mentioned the need to conform to FERC
25 and NERC standards that have been in place for a long

1 time. I'm not familiar with those standards, but I'm
2 guessing that it is not a good idea to build a gas
3 station underneath one of the high voltage transmission
4 lines. Is my guess correct?

5 MR. BECK: There is issues with where you put
6 the pumps and the tanks, and in the case you saw, it was
7 a canopy, and I don't think there is any code
8 requirement that we can point to to say, you can't do
9 this. Now, if they had come forward in a planning
10 process and we were notified, we would have that
11 discussion with the landowner that that is not a good
12 idea, but, you know, down in this area, it appears that
13 these buildings and structures were constructed maybe
14 with minimal county intervention, oversight, whatever,
15 and at the time, Citizens Utilities apparently wasn't
16 watching their right-of-way, because they could have
17 gone out and said, don't do this, stop, cease, we are
18 removing.

19 But we purchased the system that had all of
20 these encroachments in them. We are now faced with we
21 want to rebuild the line. We could go in there and
22 just, under the rights we have, say, remove all of these
23 encroachments. More than likely, we would incur the
24 cost of moving the encroachments or go through a long
25 court battle of who is right and who pays and how, or in

1 the instances we've identified, we do have an
2 opportunity to relocate the line. If this Committee
3 were to decide and the Commission were to say, build the
4 line in the existing alignment, we would find a way to
5 do that.

6 CHMN. FOREMAN: Is there a way to build the line
7 along that alignment over the top of the Texaco station
8 and be consistent with federal regulations?

9 MR. BECK: But for the section along Grand
10 Avenue. I should have qualified that. Where all the
11 residential stuff is, those areas we can fix the
12 problems. Where we have a gas station here, that is
13 more of a problem. But the bigger problem for us is
14 actually the construction of the line itself. To go in
15 and rebuild that line in its location, regardless of
16 whether or not there is a safety concern, for example,
17 the gas station, the canopy being under the line, to be
18 able to build that line, we have to take the existing
19 line out just to be able to physically put the new line
20 in its place. To do that, we would build a temporary
21 shoofly, which would incur considerable cost, a
22 temporary right-of-way somewhere. Potentially doable at
23 quite a bit of cost. All the cost, then, of rebuilding
24 this segment of line and transferring the line back over
25 to this. So...

1 CHMN. FOREMAN: Let me just try to focus in on
2 this issue, though, because I find it very troubling.
3 You mentioned that the 100-foot right-of-way, I think,
4 is a NERC requirement?

5 MR. BECK: No. The -- what I was referring to
6 was some of the vegetation clearing requirements are
7 NERC and FERC requirements.

8 CHMN. FOREMAN: I can't believe that NERC would
9 require you to take a mesquite tree out of the 100-foot
10 right-of-way and not require you to take a gasoline
11 station out of the 100-foot right-of-way.

12 MR. BECK: If there is sufficient clearance
13 between the conductor and the canopy, that is all the
14 code calls for, X number of feet from an object to the
15 line. If you look at the sag of the line, when it is
16 operating at a high temperature, determine what the
17 clearance would be and if it meets code, you've
18 satisfied the code requirement.

19 CHMN. FOREMAN: Is there a safety rationale for
20 that or is this just an indication that the gas station
21 lobby is stronger than the mesquite street lobby?

22 MR. BECK: I guess the biggest thing relative to
23 the vegetation management, it was determined that a tree
24 caused the major outage, I believe, in 2006 in the
25 midwest and the east, and as a result, NERC and then

1 FERC jumped onto the vegetation management issue as a
2 major issue and created a bunch of new standards and
3 clearance requirements and, apparently, they haven't
4 identified an issue with, for example, a gas station
5 that they want to raise up the flagpole and make a
6 standard for. So the only thing that applies to an
7 immovable object like that is meet this clearance
8 requirement, X number of feet, show that it -- you meet
9 it in all conditions, and it is satisfactory.

10 CHMN. FOREMAN: Okay. Thank you for that.

11 MR. BECK: Next picture. This picture is a
12 little bit further south, looking to south. Across the
13 street is the 115 line. Again, you will see street
14 light standards, some development fairly close to the
15 line, not directly under, but close to it.

16 Next picture. Here again, this one is looking
17 to the north. The 115 line distribution underneath,
18 some communications conductors, some apartments in here,
19 and other development off in the distance.

20 MEMBER EBERHART: Mr. Chairman.

21 CHMN. FOREMAN: I'm sorry, Member Eberhart.

22 MEMBER EBERHART: Just a quick question. Could
23 you go back to the previous slide or the previous
24 photograph? Yeah. Given the concept of upgrading the
25 line from 115 to 138, would it be possible, feasible to

1 reconduct the lines with the existing poles and such not
2 to have any new poles in this Grand Avenue area?

3 MR. BECK: In order to change this voltage from
4 115 to 138, all the insulators need to be replaced with
5 a longer insulator. We replace the top one, you will
6 have insufficient clearance to the arm below. If you
7 try to move that arm down, you are going to run into
8 clearance problems with the ground and there is just no
9 place to move it up. Not to mention the fact with the
10 age of these poles, and the load that are on these
11 poles, they are maxed out the way they sit today. You
12 move that arm up, you are increasing the loading on the
13 pole. The pole is likely to fail. So you pretty much
14 need to replace that -- each of these poles.

15 MEMBER EBERHART: Thank you.

16 CHMN. FOREMAN: Are these the 40-year-old poles
17 with the life expectancy of 40 years that you spoke of
18 earlier?

19 MR. BECK: Yes, some of these are. In this
20 case, along Grand Avenue, because they were originally
21 had some issues with clearance, rather than H-frame
22 structure, they put in single wood poles. Just
23 considering an H-frame, you are distributing that load
24 over two poles. Put all that load on a single pole.
25 These are really highly stressed poles on the system,

1 and they are in that range of 40 plus years old.

2 Again, this is just another picture with some
3 encroachment underneath the edge of the line. Again,
4 this is being road right-of-way, this speaks to building
5 codes and requirements, how people were able to build
6 there. I can't speak for that.

7 Now we are going to go down and we turn away
8 from Grand Avenue.

9 Could you put it there.

10 This is where we are coming south, this is the
11 county complex here on the top of the hill. This is a
12 pretty good-sized hill. In this area right here is the
13 trailer park and the area that we've asked for the
14 1,250-foot wide corridor. Strictly for this property
15 and this property owner, because early on in the
16 discussions, we identified that he was looking to
17 redevelop his property, probably remove these -- this
18 trailer site park out of here, and he was very
19 interested in trying to realign the line on one edge or
20 the other of his property, basically change out the
21 easement or right-of-way we had down the middle over to
22 one edge or the other. And we are over some trailers in
23 here. We have some encroachment issues here, but that
24 property owner is willing to work with us in relocating.
25 But we haven't finalized on what side works best for him

1 and for us. So that is why in the application we ask
2 for a 1,250-foot corridor for that one property.

3 CHMN. FOREMAN: So here again, displaying my
4 ignorance here. The NERC regulations require you to
5 move trees, but a metal prefabricated house underneath
6 the high voltage line, that is not a violation?

7 MR. BECK: Again, as long as there is
8 satisfactory clearance that can be maintained at all
9 times.

10 CHMN. FOREMAN: Well, if a line snaps or breaks
11 or there is fault and it goes down, I mean, there is a
12 problem.

13 MR. BECK: There is a problem, but there is no
14 code requirement that says --

15 CHMN. FOREMAN: I apologize for revisiting this,
16 but I'm just learning as we go along here.

17 MR. BECK: These codes are very interesting.
18 Continue, Clark.

19 You will see we cross over Mariposa Road right
20 here, and then head from the west into Valencia
21 substation, and we will talk a little bit more of the
22 one alternative that was mentioned here today coming
23 over this way, a big concern about this development,
24 this area.

25 With that, I think we will go on to...

1 MR. DERSTINE: Yeah, that concludes your
2 overview and your overfly of the existing line,
3 Mr. Beck?

4 MR. BECK: Yes.

5 CHMN. FOREMAN: That is the short version.

6 MR. DERSTINE: That is the -- well, I would
7 debate whether that was long or short. That was the
8 length of the line, the existing line, and some of the
9 factors that the company encountered along the way from
10 north to south. I think the approach now and what we
11 would like to present to you is a breakdown segment by
12 segment that will outline the alternatives, drill down a
13 little further into the environmental factors, including
14 the bosque area that we heard a considerable amount of
15 public comment about.

16 Mr. Warner, can you give us kind of an overview
17 on what we will see and how you will present this
18 information to us?

19 MR. WARNER: Yes. First of all, I would like to
20 make a couple comments about the study area overall. It
21 is unlikely that you've had a project like this or that
22 you will see another project like this for some time
23 where it is basically rebuilding an existing line and it
24 has such substantive issues. In order to get a little
25 bit of perspective, I want you to think back about what

1 you were doing in 1960 when this line was built. What
2 has happened here in much of the area toward the south
3 is that the line was built and the fabric of the
4 community sort of weaved in around this thing, so I want
5 you to think about that as we look at these alternatives
6 and these encroachments. These people were just, you
7 know, doing what they -- living their lives and living
8 in existence with a line that wasn't changing very much
9 and didn't require a lot of poking around. So that is
10 basically what we are set with, and so what I want to do
11 is highlight basically on this.

12 Clark, if you will bring up the place mat map on
13 the right here just for a moment.

14 I want to focus you in on basically the siting
15 issues that sort of drove our valuation of the route and
16 what became substantive as part of our study. On the
17 north, near Nogales Tap, clearly we had a connection
18 that needed to be made to the Vail substation and so we
19 considered alternatives up here, so I will talk about
20 that in a minute. This is, of course, all existing.
21 And then we had down here, we have in the lower end, we
22 have the bosque, vegetation issues. Further south, we
23 have alternatives that were considered as a result of
24 encroachment that has to do mainly with residences, and
25 then as you approach Valencia substation, encroachments

1 and limited access that are related to more commercial
2 industrial uses. So we are going to talk about
3 alternatives for each of those.

4 So let's talk about the upper end. In the inset
5 here depicts the preferred alternative in orange. This
6 alternative follows outside of -- outside of the Vail
7 substation along an existing line that runs east/ west,
8 and then turns -- Clark, let's take a look at the photo
9 at the intersection right there. That is the existing
10 line that runs to Vail, and we would be paralleling that
11 line.

12 Let's go to the next -- that line runs straight
13 north/south between the state and federal prison
14 complexes, along the road and then on to Nogales Tap.
15 And you've seen a picture of Nogales Tap, so I won't
16 bore you with that, but basically what it does is
17 disconnects the Nogales Tap and just ties into that
18 existing line that goes south. Here is a simulation.

19 CHMN. FOREMAN: Member Wong.

20 MEMBER WONG: Mr. Chairman, I'm sorry, earlier
21 you were referring to a preferred alternative. I think
22 we need a clarification. Is it preferred route or
23 alternative route.

24 MR. WARNER: This would be the preferred
25 alternative route for the TEP as included in their

1 application, preferred route, sorry.

2 MEMBER WONG: Just wanted that clear for the
3 record. Thank you.

4 MR. WARNER: In your application, in exhibit G,
5 you have a simulation depicting a viewpoint in -- and I
6 will point it out to you on the Google map here. It is
7 depicted by a star here. This is the nearest
8 residential area, and you can see, you are not going to
9 see it very well on the slide here, but if you pulled
10 out your photo and look under exhibit G, you can see the
11 small red circles and they depict the location and the
12 placement of what those poles would look like from those
13 views of the residences. That view point was chosen
14 because those are the nearest residences to these areas
15 here.

16 Let's go on. This preferred route was chosen
17 primarily because state lands preferred this as the
18 alternative. The environmental issues were not
19 substantially different between them. The route is a
20 little bit shorter, and it does use more of the existing
21 already built line and provides another opportunity to
22 connect into the Nogales Tap if that was ever necessary
23 in the future.

24 Let's take a look at the next segment. This is
25 the alternative route. The alternative alignment. It

1 departs out of the Vail substation and goes south
2 paralleling existing lines there and then intersecting
3 another alignment of existing lines that runs east and
4 west. This is a little bit longer. State lands did not
5 prefer this alignment. But most, as I already
6 mentioned, the environmental factors between the two
7 routes are similar.

8 MR. DERSTINE: Mr. Warner, can I can stop you
9 and ask Mr. Beck.

10 Mr. Beck, were there any constructability or
11 construction issues that you took into account or the
12 company took into account in selecting the preferred
13 route over the alternative?

14 MR. BECK: The major difference is in the length
15 of line, the southern line being a little bit longer
16 will cost a little more to construct and, therefore, the
17 northern line would be cheaper. Also, we would not be
18 abandoning the portion of line that goes from where the
19 southern alignment would be to the Nogales Tap, so the
20 northern alignment would be a little cheaper. Both of
21 them are fully constructable and have no problems from a
22 constructability standpoint.

23 MR. DERSTINE: Thank you.

24 CHMN. FOREMAN: Member Eberhart.

25 MEMBER EBERHART: Mr. Chair, Mr. Beck, one quick

1 question regarding either of the alternatives. It
2 appears they both have an existing line parallel. Would
3 there be an opportunity to combine the lines and
4 underbuild the existing lines that are there?

5 MR. BECK: Theoretically, it would be possible.
6 It would be costly to do that. The lines on that
7 northern route are on lattice-type structures, and we
8 would have to go in and completely rebuild those
9 structures to a minimum of a double circuit
10 configuration, and then you get back to the issue of
11 having both lines on one structure, so there is a slight
12 preference to put a stand-alone structure.

13 MEMBER EBERHART: Mr. Chairman, remind me again
14 on the northern route, the preferred route, what is the
15 existing line voltage, is that 238?

16 MR. BECK: I believe we've got -- I know we have
17 138 on the northern. I believe we also have 345 line
18 along that alignment.

19 MEMBER EBERHART: So, Mr. Beck -- Mr. Chairman,
20 Mr. Beck, would there be three parallel facilities in
21 that northern preferred route?

22 MR. BECK: We will zoom in so we can get a
23 better look at it.

24 You can see there is a structure right here and
25 then a structure here.

1 MEMBER EBERHART: So there would a third, the
2 new route would add a third route. What would be the
3 separation between the new route, the new line and the
4 existing lines?

5 MR. BECK: We haven't actually determined that
6 at this point.

7 MEMBER EBERHART: Mr. Chairman, Mr. Beck, would
8 the applicant agree to a stipulation that we have in
9 previous cases that there be a certain distance between
10 the two in case a pole would fall over and prevent that
11 from knocking down the other line?

12 MR. BECK: That would be something we could work
13 with, yes.

14 MR. WARNER: I'm not going to spend time talking
15 about the built portion unless the Committee feels like
16 they want to hear more about that.

17 Let's move down to where these two alternatives
18 are. First of all, I would like to talk about the
19 preferred alignment and then let's just move through
20 that. You can see the blue line bailing off to the
21 right, that is the alignment that goes down and then
22 connects parallel to the railroad right-of-way along the
23 Santa Cruz River, and you've heard some folks from Tubac
24 already tell you how they feel about that. The
25 preferred line goes directly south on the existing

1 alignment replacing the existing wood H-frames with
2 steel monopoles.

3 Let's move down the alignment, Clark.

4 For this first portion, it is largely state
5 lines or state lands. You can see that in your -- in
6 your place mat map as you are exiting the Kantor
7 substation. We are in Santa Cruz County now.

8 Why don't you stop and show us a photo there.

9 This is a three-pole structure. It is more
10 robust because the ground is hilly and they require a
11 little more structure.

12 Let's move on. That is all the family of towers
13 in the H-frame structures they've got in here. As you
14 continue further south, you are going to start seeing
15 some of those residences start to appear in just a
16 minute when you start getting into the private land.

17 MR. DERSTINE: Mr. Warner, this is the existing
18 route we flew over with Mr. Beck. In this instance, the
19 existing line is the preferred route; is that right?

20 MR. WARNER: That's correct. And off to the
21 west is Tubac, and as we continue further south to
22 Tumacacori. All right. Mr. Beck has already talked
23 about this. This is pretty straightforward. In the
24 course of our outreach activities, there wasn't
25 resistance from this line at this point.

1 Okay. Now we are going to focus on entering the
2 bosque. This is the area that there have been a number
3 of comments made today.

4 Stop here for a moment.

5 I want to point out the entrance there. The
6 first photograph depicts the area and its current
7 condition that has been recently cut and cleared.

8 Let's go to the next photo.

9 This, again, it is cut and cleared. You've seen
10 this photo again.

11 Now, primarily, the reason that we went along --
12 moved to the railroad right-of-way in this location,
13 now, that is showing the existing alignment, but
14 already, as already explained, that was not our
15 preferred alignment. As part of the outreach
16 activities, and Mr. Miller will talk about the specifics
17 about what occurred and how many newsletters and those
18 kind of things in a moment, but for the participants in
19 the outreach activities early on, they expressed a
20 preference for aggregating those two alignments into one
21 and moving it towards the railroad right-of-way.
22 Paralleling existing structure of the railroad
23 right-of-way and getting it over on to the side.

24 We recognize this area as an environmentally
25 sensitive area in aggregate. The -- and I'm talking

1 about the entire bosque, and I think testimony was
2 provided earlier. It says there is a big difference
3 between some portions of that bosque and others, and
4 certainly Mr. Jakle is qualified and he is there all of
5 the time to point out those issues, and we wouldn't
6 raise issue with his observations and we concur his
7 observations would identify, you know, some special
8 features of that area. I think we chose in our analysis
9 to value aggregating the lines together and that that
10 would be the best expression of environmental
11 sensitivity for this area by allowing that aggregate
12 parcel to function as a bosque. So that is why, but
13 that wasn't why we moved to the edge. We moved to the
14 edge because it was the expressed preferences of the
15 people that were participating in the process at that
16 time, and that is basically what drove us to be over to
17 the right of the railroad right-of-way.

18 Now let's continue further south.

19 CHMN. FOREMAN: Mr. Warner, let me stop you
20 there. There have also been a number of suggestions
21 that going across the river, the railroad might be a
22 possible placement, and I understand you folks rejected
23 that. Could you tell us why?

24 MR. WARNER: This is a good photo to tell part
25 of that story and then I will have Clark bring up

1 another exhibit that you haven't seen, or another slide
2 you haven't seen. I want to point out the river in this
3 location. The river across all of this location is
4 fairly wild. Meaning, it is not channelized. It has
5 the ability to move within the floodway and Clark is
6 going to pull up -- do it on the right-hand side, if you
7 can, Clark. I don't know if that is possible. It is
8 not possible, so I will do it from this slide, but let
9 me do it in a moment.

10 I want you to notice, the energy of the river
11 flows from the north to this -- or from the south to the
12 north in this location. And you will notice its current
13 channel right now forces it directly at the railroad
14 right-of-way, which was an embankment that prevents the
15 river from going further in this direction, so all the
16 energy of the river is stopped by the existing railroad.

17 The railroad, or I mean, the river is an organic
18 beast in some respects. It will go where it needs to go
19 and it will flow. In this channel, it will flow
20 wherever it wants to. Even though the channel is here,
21 it may move over here later. When it flows, accessing
22 the existing structures is problematic. Putting
23 structures within the river channel itself, although can
24 be done, is problematic, and because we had an existing
25 right-of-way to move into the expressed preference and

1 an existing right-of-way that we were in, it didn't seem
2 reasonable to try to embrace that kind of -- that kind
3 of condition. In addition to that, this is heavily
4 grazed here, so the understory is taken, but because it
5 is a flood channel, it is likely that if the grazing
6 ever stops, it would be a very, very rich environmental
7 setting, and there is evidence of that in some places
8 that aren't as heavily grazed down here. So unlike on
9 this side where this is open for private development,
10 from an environmental standpoint, it also faces some, I
11 guess, long-term value that couldn't be replicated by
12 choosing something on the west. That seemed to prevent
13 or seemed to have a couple of options that looked pretty
14 good.

15 CHMN. FOREMAN: So are you indicating -- and I'm
16 just trying to understand your testimony. Are you
17 indicating here that if you were going to go west of the
18 railroad, there is really no place to put the line that
19 is stable unless you got over close to the interstate?

20 MR. WARNER: Yes, that is right.

21 And, Clark, if you could bring up the floodplain
22 map. I just want to use that as a -- and some of you
23 have seen those kind of maps. If you could zoom in on
24 this area a little more closely. Now I'm going to ask
25 you to do some magic here. Is this a PDF file?

1 MR. BRYNER: Yes.

2 MR. WARNER: I'm going to try to point out some
3 of these features, but basically, you can see -- can you
4 toggle between the Google map and this one? Toggle me
5 back just for a minute.

6 You can see the channel of the river here and we
7 are looking at it in the opposite direction.

8 Can you spin me around so it will point the same
9 way so they can recognize land features? And then zoom
10 back to almost the same angle. Okay. Zoom out just a
11 little bit, if you would. Okay. Now toggle me back to
12 the map we were just looking at.

13 Now you can see the channel of the river right
14 here as it jumps in here. This area right here, this
15 hatching area, is called the floodway. That is where
16 the energy of the river is the most severe. So go back
17 to the -- and anything that is blue is in the
18 floodplain, so you can see there are only little
19 portions along the right-of-way that might allow you to
20 get over here. So if you are going to come over here,
21 you would jump across and then you wouldn't be able to
22 do that here. You would basically have to do that down
23 here someplace, jump across, come back, jump across.
24 You eventually have to get back to this substation and
25 interconnect with the existing substation.

1 Go back to the map just a minute, so we can just
2 look at that a little more carefully. Just outside the
3 flyway, there is a portion right in here, but this is
4 all clearly in the floodway and further down it is in
5 the floodway, as well.

6 MR. DERSTINE: Mr. Warner, is this a good time
7 to have Mr. Beck talk on the constructability and
8 engineering issues involved with moving over the
9 railroad and possibly building the line in this area?

10 MR. BECK: Clark, could you go back to the
11 Google?

12 From UNS perspective, if we were to cross the
13 railroad, come on this side, effectively you have a
14 floodway or a channel created by the railroad on the one
15 side, I-19 on the other side. The river will be able to
16 meander back and forth anywhere within those two
17 boundaries and likely will over time. Wherever we put
18 structures on this side of the railroad, there is a good
19 chance that we are going to encounter future flooding
20 issues of those structures. We would have to go with
21 very deep foundations to accommodate potential scour
22 from the river and as you've heard already, there are
23 relatively shallow groundwater issues in here. We would
24 be hitting groundwater as we drilled for those
25 foundations.

1 If, in fact, during the flood we had a problem,
2 access would be difficult for us to get in there and
3 work on the structures. It would entail a crossing one
4 direction of the railroad as well as a crossing back in
5 the other direction, crossings of railroads to the
6 extent we can -- are -- we try not to. There is
7 permitting issues, additional clearance issues with the
8 railroad. It can be done, but there are some costs
9 involved.

10 Permitability of the foundations and the
11 structures in the river channel is questionable. The
12 whole floodplain issue is being redeveloped by FEMA and,
13 in fact, Santa Cruz County is looking at the floodplain
14 issues. The map that you saw is a draft floodplain map.
15 It hasn't been finalized, and they state right on their
16 map that no construction is allowed within the
17 floodway-defined zone because it can raise water levels
18 upstream from whatever thing you might put in the river.

19 Our experience with structures and foundations
20 in river channels is that they tend to collect a lot of
21 debris, and with the rich vegetation that does exist
22 along that Santa Cruz River valley, there will be large
23 trees, branches and so on coming down that river when it
24 does flood. Those tend to catch on the foundations and
25 create damage, and will tend to really raise the water

1 level upstream. So whether we could even permit it from
2 a county perspective is questionable.

3 CHMN. FOREMAN: Member Mundell.

4 MEMBER MUNDELL: Thank you, Mr. Chairman,
5 Mr. Beck. So your preferred alignment on the east side
6 of the railroad has none of those same concerns or
7 floodplain concerns?

8 MR. BECK: Not from the Santa Cruz River
9 standpoint.

10 MEMBER MUNDELL: Okay. But from other?

11 MR. BECK: From some of the tributary streams
12 there can be some flows coming off these hills, but
13 because they are transversed to the line, we can
14 typically span those and put structures on either side
15 so we are not in the floodways, per se, and they are
16 pretty defined because of the floodways and hills and
17 valleys that do exist. It is not like this river
18 channel is -- over the years, obviously, it has
19 meandered based on the vegetation that is out there.

20 MEMBER MUNDELL: Could you put the floodplain
21 slide back up, and then the railroad is where?

22 MR. BECK: Generally, along this edge here.

23 MEMBER MUNDELL: So to the east of that, that is
24 not part of the floodplain?

25 MR. BECK: This is standing water. This is --

1 MEMBER MUNDELL: I don't know. I'm just asking
2 the question. I'm trying to understand. Usually,
3 floodplains go both directions, so I was just trying to
4 understand what you were saying.

5 MR. BECK: To the east of the railroad, that
6 is -- some of that is floodplain. There can be standing
7 water in a 500-year flood. On the hashed or dashed
8 line, that is on the west side of the railroad, that is
9 called floodway. That is kind of the active channel
10 where water is going to flow in the river.

11 MEMBER MUNDELL: Thank you.

12 CHMN. FOREMAN: So following up on that, and
13 again going back to some question I asked earlier, is my
14 understanding correct that all of the floodway of the
15 river in this area is west of the railroad track?

16 MR. BECK: Yes, that is correct.

17 CHMN. FOREMAN: So the railroad track acts, in
18 essence, as sort of a dam or a barrier that keeps the,
19 at least, flowing water from the river from accessing
20 either one of the routes that you propose?

21 MR. BECK: That's correct. It is an embankment
22 or a berm that protects to the east as the freeway
23 serves as an embankment protecting to the west of the --

24 CHMN. FOREMAN: But the present alignment in
25 this particular area would be further away from that

1 floodway and I presume at a higher elevation and,
2 therefore, less likely to be reached by any 500-year
3 flood?

4 MR. BECK: That's correct.

5 CHMN. FOREMAN: Member Rasmussen.

6 MEMBER RASMUSSEN: Just for my orientation,
7 could you show me where I-19 alignment is in that
8 floodplain map?

9 MR. BECK: It is kind of hard to see. It is
10 right in here.

11 MEMBER RASMUSSEN: And south? Is it along the
12 edge of the blue? What happens down there? Does it
13 go -- does the flood go over the --

14 MR. BECK: Can you flip back, Clark? Slide the
15 whole thing up.

16 I think it is probably this interchange, the
17 water is backing up and coming back up in here. You can
18 see there is some drainages coming down this way.

19 MEMBER RASMUSSEN: Thank you.

20 CHMN. FOREMAN: Member Wong.

21 MEMBER WONG: Thank you, Mr. Chairman, Mr. Beck,
22 please clarify further, is that -- you have proposed to
23 the east of the railroad track is your preferred
24 alignment; is that correct?

25 MR. BECK: That's correct.

1 MEMBER WONG: And, then, to the east of the
2 preferred alignment is the existing transmission line;
3 is that correct?

4 MR. BECK: That is correct.

5 MEMBER WONG: Which also happens to be your
6 alternate route?

7 MR. BECK: Yes.

8 MEMBER WONG: Because the existing transmission
9 line is further east of the railroad track as well as
10 your preferred alignment, it is further away from the
11 water -- what is the term "channel"?

12 MR. BECK: The floodway.

13 MEMBER WONG: Floodway, yes.

14 MR. BECK: Yes, it is further away and higher in
15 elevation.

16 MEMBER WONG: So explain again, then, why do you
17 not want to preserve the existing transmission line
18 route?

19 MR. BECK: As I believe I said earlier, I -- I
20 want to clarify this. From a USNE perspective, we can
21 rebuild from Canez North, we can use the existing line.
22 The primary reason we went with the preferred alignment
23 that deviated and went by the railroad was from public
24 input we had early on in our public process. As we've
25 heard today, there is a lot more discussion about people

1 not liking the railroad alignment. UNS is indifferent
2 to either alignment. We can build either one. They are
3 both doable. There are some slight challenges on the
4 existing. We can overcome those and, in fact, it is
5 further away from the floodway and a little higher in
6 elevation, so -- and it has -- a major portion of that
7 has been cleared and, therefore, the clearing isn't so
8 much of an issue on the existing alignment.

9 MEMBER WONG: So your company wouldn't have any
10 major oppositions to the existing alignment if that was
11 what this Committee decided.

12 MR. BECK: Absolutely not, down to Canez and
13 even a little south of Canez. We still do have the
14 issue between Canez and Sonoita, because of the
15 encroachments, but to the extent the Committee,
16 Commission were to say, build on the existing alignment,
17 we would also work that out, but we have identified
18 another preference other than the existing alignment.

19 MEMBER WONG: Thank you, Mr. Beck.

20 CHMN. FOREMAN: Proceed.

21 MR. DERSTINE: Mr. Beck, let me ask you to just
22 clarify that last comment where you indicated that from
23 Canez South where we've talked about these so-called
24 encroachment issues, if the Committee orders you to stay
25 in the existing alignment, you could, but I didn't hear

1 and I'm not aware of any opposition to that alternative,
2 our preferred alignment in Segment 3. Am I right about
3 that?

4 MR. BECK: That is my understanding. I didn't
5 hear any real public comment to the contrary today.

6 MR. DERSTINE: We will move to Segment 3 in the
7 second. I wanted to make sure I got it. I didn't hear
8 anyone today urging against our alternative alignment in
9 Segment 3. I just wanted to make sure I didn't miss it.

10 MEMBER PALMER: Mr. Chairman.

11 CHMN. FOREMAN: Member Palmer.

12 MEMBER PALMER: I have a question for Mr. Beck.
13 In those instances where encroachment inhibits or
14 complicates access for construction and maintenance, and
15 this is probably a legal question that any of our
16 wizards can answer, isn't there an argument for adverse
17 possession in the cases where homeowners built
18 underneath the transmission lines within the
19 right-of-way and nothing was done over a 30 or 40-year
20 period? Wouldn't they have an argument for adverse
21 possession?

22 MR. DERSTINE: I think that argument is there,
23 and the legal issues associated with this longstanding
24 building of structures, patio walls, patios, whatever is
25 there, and what you will see in that area creates not

1 only a variety of only constructability issues and
2 access issues, but as you point out, Member Palmer,
3 legal issues, and that is what really drove us to move
4 away from that area in Segment 3 that Mr. Warner will
5 get to in a second.

6 CHMN. FOREMAN: Maybe this is as good as time as
7 any to address this as any. Do you folks have a problem
8 with a condition that would require you to remove
9 encroachments or at least encroachments like gasoline
10 stations from the line this Committee might approve?

11 MR. DERSTINE: I want to make sure I understand
12 your question, Mr. Chairman. In terms of future
13 alignment or future routes?

14 CHMN. FOREMAN: No, the concern I have is, and I
15 guess I'm maybe jumping ahead a little bit, but there
16 are some encroachments that are -- have been identified
17 in Segment 2 that we've talked about. If there is an
18 encroachment that we think is a safety hazard, even
19 though there may be no particular local or statewide
20 regulation, do you have a problem with us conditioning
21 approval on requiring you to enforce the legal right
22 that you have to exclude that particular encroachment
23 from the right-of-way?

24 MR. DERSTINE: I think it would largely depend
25 on what the encroachment is and what we are facing. But

1 I think as a general matter, we can certainly live by
2 that and abide by the Committee's decision.

3 CHMN. FOREMAN: Obviously, there is a
4 dramatic -- a wide disparity in the type of
5 encroachments we are talking about, but I just want to
6 sort of plant that seed, because I think that is
7 something that I'm going to at least want to address
8 again later when we get to talking about particular
9 routes.

10 MR. DERSTINE: I just want to make sure that you
11 weren't looking ahead and going to impose a condition
12 that we have to knock down that gas station. That is
13 precisely why we want to move around it.

14 CHMN. FOREMAN: Member Noland.

15 MEMBER NOLAND: Thank you. Mr. Beck, where
16 there are some of those potential encroachments just
17 like fences, patio walls, all of that, you are still
18 going to have a 500-foot corridor, are you not, to be
19 able to move some potential alignment of the structures?

20 MR. BECK: Well, I believe that is up to the --
21 this Committee. We asked for a 500-foot corridor. If
22 the Committee were to direct us to build in the existing
23 right-of-way, I think we would be restricted to the
24 right-of-way. If you go ahead and identify the 500-foot
25 corridor centered on the existing alignment, that might

1 give us flexibility to work around some of the issues.

2 MEMBER NOLAND: Mr. Chairman and Mr. Beck, you
3 have some flexibility also on where you place those
4 structures. They don't have to, as you said, be
5 necessarily where they were before. You could place
6 them before the encroachment or after the encroachment.
7 That could be part of your engineering work in the
8 preconstruction phase, can it not?

9 MR. BECK: Absolutely. We would do the best we
10 could to alleviate or eliminate or avoid any of the
11 encroachments that might be there.

12 MEMBER NOLAND: Thank you.

13 CHMN. FOREMAN: Member Youle.

14 MEMBER YOULE: Also, Mr. Beck, weren't there
15 some of those encroachments where actually you were on
16 DOT right-of-way or some other existing right-of-way and
17 it wasn't really your right-of-way?

18 MR. BECK: That is a very valid point. I
19 believe the gas station issue in particular is on -- I
20 believe on -- we were on ADOT right-of-way, and
21 therefore, we might not have the right to control what
22 is underneath the line.

23 CHMN. FOREMAN: Let's proceed.

24 Sorry, Member Eberhart.

25 MEMBER EBERHART: I do have a question about

1 Segment 2, which I think about a half hour ago is what
2 we were talking about. I heard you mention there was
3 something about combining in the lines in the preferred
4 alignment. Is there an existing line on the yellow
5 right now?

6 MR. WARNER: Yes. Member Eberhart, on the
7 yellow line now there is a distribution line that runs
8 along the -- along the railroad within an easement
9 already owned by the utility.

10 MEMBER EBERHART: I always try to ask, because
11 my preference is to combine or underbuild whenever
12 possible. Is there an opportunity -- I'm getting a
13 sense from the Committee and possibly even the applicant
14 that you would be okay with using the existing alignment
15 through this area. Would there be an opportunity to
16 underbuild and eliminate the existing distribution line
17 in this area?

18 MR. BECK: It probably would be difficult
19 because of the location and what that distribution line
20 is serving versus where the existing alignment is. We
21 could take that into consideration and look to the
22 extent we could, we could do that. I just want to
23 caution you on one thing relative to transmission lines
24 and some of the other rules we have to deal with, in
25 particular, the FCC says that on any structure that we

1 have -- the company has distribution lines on, we are
2 obligated by law to allow communication lines to then go
3 on our structures and attach to our structures. So we
4 have transmission above. We put distribution down below
5 that and we have to have sufficient clearance to make
6 that work raising the height of the pole. Then if you
7 have to accommodate the communications, it raises the
8 pole again and it causes us real problems, so that is
9 why we prefer on transmission level voltages to have no
10 distribution attached to it.

11 MEMBER EBERHART: Thank you. I hadn't heard
12 that before. So referring to the slide on the left,
13 currently, there is two existing lines, one where the
14 yellow line is and one where the blue line is; is that
15 correct?

16 MR. BECK: There is a distribution line along
17 the railroad. I think that is what you are referring to
18 and then the existing 115 kV line that is on the blue
19 line.

20 MEMBER EBERHART: So, Mr. Beck, if we upgrade in
21 the existing alignment from the 115 to 138, we would not
22 be adding any new lines to the landowners in this area.
23 It would just be modifying the existing line, and that
24 is always a concern is when you add a new line. It is,
25 you know, much more detrimental than upgrading an

1 existing line.

2 MR. BECK: That's correct, and that is why our
3 original concept was just rebuild it in place, because
4 it is already there. We are just improving it.

5 MEMBER EBERHART: Thank you very much.

6 CHMN. FOREMAN: Member Palmer.

7 MEMBER PALMER: Mr. Chairman, Mr. Beck, what is
8 the differential in pole height between the existing 115
9 kV and the proposed 138 and would there be an additional
10 differential if there was a 48 kV underbuilt?

11 MR. BECK: There definitely would with a
12 differential with a 46 underbuild. The 115 kV line that
13 is there are probably 85-foot structures, and we are
14 probably going to be more like 85, 90-foot structures on
15 average with the 138.

16 MEMBER PALMER: How much extra height would be
17 involved with the addition of a 46 kV underbuilt?

18 MR. BECK: Probably at least 20 feet.

19 MEMBER PALMER: Thank you.

20 MEMBER EBERHART: One last question.

21 CHMN. FOREMAN: Member Eberhart.

22 MEMBER EBERHART: One last question and I
23 apologize. There was a public comment this morning by
24 one of the landowners in the area concerned about high
25 water levels and any possible pollution with this

1 proposed project to the existing water table, et cetera.

2 Mr. Beck, could you comment on that for us,
3 please.

4 MR. BECK: Well, to the extent if we were to
5 rebuild on the existing alignment, that is probably less
6 likely because of the elevations are somewhat higher.
7 There would be less chance of hitting groundwater.
8 Along the railroad, there may be more. As we heard
9 today, somebody had a well, I believe, 15-foot below the
10 surface. The foundations that we are talking about,
11 more than likely, would be a 15-foot depth, not much
12 more than that. So depending -- we would be right at
13 the limit -- actually, we would probably be more like
14 12-foot with the foundations, so in some cases we may or
15 may not hit the groundwater table. As part of the
16 design process, we would do geotech borings along the
17 alignment once the alignment is determined, and if there
18 were groundwater issues encountered, we would come up
19 with a mitigation plan for use during construction.

20 MEMBER EBERHART: Thank you.

21 CHMN. FOREMAN: Please proceed.

22 MR. DERSTINE: Mr. Warner, is there more the
23 Committee should know about Segment 2, or are you ready
24 to move on to Segment 3?

25 MR. WARNER: Let me just ask the Committee if

1 you are interested in looking at the other alternatives
2 of Segment 2 or would you like me to proceed to Segment
3 3? Anyone want to go back and look at that alignment
4 along the railroad in Segment 2?

5 Let's move on, then, to Segment 3 and go through
6 that.

7 Clark, if you could just restart the Google.
8 Put us back.

9 Oh, let me summarize before we do that, let me
10 summarize some of the -- I think we have a summary slide
11 here after Segment 2. The preferred alignment was
12 selected because it largely used the existing
13 right-of-way. We talked about aggregating those lines
14 into one single corridor, and it would cut the
15 vegetation at the edge of the bosque, understanding that
16 others have mentioned the value of that, but the primary
17 reason for choosing that was at the time the outreach
18 activities were occurring, the expressed preference was
19 to get it over by the railroad.

20 Let's move on to Segment 3.

21 MEMBER YOULE: Mr. Chairman.

22 CHMN. FOREMAN: Member Youle.

23 MEMBER YOULE: Can we flip that back now. It
24 matches our maps.

25 MR. WARNER: Yeah. Are we flipped back? I see,

1 you want to go backwards. Frontwards. Do it that way.

2 You will just have to walk through it, Clark,
3 instead of using the automatic feature, and Clark is
4 particularly well equipped to do that. Let's move
5 south.

6 CHMN. FOREMAN: Up is south; is that correct?

7 MR. WARNER: Up is north now on both maps. Up
8 is north now on both maps. Up is north on both maps
9 now.

10 I'm going to point to the Canez substation.

11 If you will walk us down south, Clark.

12 Let's take a look at photograph -- this first
13 photograph we see. We cross going south out of the
14 Canez substation through the bosque for a little bit
15 longer. That is where the existing line goes, and our
16 preference is to be on the railroad right-of-way, which
17 is depicted in orange here. Now, the primary reason for
18 staying over there in this location is because the line
19 rises up into the foothills and going into those
20 neighborhoods where the most encroachments occur.

21 Now, earlier, Member Noland, you asked about
22 whether a 500-foot right-of-way was sufficient to
23 navigate through difficult places. The 500-foot
24 corridor was sufficient to navigate in those difficult
25 places.

1 The difficult --

2 MEMBER NOLAND: Take it just slightly north
3 again. A little more. A little more. Okay. Why did
4 you not consider a route that would then go over to the
5 preferred route from the existing line to get away from
6 some of the development that is going on towards the
7 east? It is a short hop over by the railroad line where
8 your picture is.

9 MR. WARNER: Our preferred alignment is along
10 the railroad here. The blue line depicts the existing
11 line, and further south, as we rise up and go through
12 those areas, that is where the complications are. So
13 our preferred alternative was to remain close to the
14 railroad to the south, and we will see some of those
15 complications in a moment.

16 Now, getting --

17 CHMN. FOREMAN: Let me stop you there and ask a
18 follow-up question. If the Committee should decide that
19 it prefers the present alignment for Segment 2, but the
20 preferred alignment for Segment 3, I'm not seeing a line
21 that communicates from the Canez substation to the
22 preferred alignment. Is that further north of where we
23 are at or does that need to be --

24 MR. WARNER: What is not actually specifically
25 depicted there is the interconnection point at the Canez

1 substation, and basically at that location, where we are
2 on the existing alignment obviously has a connection to
3 the east. One would have to be built that 100 feet or
4 so in there.

5 CHMN. FOREMAN: So the preferred alignment would
6 actually --

7 MR. WARNER: Bring the connection in from the
8 west.

9 CHMN. FOREMAN: All right.

10 MR. DERSTINE: Mr. Beck, can you add anything to
11 how we would connect from Canez to the preferred
12 alignment in Segment 3 if the Committee were to adopt
13 the existing line for Segment 2?

14 MR. BECK: Yes.

15 Clark, could you scroll down a little to the
16 south? A little more.

17 One suggestion that has been made in public
18 comment and I believe the Friends of the Santa Cruz
19 suggested that we use the existing alignment up and
20 through Canez substation, continue in the existing
21 alignment down, I believe, to a point approximately here
22 or here and then come over to the railroad alignment.
23 And UNS is okay with that. This section in here has
24 been cleared and so it is cleared today. So to utilize
25 that to a point somewhere in here and then coming across

1 the edge of this field makes a lot of sense and is an
2 acceptable alternative to UNS Electric.

3 CHMN. FOREMAN: It looks like there is some
4 cleared land directly south of the place where you have
5 the photograph? Yes, up in that area.

6 MR. BECK: Yes.

7 CHMN. FOREMAN: Is that another possibility?

8 MR. BECK: There may be a residence in there.

9 I don't know if you can zoom in here, Clark. Is
10 there something right here, Clark? Maybe not.

11 That is something that we can make some
12 adjustments on and --

13 CHMN. FOREMAN: All of this area, though, is
14 within the study area; is that correct?

15 MR. BECK: That's correct.

16 CHMN. FOREMAN: Do we have a problem, though,
17 with the fact that this is not identified in the
18 application or the notice, the interconnection is not
19 identified in the application or the notice?

20 MEMBER NOLAND: Mr. Chairman.

21 CHMN. FOREMAN: Member Noland.

22 MEMBER NOLAND: Mr. Chairman, if you go further
23 north just to get past all of that, because we just hate
24 getting into that notice area stuff and outside of it
25 and all that speculation. Just do -- you already

1 intended to connect at the Canez substation; correct?

2 MR. BECK: That's correct.

3 MEMBER NOLAND: Why wouldn't the crossover point
4 be there if we were going to say, do that and cross over
5 to the railroad?

6 MR. BECK: That is also satisfactory.

7 MEMBER NOLAND: Okay. He is a linear thinker.
8 I think outside the box.

9 MR. DERSTINE: We hate to get into the notice
10 issues, as well.

11 MEMBER MUNDELL: It made me think of it when you
12 said, we -- you don't know if there is a homeowner
13 there. This is a five-year-old -- is this the most
14 recent you could get?

15 MR. WARNER: We don't do the study from this.
16 We do it from field investigations. And just off the
17 top of my head, I drove out there yesterday. I took a
18 look at -- there was somebody doing some things out
19 there. It was highly vegetated. I wasn't 100 percent
20 sure he didn't have something out there underneath the
21 trees.

22 MEMBER MUNDELL: That wasn't my question. I
23 appreciate that explanation, but earlier on I was going
24 to ask it earlier. You indicated that this was five
25 years old, the Google, as I understood the testimony.

1 And my question was, isn't there something more recent?

2 MR. WARNER: Yes. There is aerial photography
3 that we could overlay on this and we've also got Lidar
4 overflights that we can show you, as well, if you would
5 like to look at that instead.

6 MEMBER MUNDELL: Is there something from Google
7 more recent?

8 MR. WARNER: No.

9 MEMBER MUNDELL: I appreciate it. This says,
10 2009. Did someone testify it was 2004?

11 MR. WARNER: That is in the northern portion
12 that you were asking about.

13 MEMBER MUNDELL: My question is: Why don't you
14 have a 2009 for the northern portion?

15 MR. WARNER: We don't do that. It is Google
16 does that. Now we can and we have the technology of
17 taking photography and putting it in there, but in those
18 areas, it doesn't tell us much, because nothing has
19 changed, so...

20 MEMBER MUNDELL: I don't know. I would think,
21 then, the areas that -- you said in the northern area
22 nothing has changed. I don't know. I would have to
23 think that statement through, but I would think you
24 would want in areas that are developing, you would want
25 as most -- the most recent Google you can get. So I

1 will have to think about your statement that nothing has
2 changed in that. Is that Segment 1?

3 MR. WARNER: Yes.

4 MEMBER MUNDELL: When you say "the northern
5 area," are you saying Segment 1?

6 MR. WARNER: Yes.

7 MR. DERSTINE: I'm told by the wizards at the
8 back, and let me applaud Clark, in particular, for the
9 aerial flying he did earlier. What we are presenting to
10 you are the most current versions of the Google Earth
11 platform. Different segments are updated at different
12 times. This segment here happens to be the 2009
13 version. Am I right about that? The other versions
14 higher up in the project were 2005. We are using the
15 most current Google Earth platform that is available in
16 this presentation today. Some segments are newer than
17 others.

18 MEMBER MUNDELL: Counselor, I appreciate that,
19 and I guess, just so the record is clear, you will
20 need -- I would hope you would present, then, testimony
21 as opposed to exhibits on the growth that is occurring
22 in the areas where you have 2004 Google Earth, whatever
23 they are called, okay. Whether you do it this new
24 modern way or whether you do it with the old-fashioned
25 way with testimony saying -- talking about the area,

1 because we had some testimony just a second ago saying
2 he went out and looked and his testimony was his
3 testimony, but either way, I think we need to get
4 something on the record on what is occurring in those
5 areas.

6 MR. DERSTINE: I appreciate that comment. We
7 will endeavor to do that. What Mr. Warner was pointing
8 out in the areas we don't have the most current Google
9 Earth, we will supplement that with photographs that
10 were recently taken and I think we have current video
11 that we will supplement the Google Earth presentation
12 with.

13 MEMBER MUNDELL: I appreciate that. Thank you.

14 MR. WARNER: Let's proceed further south. Now,
15 in regards to the question or the comment about the
16 500-foot corridor and whether or not that would provide
17 sufficient room to allow you to navigate 100-foot
18 right-of-way in the future. Clearly, in some of these
19 areas, whether you have 500 feet or whether you have
20 100 feet, getting through that area sort of depends on
21 how you can navigate through there. There are houses in
22 there. So providing a broader right-of-way in sections
23 where it is highly populated isn't necessarily the
24 solution and that is the point I wanted to make.

25 Now, as we continue further south along the

1 existing alignment, you can see ag lands that have
2 cleared out some of the bosques on the east and then you
3 can see the existing alignment rising and falling
4 through the hills on the right. As the -- as the
5 existing alignment is again following the railroad
6 right-of-way -- and here a couple of stars that depict
7 visual simulation.

8 Let's look at the one of -- on the left, Clark,
9 if you can punch that up.

10 These are best viewed from the exhibits in your
11 packet. This is in exhibit G and depicts an alignment
12 looking from Rio Rico Drive back towards the alignment,
13 and you can see the simulation depicting those
14 alignments here.

15 MR. DERSTINE: Mr. Warner, when you said
16 "exhibit G," is that exhibit G to the application which
17 is UNS Exhibit Number 1?

18 THE WITNESS: Yes. Let's look at the one along
19 Pendleton Drive.

20 Clark, if you could pull that one up.

21 This one is from the residences that are along
22 Pendleton Drive looking back through along Rio Rico in
23 its approach, and the circles, again, you can see these
24 depicted circles of where the towers would be and how
25 they would be viewed if the line was moved over towards

1 the railroad. Take a look at some of these others.

2 Clark, if you would move to one of these others.

3 And this is the -- another simulation looking
4 back towards the alignment. If it was along the
5 railroad right-of-way, and you can see in the photograph
6 a large ag field in the foreground, and that is this ag
7 field right here in the foreground, and then that rise
8 where the vegetation is is where the line would be.

9 MR. DERSTINE: Mr. Warner, can I stop here one
10 second and make sure I understand what we are looking
11 at. These are simulations from the viewpoints
12 designated with the stars of looking back at our
13 preferred alignment and what we have simulated to be
14 what would be the view or the impact on the view shed of
15 that new line; is that right?

16 MR. WARNER: Yes.

17 And, then, let's look at the last photograph or
18 the last simulation, Clark. Is that just a video? This
19 is the Lidar overflight.

20 MR. DERSTINE: What is a Lidar overflight?

21 MR. WARNER: Mr. Beck is probably better
22 equipped to talk about what a Lidar is and how it is
23 used. Let me turn that over to him, if you don't mind.

24 MR. BECK: Basically, a Lidar survey involves
25 having a helicopter fly, in this case, our transmission

1 line, and it can, through a surveying process, determine
2 the locations of the structures, the height of the
3 wires, clearance to the ground, the height of trees
4 under the wires and in the process of doing that, they
5 also take a video along with that Lidar survey. They
6 are flying the alignment they take a video and this is
7 the video that accompanies the survey work that was done
8 for clearance purposes.

9 Just to warn you, this video is a little choppy
10 because it is done in a helicopter, so you will bounce a
11 little bit or get the feeling you are bouncing.

12 MR. DERSTINE: What are we seeing with the
13 Lidar?

14 MR. BECK: Basically, there is the existing 115
15 kV line, helicopter flying down the line. As it is
16 doing its survey work, it is taking a video picture of
17 the alignment.

18 MEMBER NOLAND: Mr. Chairman.

19 From where to where? Point, so we know what
20 area we are looking at.

21 MR. BECK: It goes from this star here down to
22 the south down towards what would be Sonoita substation.

23 MR. WARNER: I will provide a little bit of
24 narration here. You can see that the structures are
25 largely on tops of the hills. Now you can see where the

1 houses are and the roads kind of come into the area.
2 One of the problems with this area is getting access to
3 this back area, not just driving along it. This is a
4 pretty steep area, too. And what you see on the top
5 just coming up to us is the Sonoita substation and that
6 is the UNS Electric substation and is the end point of
7 that segment.

8 MR. DERSTINE: Mr. Warner, can you go ahead and
9 summarize considerations and what your analysis was for
10 Segment 3.

11 MR. WARNER: Sure. The preferred alignment was
12 selected because it avoids those residential areas where
13 the encroachments were most pronounced. It parallels an
14 existing linear corridor, the railroad right-of-way. It
15 follows flat in the even terrain and avoids complicated
16 and expensive construction activities and simplifies
17 some of the maintenance and operations. Mr. Beck can
18 speak to that in a moment. There is also the preferred
19 alignment from the residences in Rio Rico who are all
20 eager to get it out of their back yard.

21 MR. DERSTINE: Mr. Beck, the engineering
22 construction considerations that informed the decision
23 to -- for the preferred route.

24 MR. BECK: Well, again, it goes back to the
25 issue that this is, if we move it to the preferred

1 alignment, it is on flat terrain, easily accessible.
2 When this line was originally built in the late '50s,
3 early '60s, it was cross-country. There was probably no
4 residences, no structures out here. Access for
5 construction was along ridge lines, very easy to get to.
6 They probably drove cross-country to get to these,
7 probably with no right-of-way or road access. Just went
8 out there and did it because of the terrain issues and
9 access issues we now have. It is much simpler to
10 maintain along the railroad right-of-way in this area.
11 That is the simple reason for identifying that as a
12 preferred route. And it did meet with public
13 acceptance.

14 CHMN. FOREMAN: Let me ask this question: We
15 discussed susceptibility to flooding in Segment 2, and
16 we discussed the fact that the railroad acted as
17 something of a barrier. Is the railroad still a barrier
18 to flooding, a barrier to the floodway for the Segment 3
19 preferred route?

20 MR. BECK: Yes, it is. It will still be to the
21 west edge of that preferred alignment, basically running
22 along here, containing the river channel, again, between
23 I-19 and the railroad tracks so that to the extent we
24 are on the east side of the tracks, the railroad will
25 protect our structures.

1 CHMN. FOREMAN: Member Noland.

2 MEMBER NOLAND: Yes, Mr. Beck, do you have
3 co-located telecommunications lines on that current
4 transmission line?

5 MR. BECK: I am not aware of any and the only
6 place we really have distribution is in this area from
7 Sonoita to the north through this residential area. I
8 just don't believe there is communications back in
9 there. There is such an access issue, probably no one
10 wanted to go and attach to those poles.

11 MEMBER NOLAND: Do you have -- are there
12 multiple lines on that current line?

13 MR. BECK: There is one distribution line, a set
14 of three wires underneath the 115 kV.

15 MEMBER NOLAND: There is, okay. What would you
16 do with that? You wouldn't be able to remove the poles.
17 As you said, they want them to get them all out of
18 there. You couldn't if you had the distribution, could
19 you?

20 MR. BECK: We talked to the public. In those
21 areas where we have distribution on those poles, we
22 remove the 115 kV line on top and remove one of the wood
23 H-frame's poles, the ones that don't have distribution
24 on it. All our cross members would go, so all that
25 would be left standing would be one pole in the

1 distribution circuit for the section that there is
2 distribution.

3 MEMBER NOLAND: Thank you. That answers my
4 question.

5 CHMN. FOREMAN: Member Youle.

6 MEMBER YOULE: If you go along your preferred
7 alignment on the railroad right-of-way, will you have to
8 build any new access roads or construction roads in this
9 Segment 3?

10 MR. BECK: I believe, for the most part, there
11 is access along here, but we would build a road on our
12 right-of-way as part of the process.

13 CHMN. FOREMAN: Member Whalen.

14 MEMBER WHALEN: Member Youle just asked my
15 question.

16 CHMN. FOREMAN: Member Mundell.

17 MEMBER MUNDELL: Thank you, Mr. Chairman. I
18 learned the new terminology "floodplain," and to follow
19 up on the Chairman's question, the preferred alignment
20 is how close to the floodplain?

21 MR. WARNER: Member Mundell, in some cases, the
22 preferred alignment is in the floodplain. The
23 difference between the floodway and the floodplain in
24 this particular case is that the floodway carries the
25 energy of the river, and the floodplain, in some cases,

1 is a matter of saturation. In other words, fills up
2 with water and so...

3 MEMBER MUNDELL: Let me ask it differently:
4 Where is it within the 100-year floodplain? I mean,
5 I've seen the Salt River probably three times in the
6 last 15 years have 100-year flood where -- and when I
7 was in legislature, it washed out the landfill. So that
8 is why I understand the distinction. I'm trying to make
9 sure I understand where it is in the floodplain.

10 MR. WARNER: Clark, if you could bring up that
11 photo so we can examine that.

12 MEMBER MUNDELL: Because in the earlier
13 testimony, you said it was within the 500-year
14 floodplain, but I've seen three floods in the 100-year
15 floodplain in the Salt.

16 MR. WARNER: This will just take a moment to
17 load.

18 MEMBER MUNDELL: While you are doing that, I can
19 ask Mr. Beck a question to follow up on Member Noland's
20 question. I'm glad she -- I appreciate her follow-up,
21 because I originally thought when you said the people
22 would be happy because you are going to move the lines,
23 and I thought that meant the poles, too, but in reality,
24 it just means part of it, so we are going to have the
25 old poles and now we will have some new poles; correct?

1 MR. BECK: There will be portions where the old
2 poles would exist outside of the Sonoita substation
3 going to the north and then there would be the new poles
4 down along the railroad.

5 MEMBER MUNDELL: And to follow up on a previous
6 question, you can't put those distribution, the current
7 ones, with the new poles?

8 MR. BECK: No, because in this case, they
9 actually feed that development right in Sonoita and if
10 we moved them down to the railroad, there would be no
11 distribution service to those houses. Those are the
12 actual lines feeding the houses.

13 MEMBER MUNDELL: To clarify, they are just happy
14 the bigger line is gone, but the distribution line is
15 still going to be there.

16 MR. BECK: A much shorter pole and one pole.

17 CHMN. FOREMAN: Member Eberhart.

18 MEMBER EBERHART: Thank you, Mr. Chairman,
19 Mr. Beck, if they're -- the residents in that area
20 within Segment 3 wanted to form an improvement district
21 to underground the distribution lines, they would be
22 able to do that and get rid of whatever straggler poles
23 are left behind; is that right?

24 MR. BECK: That's correct.

25 MEMBER EBERHART: So in that way, all of the

1 ratepayers of UNS don't have to pay for undergrounding
2 power poles or power lines in a neighborhood area that
3 right now is served by overhead poles?

4 MR. BECK: That is correct.

5 MEMBER EBERHART: Thank you.

6 CHMN. FOREMAN: All right. Let's address the
7 floodway/floodplain issue.

8 MR. WARNER: We are experiencing technical
9 difficulties.

10 CHMN. FOREMAN: Let me talk to the Committee
11 members a moment, then.

12 We are coming up on 5 o'clock. And I'm sure
13 that folks want to take a look at the Segment 4 issues.
14 We also have public comment session at 6:00. I'm
15 concerned about going too much past 5:00. The notice
16 says the session will last until approximately 5:00 p.m.
17 We need to discuss the very sticky issue of whether we
18 are going to take the tour tomorrow. I want to hear
19 from the applicant what our options are with regard to
20 that. So after we do this, let's see if we can -- move
21 quickly through the Segment 4 material and then get, if
22 we have questions, then let's ask them and get on to the
23 tour issues.

24 Do we have the technical difficulties resolved?

25 MR. WARNER: Okay. Anything in blue is in the

1 floodplain. And so you can see that our line is located
2 around here and then goes around the corner, so, yeah,
3 it is within the floodplain.

4 MEMBER MUNDELL: And the distinction, is this
5 the 500-year floodplain, the 100-year floodplain? Do we
6 know what the time frame is?

7 MR. WARNER: Can you bring up that column that
8 tells us? I believe it was the A zone, so is that the
9 100-year floodplain? It should give us a depth. Go up,
10 because are we in zone A?

11 It doesn't tell us the depth of that water that
12 would accumulate in those areas, but let me just mention
13 the railroad grade is elevated and is built in such a
14 way to prevent the river from moving in that direction
15 in normal conditions, so I don't know what their design
16 standard is, but that is the reason perhaps that the
17 floodway doesn't move to the other side of the railroad.

18 CHMN. FOREMAN: So to follow up on
19 Member Mundell's question, in order for the poles that
20 would be placed in the preferred route to be
21 structurally compromised by a flood, the railroad would
22 have to be washed out; is that true?

23 MR. WARNER: That is right.

24 MEMBER MUNDELL: That was a good question,
25 Mr. Chairman. That was exactly what I was thinking of,

1 thank you.

2 CHMN. FOREMAN: All right. Let's move to
3 Segment 4 and see if we can get down to Valencia.

4 MR. WARNER: Segment 4 is among the most
5 complicated of all of the ones that we looked at,
6 because there were so many more alternatives. It is not
7 complicated in its -- in the issues. The issues are
8 commercial -- limiting of rights-of-way and commercial
9 encroachments.

10 CHMN. FOREMAN: Let me ask you, then, to focus
11 on the preferred route that you folks have posited,
12 because we've taken a little bit of a look already at
13 the existing route -- sorry, we would like to see the
14 alternative that comes in to the east. So you have two
15 alternatives to the east.

16 MR. WARNER: Very good. Clark, take us through
17 there.

18 Let me just mention on the existing line, you
19 have a crossing of the Santa Cruz River that spans the
20 river vertically, so that is accomplished.

21 Take us to the blue lines, Clark, if you would.

22 I will pass -- first of all, let me just
23 highlight, we've bypassed one alternative that we
24 considered a weak alternative. Similar to that one in
25 Segment 2 at the top. It was principally dismissed

1 because of its circuitous features and follows an area
2 that is not a very good alignment for a route, but we
3 felt like we wanted to have an alternative for following
4 the existing alignment and that is principally why it
5 was included in the application.

6 UES's preference is to follow the existing line.
7 Of more substance are the alternatives further south in
8 terms of their varying opportunities, so let's get into
9 that beginning at Bravo Lane. As we go south, instead
10 of going back down along the existing line in front of
11 some of those encroachments, we had another alternative
12 that stays up on the hills, an unpopulated area and
13 avoids that. It goes behind some industrial facilities
14 and then comes back and reenters one of the alignments
15 for the preferred alternative. As an option, it stays
16 east and goes over again largely open areas, residences
17 rising up towards the east, but stays below those and in
18 the hills away from the commercial developments, largely
19 accumulate around the -- around the valley floor. And
20 then it enters into the Valencia substation by passing
21 through some industrial areas, and then comes back in
22 from the east.

23 I would like to show you one of the simulations
24 there that we just went past.

25 Clark, is that the simulation there?

1 This is one of the simulations from the
2 residential area that is closest to the line that is on
3 the east. And on the simulation, and again I apologize,
4 because these are dark on the screen, but you will be
5 able to see the line depicted on the horizon here in the
6 center of the simulation.

7 CHMN. FOREMAN: Now, it looks like in the
8 existing condition photo, and this is in exhibit G-11 to
9 the application, that there is already an existing line.
10 Is that a distribution line?

11 MR. WARNER: Yes.

12 CHMN. FOREMAN: So you would, again, basically
13 be --

14 MR. WARNER: The distribution line that you are
15 seeing is actually running perpendicular to the line.
16 If you look carefully at the horizon, the -- we are
17 looking directly at the line and so you can see the line
18 depicted on the horizon. It is a new structure there,
19 vertical structure, and then you can see the conductors
20 passing along the horizon for the length of the line.

21 CHMN. FOREMAN: It looks to me in the top photo,
22 the existing condition photo, that there is a line going
23 from the center right to out the -- yes, that line. Is
24 that line in existence right now?

25 MR. WARNER: Yes, it is.

1 CHMN. FOREMAN: What kind of line is it?

2 MR. WARNER: It is a distribution line that runs
3 perpendicular to the alignment.

4 CHMN. FOREMAN: So where would the alignment,
5 then, go through that photograph?

6 MR. WARNER: If you look at the photograph here,
7 you can see a structure right here. That structure, if
8 you look carefully, right in the center of the photo, it
9 has conductors that actually move left to right through
10 the photo.

11 CHMN. FOREMAN: Got it.

12 MR. WARNER: Okay. The character of this area
13 is industrial. And in the lower portions and views to
14 these areas are not typically going to be back toward
15 the industrial area.

16 There was testimony earlier today about some of
17 the property owners that had -- that recognized it and
18 he owns property, one of the gentlemen that spoke, owns
19 much of this property up in this area.

20 CHMN. FOREMAN: Well, Mr. Baffert made a
21 statement, not testimony.

22 MR. WARNER: Yes, sorry.

23 CHMN. FOREMAN: And he talked about problems
24 with existing easements, sewer lines, and waterlines
25 that were in this area. Can you address those concerns.

1 MR. WARNER: Yes. Some of the alternatives that
2 were analyzed for this area -- go down toward -- yeah,
3 there you go. Nogales wash runs down the -- along
4 parallel along the railroad.

5 Go a little further south, Clark.

6 And he is talking about the complexities of all
7 of the infrastructure that is along this road here, and
8 there is -- there are sewer lines there. There are
9 waterlines. There is a railroad right-of-way abuts
10 immediately to the highway. There is the road itself.
11 It is a very congested and tight right-of-way in that
12 area, which is why you don't see an alternative running
13 up and down there.

14 CHMN. FOREMAN: But do those lines run in close
15 proximity to the north/south portion of that line that
16 appears to be east of the wash?

17 MR. WARNER: No. They do not run parallel to
18 the alignment in that area, north and south, further
19 east. They are down right close to Grand Avenue and run
20 front of the substation.

21 MR. DERSTINE: Mr. Warner, I want to make sure,
22 when you are backing up and looking at this Alternative
23 2, we went through some of that hilly terrain, and I
24 didn't see any homes or any structures there. It just
25 looked like it was open country. Am I right about that

1 or are there homes that if we are going back up to that
2 Alternative 1, that are going to be impacted by that
3 line?

4 MR. WARNER: Zoom out. You can see homes that
5 are up higher above the line itself. We have a few
6 photographs from some of those places.

7 Maybe you can show us those, Clark.

8 So these are the views of the valley from -- I
9 don't know how that rain cloud got that shade. That
10 gives you a sense of the view down the hill. These are
11 homes that are up on top and are down in those areas.
12 That is the condition of those hills, so go back so you
13 can see that picture.

14 And this one is closer. This one is -- we
15 didn't do a simulation from here, but the line would
16 be -- would be right behind -- it would pass right down
17 through this area. There is one lone home that is
18 immediately behind this.

19 MR. DERSTINE: And so in looking at and
20 analyzing this Alternative 2, we are essentially looking
21 at constructing a new line over this lower hilly terrain
22 that will be within the view shed of the homes and
23 apartments and residences on the upper end of the hill;
24 is that right?

25 MR. WARNER: Yes.

1 MR. DERSTINE: Any important features of this
2 Alternative 2?

3 MR. WARNER: That is really the distinction
4 between the two alternatives. In this particular case,
5 you have some view sheds that will be impacted for the
6 first time, a few right-of-way, and the other
7 distinction on the other alignment is you have close
8 dancing with the existing residences and kind of working
9 through the existing alignment.

10 MR. DERSTINE: Can you focus on some of the main
11 features of the existing alignment down here in the
12 south section where we did hear public comment from the
13 former mayor of Nogales urging us to move away from our
14 preferred alignment over to this alternative. Can you
15 show us what the preferred alignment is in this area
16 briefly?

17 MR. WARNER: Where we are jumping off that area,
18 Mr. Beck has talked about that at length, so I will
19 focus further south, and that alignment goes through
20 that area, goes through largely an industrial area. It
21 seems to work pretty well, seems to be adequate spacing.
22 Those are vegetable transfer stations and so it is large
23 semi-truck traffic.

24 Go further south, Clark, if you would, please.

25 This crosses back behind the Santa Cruz County

1 administrative building and we have a simulation of that
2 area, if you will bring that up. You can see on the top
3 view the view with the line in H-frame condition and
4 then lower you see the single H-frame or the single
5 monopole. So...

6 MR. DERSTINE: So, again, what is being
7 represented by the gold line, which is our preferred
8 route in this area, is the existing line; is that right?

9 MR. WARNER: That's correct. Now, in regards to
10 crossing through the mobile home park as was previously
11 mentioned, the landowner was interested in working out
12 where that alignment needed to go through his property.
13 They emptied the mobile home park to the west and he has
14 plans for development on the eastern portion, as well,
15 so that is why that corridor was widened in that area,
16 so that there was flexibility to figure out where that
17 needed to go by both parties.

18 MR. DERSTINE: Can you jump ahead to kind of
19 your summary and why we picked this preferred route over
20 the Alternative 2 in this lower section of Segment 4?

21 MR. WARNER: Yes. I think where we ended up
22 arriving at was that the existing alignment was overall,
23 regardless of the, as I called it earlier, close dancing
24 with some of the landowners, was better. It -- the
25 existing land uses had grown up around it and they were

1 accepting of the line and its presence rather than
2 introducing it to a new group of people that don't have
3 the line.

4 It was more cost effective as it penciled out
5 and I will let Mr. Beck talk a little bit about that.
6 But both alternatives would allow, with that one
7 deviation around Old Tucson, would allow that -- or
8 Grand Avenue, that -- a maintenance and operation that
9 was suitable.

10 MR. DERSTINE: Mr. Beck, what can you add,
11 contribute to the Committee's understanding in deciding
12 between the preferred route and this Alternative 2 in
13 the lower segment?

14 MR. BECK: The existing alignment in this
15 segment is totally buildable. There is no construction
16 issues, as long as we work with this property owner,
17 that is, the mobile home park, and he is amenable to
18 somehow rerouting on his property to make that work. It
19 will avoid the issue we have with a few trailers in
20 here. We can go up through the mall. It is fairly
21 clean construction. As we go south, there are no issues
22 going into the Valencia station. It is utilizing the
23 existing alignment; therefore, we don't have to purchase
24 new right-of-way on this portion of the line. If we
25 look at the other alternatives, there is anywhere from

1 two and half to as much as seven miles of right-of-way
2 that would have to be purchased.

3 CHMN. FOREMAN: From a technical point of view,
4 Mr. Beck, is there any problem with -- with what was
5 referred to as Alternative 2 in Segment 4 of the blue
6 alternative from Bravo Lane South to Valencia?

7 MR. BECK: This one coming down here?

8 CHMN. FOREMAN: Correct.

9 MR. BECK: Technically, that is also buildable.
10 I would personally have concerns about all these
11 residential properties here and what they may see, the
12 fact you are building a new line that is not there
13 today. At least on the existing alignment there is an
14 existing line that is there.

15 CHMN. FOREMAN: Back up there. Are you
16 concerned about the line impairing their view of the
17 back of the warehouses or...

18 MR. BECK: I'm not sure what perception is
19 relative to view. Any time you put a transmission line
20 into the view shed, it seems to be an issue.

21 CHMN. FOREMAN: Would the alternative route
22 south of Bravo Lane miss all of the encroachment issues
23 that we talked about earlier, the building over gas
24 stations, the building over other structures that were
25 along Old Tucson Road and Grand Avenue.

1 MR. BECK: Can we scroll up to Bravo Lane?

2 Yes, it -- where is Bravo Lane? Do you know,
3 Clark?

4 So, yes, if we take off at that point, it will
5 avoid all of the encroachments along Grand Avenue. So
6 from a construction standpoint, it is very clean, very
7 doable. But, again, it will require considerable
8 brand-new right-of-way purchase.

9 MR. DERSTINE: Let me ask a follow-up on that.
10 When you say "new right-of-way purchase," I gather that
11 means increased cost to build Alternative 2?

12 MR. BECK: Yes.

13 MR. DERSTINE: Do we have any ballpark estimate
14 in terms of what sort of cost differential there is
15 between building the preferred route and building
16 Alternative 2?

17 MR. BECK: Not at this moment. We can have some
18 for Wednesday morning.

19 CHMN. FOREMAN: Questions from -- comments from
20 Committee members?

21 Member Noland.

22 MEMBER NOLAND: I just have to know where the --
23 all of the offending Texaco station is based on the map
24 on the left. Could you pinpoint where that is?

25 MR. BECK: It is basically down in this area.

1 Clark, if you zoom in.

2 MEMBER NOLAND: Okay. So, Mr. Chairman, if you
3 left it on the preferred alignment to that point just
4 before the nasty Texaco station then went off to the
5 east, that would solve that problem without having to do
6 all of the new construction and lines around where there
7 are more residential issues.

8 MR. BECK: The preferred alignment skirts around
9 the Grand Avenue issues and that is nine-tenths of a
10 mile of new right-of-way that would have to be
11 purchased.

12 CHMN. FOREMAN: Other questions? Comments?
13 Member Whalen.

14 MEMBER WHALEN: I'm not so sure I fully
15 understand what the community difficulty is with that
16 nine-tenths of a mile. I don't think I heard anything
17 in opposition to that section.

18 MR. BECK: Member Whalen, I believe you are
19 correct. I'm not aware of any push back on rerouting on
20 that alignment.

21 MEMBER WHALEN: Thank you.

22 CHMN. FOREMAN: All right. What I would like to
23 do now is stop the testimony. We are a little bit after
24 5 o'clock. And move to a discussion of the tour. As we
25 have talked before, we have a problem. We are caught

1 between a rock and a hard place. If we have a tour, if
2 we have reference to landmarks, to geographic markers,
3 we have information communicated that the corporation
4 commission staff has said even if it is repeated at a
5 later time in the hearing, reconstructed at a later
6 time, they feel violates the open meetings law and/or
7 the ex-parte rules of the corporation commission. The
8 alternative to that is to have testimony presented that
9 would communicate that information.

10 The statute clearly indicates that if testimony
11 is to be presented, it must be under oath and before a
12 court reporter. The court reporters who have provided
13 court reporting services to the Committee and to the
14 Commission indicated last Friday afternoon that they
15 would not do so for the tour. So -- I talked to them a
16 month or so, a month and a half ago and indicated that
17 this was a possibility, asked if we could work with them
18 on this. They indicated their concerns, but said they
19 would think about it and then they told us last
20 Friday -- well, I was gone on Friday. I was being
21 furloughed, but the date and time of the message to me
22 was last Friday at 3:00 p.m., so I found out about it
23 yesterday.

24 I communicated with the parties and asked for
25 alternatives. So I guess the first question is, do

1 members of the Committee want to take the tour? I think
2 I'm the one that has to make that call, but I want to
3 make that call based upon the desires of my Committee
4 members, and if there are folks that think a tour would
5 be worthwhile, if we can engineer it, then we will try.
6 If nobody wants to take a tour, then there is no use
7 going through the engineering process.

8 Member Palmer.

9 MEMBER PALMER: Mr. Chairman, based on past
10 experience, I'm suffering from tour trauma anxiety
11 syndrome. If there an alternative? I recommend we
12 pursue that.

13 CHMN. FOREMAN: Well, the alternative was simply
14 not to take it, would be to base our action on what has
15 been presented to us in the hearing. If we are going to
16 take the tour, then what I've indicated I've asked the
17 applicant to do is try to find a court reporter who
18 would go out and either record it using a voice recorder
19 or report it using a reporting machine, but from that
20 derive a transcript that could be certified, and the
21 courts now are using voice recorders at least as often
22 and maybe more so than reporting -- traditional
23 reporting machines, so I think either method of
24 constructing the transcript is appropriate, but what we
25 have to have is somebody who can be sworn and certify

1 that the transcript accurately reflects what was
2 communicated.

3 I think we can limit drastically what is said on
4 the trip to just identifying markers, identifying where
5 the corridor would be, that sort of thing, and then
6 discuss more fully what we have seen back here in the
7 committee room after the tour, and we can use the
8 flyover, the Google Earth tour to enhance our
9 recollection of it and any discussions of it. But we
10 would have to take along Mr. Beck and Mr. Warner. We
11 would have to ask them questions like, what is north,
12 where is the line, where is the corridor, what is that
13 landmark, and that would be pretty much it.

14 I've told the intervenors if we take the tour
15 and there are particular landmarks that they want to
16 identify so that the Committee can take a look at those
17 landmarks and have those in mind when questions are
18 asked later on, I will allow them to do that. I am not
19 going to allow cross-examination or anything beyond just
20 a very basic discussion of where we are and what we are
21 seeing.

22 So that is the way I am trying to engineer it.
23 How is your syndrome?

24 MEMBER PALMER: I would be satisfied with, you
25 know, a Google tour and visual representation here as

1 opposed to having the potential of our integrity
2 challenged, which occurred several times in the past and
3 one completely unfounded and I was offended. You know,
4 we try to satisfy the requirements of the statute as
5 best we can, and our intentions were always good, at
6 least in the eight years I've served on the Committee.
7 My preference is not to go through tour trauma again.

8 CHMN. FOREMAN: Well, I'm still healing from the
9 wounds myself, but I'm trying to accommodate my
10 Committee members.

11 Member Noland.

12 MEMBER NOLAND: Mr. Chairman, I don't have
13 post-traumatic tour syndrome, since I never went, but I
14 did go out myself in two of the different areas that we
15 did CECs, and I had some specific areas I wanted to look
16 at, and I just did it myself in my own automobile, and I
17 think there are two or three areas that I want to
18 refresh my memory. I know this area fairly well. I
19 lived in the Pima County area for 38 years, so I've done
20 quite a bit of riding down in these areas and traveling.
21 But I do want to look at the Grand Avenue area of where
22 there is the alternative loop proposed, and I do want to
23 go up near where the railroad is with the floodplain as
24 compared to the existing alignments near the mesquite
25 bosque, but I can drive that and look at that between

1 now and tomorrow at some point in the morning before the
2 hearings and that will satisfy me.

3 CHMN. FOREMAN: Member Wong.

4 MEMBER WONG: Thank you, Mr. Chairman. I would
5 support a tour that limited to two areas where we had
6 substantial discussion today, and that is that area in
7 Segment 2 that -- around where the railroad track, the
8 preferred route and the existing route that is also the
9 alternative route. That is one. The other one is
10 similar to Member Noland, the area of Nogales that she
11 referred to. Thank you.

12 CHMN. FOREMAN: Member Mundell.

13 MEMBER MUNDELL: Thank you, Mr. Chairman. I had
14 the same thought as Mr. Wong, and, Member Wong, at least
15 I don't need to go on the whole proposed line, but there
16 are those areas that, you know, I think would be
17 beneficial to see, as he just expressed them.

18 My question is, I wasn't clear, are the
19 intervenors going to be on the bus with us? I wasn't
20 clear by your statement.

21 CHMN. FOREMAN: No, and I didn't make that point
22 clear. My understanding is, from discussions that we
23 had at the prehearing conference, that if the tour is
24 taken, the Committee would be on one bus or vehicle.
25 The only other people in the vehicle or only other

1 person on the vehicle would be the driver who would be
2 instructed not to discuss anything that relates to the
3 matter before the Committee. The only discussions that
4 would occur would be at scheduled stops. At those
5 stops, the only discussion that would occur would be on
6 the record and would be basically me probably asking
7 Mr. Beck or Mr. Warner where we are, where the line is,
8 what is the significance of this in relation to the
9 application, and then seeing if there is any particular
10 question that a member has about where we are at, and
11 asking each member to hold the questions to a minimum so
12 that we can have the bulk of our discussion back in the
13 committee room with everyone present.

14 Now, again, we have a two purpose gathering
15 here. This is an evidentiary hearing and a quasi
16 administrative action. It is also an open meeting of
17 public body, and so we have to accommodate two separate
18 sets of statutes. It is my reading of the law that if
19 we are going to have a portion of our meeting at these
20 stops, that we need to make access available to members
21 of the public and that the parties have a right to be
22 present to witness what has occurred. So I've indicated
23 to both Ms. Webb and Mr. Magruder that they would be --
24 have the right, should they so choose, to be present for
25 all discussions that occur and to be able to see and

1 hear what is going on and then ask me if they indicate
2 that there is a landmark that they wish to call our
3 attention to, they would have the option of asking me if
4 they could call that to the attention of the Committee.

5 MEMBER MUNDELL: I appreciate that
6 clarification, because I don't know if the right word is
7 my concern. You know, whether there -- the applicant
8 utility or whether you are an intervenor, you have equal
9 status.

10 CHMN. FOREMAN: Absolutely.

11 MEMBER MUNDELL: And I guess my question would
12 be, just so I'm clear, Mr. Beck is not going to be on
13 the bus with us? He is going to be in a separate
14 vehicle?

15 CHMN. FOREMAN: Yes.

16 MEMBER MUNDELL: So they can do the same thing,
17 Mr. Magruder and Ms. Webb can follow along?

18 CHMN. FOREMAN: Any member of the public who
19 wants to follow along.

20 MEMBER MUNDELL: Because I hadn't heard you say
21 that part about them, but I appreciate that
22 clarification. That was what my issue was. You've
23 indicated where we are going to stop, then, and --

24 CHMN. FOREMAN: No. That is what we need to
25 decide now. And I -- and just to be more complete here,

1 I have had the applicant place language in the notice
2 that has been provided that -- and I have provided a
3 prehearing procedural order that indicates that if we do
4 take the tour, that the procedure that I have outlined
5 would be followed.

6 Any other questions or comments by Committee
7 members?

8 Member Whalen.

9 MEMBER WHALEN: I would appreciate the area
10 between the Kantor substation and the area to Sonoita,
11 and I think we all are familiar with some of the key
12 points within those areas in area 2, Segment 2. I'm not
13 so sure I need to see the Nogales area now that I know
14 that one short segment is going to alleviate the
15 problems along Grand Avenue. But the Segment 2 is my
16 primary area of concern.

17 CHMN. FOREMAN: Okay. Member Rasmussen.

18 MEMBER RASMUSSEN: My experience has been that
19 the field trips that we have done in the past on many
20 cases have been very, very helpful, and I favor doing
21 that. Given my current orthopedic situation, I think,
22 while I favor it, I think I am going to pass in whatever
23 decision. If you do do a trip tomorrow, I won't -- I
24 will catch up in discussions with the group if that is
25 the case.

1 CHMN. FOREMAN: And this is certainly not
2 required. Any member who wants to go, that is fine.
3 Any member that does not feel comfortable going or does
4 not want to go, that is also fine.

5 All right. Let me ask for a show of hands how
6 many members would like to have a tour, and this is not
7 necessarily going to be a majority vote, but I just need
8 to know how many would like to have a tour. And Member
9 Rasmussen. So I think that is enough to justify taking
10 the tour. So -- there is no requirement that a quorum
11 be present. So it will be yet another tour without a
12 quorum. Well, actually, yes, I think -- because I feel
13 like I have to go along regardless. So I think we are
14 going to have a tour.

15 So now that we have that weighty matter out, and
16 we have expressed interest in particular places to see.

17 First of all, let me ask Mr. Magruder and
18 Ms. Webb if you would like to be heard briefly on what
19 it is you think we should tour.

20 MR. MAGRUDER: Mr. Chairman, the applicant has
21 nicely given us an Exhibit 12, a route that he has
22 proposed, and I think that would be a good place to
23 start from. And obviously, it will start from the
24 Esplendor hotel, and personally, I would like to go
25 through stop one to Gold Hill and then, personally, I

1 would like to then skip and go down I-19 until we come
2 up with number seven, eight, and nine. That is my
3 personal opinion.

4 CHMN. FOREMAN: Okay. Ms. Webb.

5 MS. WEBB: Mr. Chairman, members of the
6 Committee, I'm going to have to defer to Mr. Magruder on
7 the Santa Cruz issues. I recognize there are severe
8 encroachment issues. At the prehearing conference, I
9 indicated that the Vail substation was a serious concern
10 to the members of the public up at the Vail area, and
11 this is a -- can you hear me? This is a bit of a drive
12 for the members of my community, and that it was very
13 important that that was part of the tour as that was
14 part of new construction which had been acknowledged by
15 Mr. Beck.

16 There are several docketed comments by Vail,
17 Corona residents. There is also a plan, a City of
18 Tucson plan reference in the book for that area. Also,
19 there is a letter from the substantial subdivision that
20 would be directly west of the Nogales Tap, and I think
21 it would be good to see a perspective of the -- where
22 the lines would -- she speaks specifically of the
23 things, the transmission poles, and also the letter in
24 the book is not very clear that this is actually the
25 construction. It states it is an upgrade from the Vail

1 to the Valencia line when it is sent out to the
2 stakeholders, so I think it is very, very important and,
3 as Mr. Magruder asked, that we skip some of the Santa
4 Cruz County parts, maybe we would have a little bit of
5 extra time to shoot over to the Vail substation, if that
6 would be okay with you guys.

7 CHMN. FOREMAN: Now, Ms. Webb, let me see if I
8 can ask you to focus on -- I am looking now at Exhibit
9 Number 12 in the notebook that has been provided by the
10 applicant. Could you identify for us the stops that are
11 listed on Exhibit Number 12 that you feel the Committee
12 should make.

13 MS. WEBB: Again, deferring to the Santa Cruz
14 ones to Mr. Magruder, my discussions with Mr. Beck, 11
15 was included and changed and then 12 and 13 is not very
16 clear, just says, stop at old Vail connection, which is
17 the crossover that was identified by Mr. Warner in the
18 first slide up there. Number 13 and inset 1, and it is
19 not very clear as to whether we would continue north to
20 I-10 to return to the resort or if we would continue the
21 way we got to that location, which is where that red
22 arrow is there. And I believe that we should continue
23 north and go east on Interstate 10 and then south on
24 Reeder Road. It would only add an additional
25 approximately ten minutes to get there, and as is this

1 is the only part of the entire project that is new
2 construction as far as the CEC goes, I think it is
3 incredibly important, because a lot of people put a lot
4 of work into getting their comments docketed under the
5 regulations about their concerns regarding the
6 substation. I'm just asking that you consider that,
7 please.

8 CHMN. FOREMAN: All right. Now, am I correct in
9 my understanding that you can see the Vail substation
10 from stop 13?

11 MS. WEBB: With binoculars.

12 CHMN. FOREMAN: And your feeling is we need to
13 go over and put, in essence, a stop 14, which would be
14 at the Vail substation, or just --

15 MS. WEBB: Correct.

16 CHMN. FOREMAN: All right. Before we do that,
17 let me back up.

18 Mr. Magruder, looking at Exhibit Number 12,
19 which is the tour itinerary, the stops then that you
20 feel are important are again?

21 MR. MAGRUDER: Starting at the beginning on
22 Exhibit Number 2 through Gold Hill Road.

23 CHMN. FOREMAN: So stops 1 through 4.

24 MR. MAGRUDER: Well, plus Gold Hill Road. It is
25 between 4 and 5. It doesn't have a number.

1 CHMN. FOREMAN: All right.

2 MS. WEBB: Mr. Chairman, if I can interrupt
3 briefly. George Miller will hand around a map that
4 corresponds to Exhibit Number 2 and the tour stops, so
5 it gives you a graphic understanding of where those
6 stops are. That may help you in deciding about where
7 you want to stop.

8 CHMN. FOREMAN: All right. And the discussion
9 that we had concerning the bosque area was this area
10 directly north of the Canez station; is that correct?

11 MR. DERSTINE: Yes.

12 CHMN. FOREMAN: So stop 8 and stop 9 would
13 bracket that area; is that correct?

14 MR. DERSTINE: Yes.

15 CHMN. FOREMAN: So the area that Member Whalen
16 and others had expressed concerns about would be
17 identified as stop 8 and stop 9. Mr. Magruder was
18 interested in 1 through 5. Ms. Webb is interested in 11
19 through 13.

20 Are there other stops that --

21 MEMBER NOLAND: Might as well go through them
22 all.

23 CHMN. FOREMAN: Actually, Ms. Webb indicated 11
24 through 13 and number 14.

25 All right. Mr. Magruder.

1 MR. MAGRUDER: Looking at the map, taking off at
2 Sahuarita Road and driving up north from Sahuarita Road
3 to 11 is a dirt road, but it goes right along the path
4 of the route.

5 CHMN. FOREMAN: Sorry, which -- where are you
6 referring to?

7 MEMBER NOLAND: From Sahuarita to 11.

8 CHMN. FOREMAN: So you are wanting the Committee
9 to go -- well, I'm assuming we would drive that way and
10 then stop at 11 anyway.

11 All right. Member Mundell.

12 MEMBER MUNDELL: Thank you, Mr. Chairman.

13 Ms. Webb, we haven't had the benefit of your
14 testimony yet, so I would like to ask the question so I
15 understand your suggestion that we go up to that area.
16 Are you -- do you have a position on either one of the
17 lines that has been suggested, either the preferred or
18 the alternative?

19 MS. WEBB: Member Mundell, the northern
20 alternative is really the only one that makes sense, and
21 that is also the one that I've been reading in the
22 application by the huge subdivision, that is where the
23 word "Nogales Tap" is indicated, also. I really could
24 see, you could drive by 11 and say, there it is, and
25 really not have to stop. I mean, you can see it. It is

1 right there and save a lot of time.

2 MEMBER MUNDELL: I guess what I'm trying to
3 understand is if that is your preference and clarify
4 what the utility's preference is, maybe there is not an
5 issue. I'm just trying to understand, we haven't had
6 the benefit of your testimony yet at the hearing in
7 making our decision.

8 MS. WEBB: So, and maybe I need to have you
9 repeat the question, because I'm not understanding,
10 either.

11 MEMBER MUNDELL: Well, your preference, if I
12 understand it, is the -- on the map is the yellow, the
13 northern route, you said?

14 MS. WEBB: I don't really have a preference, but
15 what I'm -- I guess what I'm trying to articulate is
16 from a logical standpoint, the northern alternative and
17 the utilities' preferred alternative or the preferred
18 alignment is the only one that really makes sense, in my
19 opinion, because either one, they are sort of a wash.

20 MEMBER MUNDELL: Okay. But I'm just trying to
21 understand, it is your position you don't want either of
22 them?

23 MS. WEBB: No, I'm just trying to articulate the
24 best I can. My position is there needs to be
25 appropriate monopole color and there needs to be

1 appropriate monopole color choices and there needs to be
2 a Citizens Advisory Committee so that there is
3 appropriate public outreach and comprehensive planning
4 with utilities and communities that will be impacted.

5 MEMBER MUNDELL: Well, we will certainly have
6 that discussion at the appropriate time on the -- on the
7 citizens outreach and the material for the poles. I was
8 just trying to understand if, of the two choices, yours
9 is the northern choice and the utility, that is their
10 preferred alignment. If there isn't an issue, then I
11 don't know.

12 MS. WEBB: We can skip all the stops and go to
13 the Vail substations. You can wave as you go by.

14 MEMBER MUNDELL: I am just asking the question.
15 I'm not taking a position. I'm trying to understand the
16 thought process.

17 Thank you, Mr. Chairman.

18 CHMN. FOREMAN: Any other comments?

19 Now, Mr. Derstine, do you have a court reporter
20 for us for tomorrow?

21 MR. DERSTINE: I am told that we do. We have an
22 all-wheel drive all-terrain qualified court reporter who
23 is willing to accompany you folks on the tour and do
24 what you need them to do.

25 CHMN. FOREMAN: Let me turn to the Committee

1 members who are planning on going and what I propose
2 doing is asking if there is anybody that wants to go to
3 stop 1, stop 2, stop 3 as we go through. One option
4 would be to cut the tour off after stop 9 and to simply
5 drive by stops 6 and 7. Another option would be to stop
6 at stop 1, stop 2, stop 3, stop 4, and stop 5, if there
7 are people who are interested in stopping, go by 6 and
8 7, stop at stop 8 and stop 9 and then simply drive stops
9 10 through either 13 or 14. So we have options.

10 MEMBER MUNDELL: Mr. Chairman, even if we have a
11 stop, it could be for, like, 30 seconds or a minute. So
12 we are not just whizzing by? When you say "stop," did
13 you envision getting out and having the court reporter
14 there and have us ask questions? I wasn't sure what you
15 meant by "stop."

16 CHMN. FOREMAN: If we are going to stop, I'm
17 hesitant to stop without having the court reporter come
18 forward and identifying where it is we stopped
19 because --

20 MEMBER MUNDELL: I just wanted to define the
21 term "stop." I appreciate your concern.

22 CHMN. FOREMAN: Cease motion relative to the
23 earth.

24 Member Whalen.

25 MEMBER WHALEN: I have no trouble starting with

1 1, but I see no reason to go beyond 9.

2 CHMN. FOREMAN: Do you want to stop at 6 and 7
3 or just drive by?

4 MEMBER WHALEN: Drive by would be fine with me.

5 CHMN. FOREMAN: Okay. Member McGuire.

6 MR. MCGUIRE: I agree, I concur.

7 CHMN. FOREMAN: Member Mundell, are you planning
8 on coming?

9 MEMBER MUNDELL: I'm planning on coming.

10 CHMN. FOREMAN: And what route would you like to
11 follow?

12 MEMBER MUNDELL: I agree with Mr. Whalen.

13 CHMN. FOREMAN: Okay. Member Wong. Do you plan
14 to come with us?

15 MEMBER WONG: Mr. Chairman, I will be attending
16 the field trip. I do have a question as to when you
17 said, stop. Again, I want to make sure that the field
18 trip would be worthwhile, that the sites would be
19 pointed out so we can visualize where alternate routes
20 or preferred routes are proposed to be sited. Is that
21 the -- just following up on Member Mundell's. I don't
22 want to just do a drive by. By the way, that happened
23 to be an alternate route there. I want to see somebody
24 pointing out where are we looking and which route are we
25 talking about.

1 CHMN. FOREMAN: Well, I think some of that can
2 be addressed at the stops. We can say not only what it
3 is we see at the stop, the witnesses can identify what
4 it is we have been by and the witnesses can tell us what
5 it is we should look out for as we move forward. But
6 I'm going to instruct the Committee members not to
7 discuss the routes in the bus, those that go along, and
8 any discussion I would hope would be back here in the
9 committee room, any questions about where we had been or
10 where we are going should be asked at the stops on the
11 record. And the idea is to make sure that we have a
12 record and to make sure that it is accessible, what is
13 said is accessible to all the parties, so they have an
14 opportunity not only to witness what has occurred, but
15 to ask questions or present testimony in response to it
16 when we get back here to the hearing.

17 Now, is there anybody over here that is going to
18 go along?

19 MEMBER YOULE: Well, if --

20 CHMN. FOREMAN: Member Youle.

21 MEMBER YOULE: -- Mr. Whalen's suggestion of not
22 going past 9 is adopted, I would go along, then, but I
23 see no reason to go all the way up to Vail.

24 CHMN. FOREMAN: All right. Member Eberhart.

25 MEMBER EBERHART: I'm okay.

1 CHMN. FOREMAN: And I'm assuming that is not a
2 statement concerning your present psychological status,
3 but what route would you like? Are you okay with
4 stopping at number 9, at stop 9?

5 MEMBER EBERHART: I will go wherever the bus
6 takes me.

7 CHMN. FOREMAN: All right. Then it sounds to me
8 like what we have is a consensus that we will go. We
9 will start at 8:30 in the morning and the bus will be at
10 the front door at 8:30. We will start at 8:30. We will
11 go to stop 1, stop 2, stop 3, stop 4, stop 5, stop 8,
12 and stop 9 and then return at whatever time we finish
13 back to the hearing room, and at that time, depending on
14 how much time is left in the day, we will either have
15 lunch and reconvene for further testimony in the
16 afternoon or we will adjourn until the next day.

17 Does everybody understand, Mr. Magruder?

18 MR. MAGRUDER: Mr. Chairman, I believe I read
19 the agenda that we started at 9:30 on the tour, that
20 8:30 was probably not --

21 CHMN. FOREMAN: No, I think you should reread
22 it. I think you will find on Wednesday we are to start
23 at 8:30.

24 MR. MAGRUDER: I will be here at 8:30.

25 CHMN. FOREMAN: I did that because I anticipated

1 we would be outside in Arizona in the summertime and so
2 I intend to dress even more informally than I am today.
3 No shorts, that is true.

4 MEMBER RASMUSSEN: Is it reasonable to expect we
5 will reconvene at 1 o'clock in the afternoon? From the
6 applicants, is it a morning tour on this juncture? Just
7 in terms of --

8 MR. BECK: I think it is a very good chance we
9 could be done by noon depending on the questions and the
10 discussions that take place.

11 CHMN. FOREMAN: I'm anticipating that the
12 questions and discussion are going to be very strongly
13 limited by the Chairman. It is just because I want to
14 limit discussions to the hearing room to the extent
15 possible. We are just going to ask factual questions.
16 So let's hope, then, that we can get this done by noon
17 tomorrow.

18 MEMBER RASMUSSEN: Reconvene at 1:00, say --

19 CHMN. FOREMAN: And, then, 1:00 or 1:30,
20 depending on the exact time we return. Anything else?

21 Then we are going to recess for the evening and
22 in 13 minutes we will start the public comment session.
23 We will wait approximately 15 minutes for folks. If no
24 one appears, hopefully we will have a few folks appear
25 and make public comment, and, again, those Committee

1 members who wish to attend, certainly may do so. If
2 not, we will reconvene at 8:30 in the morning.

3 Thank you, all.

4 (The evidentiary hearing was at recess at 5:48
5 p.m.)

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1 (The proceedings reconvened at 6:00 p.m. for
2 Public Comments.)

3 CHMN. FOREMAN: All right. It is 6:00 p.m.
4 This is the time that we have previously noticed as the
5 time for public comment in this matter, and this matter
6 is a hearing and public meeting concerning the
7 application by UniSource Energy for a certificate of
8 environmental comparability concerning a line to be run
9 from the Vail substation to the Valencia substation.

10 My name is John Foreman and I'm the chairman of
11 the Arizona Power Plant and Transmission Line Siting
12 Committee. And we have members of the Committee here
13 and present. I have a sign-up sheet that we put over,
14 and we -- I have an indication of some names here. As I
15 call your name, I will ask you to come forward and pick
16 up the microphone that is on this little table over
17 here. We are going to try to put up the map of the
18 proposed line similar to one that will be on the board
19 that is right behind the table. I would like for each
20 of you to indicate your name and spell your last name
21 for the court reporter, because what you say will be
22 taken down and placed in a transcript that will follow
23 this proceeding if and when it is reviewed by the
24 Arizona Corporation Commission.

25 Then I would like for you to tell us where you

1 live in relationship to the proposed line, and then tell
2 us what your interest is and what you would like for us
3 to do.

4 So let me start with Laura, and it looks like,
5 Dobos. If you would come forward, ma'am, and, again,
6 tell us your name and spell your last name for the court
7 reporter.

8 MS. DOBOS: My name is Laura Dobos, it is
9 D-o-b-o-s. And my husband and I, we live in Solero
10 Ranch, which is located probably about seven miles east
11 of Tumacacori, and probably five miles east of where the
12 preferred site, the existing line is off of Camino
13 Josephine. So anyway, and I should also disclose to
14 you, we are realtors in the area, and we've lived in
15 Solero Ranch for approximately eight years, and since we
16 have lived there, we have seen a tremendous amount of
17 growth in the area, that area Baca Float 3, it is
18 called. Tremendous amount of growth. Families moving
19 in to new homes, a lot of homes have gone up and
20 continue to go up in that area, and there will be, as
21 soon as the housing market picks up, there will be more
22 homes.

23 So at any rate, the reason why I wanted to speak
24 to you was with regards to the -- actually, the color of
25 the poles. I understand the poles that are there, that

1 will be put up, are the brown poles. Right now there is
2 one of the brown monopoles that exists right now, and I
3 understand there is another type of pole. It is the
4 galvanized steel pole, the dull galvanized steel pole,
5 and that would be preferable if you could put that type
6 of pole in that general area, because it is basically,
7 the vegetation is very low to the ground, and it is a
8 beautiful area. There is some mesquite, but it is very
9 low mesquite, and the galvanized pole would be
10 beautiful. I thought that type of pole would be
11 gorgeous, I didn't realize it even existed.

12 But when you look out, there is a beautiful
13 panoramic view, which is why everybody moves out there
14 in the first place, and I thought if something like that
15 existed before I even knew that it did, that it would
16 just blend in with the scenery beautifully, and it would
17 make the -- all of the people, the residents in the area
18 very happy if they could see something like that erected
19 as opposed to the brown pole which is, quite frankly,
20 not very attractive at all. So I would put that on our
21 wish list and I know because there would be more and
22 more homes that go up in that area, so that is really
23 all I have to say. Thank you.

24 CHMN. FOREMAN: Thank you very much for coming
25 and talking.

1 Now, let's see, next we have David Taylor.

2 MR. TAYLOR: My name is David Taylor,
3 T-a-y-l-o-r. I live at 9244 South Big Tree Lane, which
4 is located in the Sycamore Park residential development
5 on the north end of the proposed alignment. There have
6 been some discussions today concerning visual impacts,
7 particularly of the poles and mono structures that will
8 be placed. My personal opinion is currently from my
9 location, which is approximately 75 yards away from the
10 open desert, from my home, I cannot see any of the
11 existing lattice structures. From the south end of Kolb
12 Road, you can see the lattice structures, but it is my
13 understanding that the monopoles will be approximately
14 30 to 40 feet lower in elevation, or excuse me, in
15 height. It is my opinion that the self-weathering steel
16 poles being a brown color would be a more natural
17 appearance rather than a more lustrous galvanized steel,
18 and that is all I have.

19 CHMN. FOREMAN: Very good. Thank you for coming
20 and talking, sir.

21 Now we have Michael S. Karam. Care to come
22 forward, sir.

23 MR. KARAM: Can you hear me? I live -- my name
24 is Michael Karam, K-a-r-a-m. And I live at 1898 North
25 Pendleton, which is about 500 yards from Santa Gertrudis

1 Lane going south, next to Josephine Wash. Bring the dot
2 down, now go to the left, and back up, that is my place
3 right there. That is it. You are on it right now.
4 That whole piece belongs to me. There is -- and
5 30 acres right there belongs to me, too. According to
6 this drawing that I have here, the blue line represents
7 a secondary position that the line is thinking about
8 going through.

9 CHMN. FOREMAN: The applicant has indicated to
10 us that the yellow or gold line to the right side of the
11 screen that you are looking at is their preferred route.
12 They have identified the blue line as an alternative to
13 that route for the Committee's consideration.

14 MR. KARAM: That blue line going through there
15 is not my preferred route.

16 CHMN. FOREMAN: And why. Tell us why, please.

17 MR. KARAM: Well, for two reasons. One, it
18 takes Tumacacori Mountain, the Atacosias Mountains that
19 are all here. My whole house faces those mountains with
20 all of my view is out on my pastures that are all out
21 here with my cattle and my horses and my dogs and my
22 wife, most important one of all, who sent me down here.

23 CHMN. FOREMAN: Please remember, sir, this is
24 being memorialized in a transcript.

25 MR. KARAM: I understand. That is why I did

1 that. That is exactly why I said it. So I'm on record.
2 But it is not the preferred way that I believe that it
3 should go. My thinking is that it needs to stay where
4 it is at this point in time, and be upgraded, and I am
5 curious as to know why the utility company is talking
6 about a 500-foot right-of-way or easement to put up a
7 50-foot pole?

8 CHMN. FOREMAN: The testimony --

9 MR. KARAM: There may be another reason involved
10 for that.

11 CHMN. FOREMAN: The testimony that we have
12 received today and the application that we have received
13 indicated that the company would like a 500-foot
14 corridor and from that corridor, they would then like to
15 take a 100-foot right-of-way. There is a difference.
16 It is like the width of this room and then the width of
17 this middle area of carpet.

18 MR. KARAM: For what reason? Why?

19 CHMN. FOREMAN: Well --

20 MR. KARAM: I mean, if I have a road that is
21 50 feet wide and I need 400 feet more, there has to be a
22 reason for wanting that 400 feet more. And I don't
23 think the company is telling the people why they want
24 that. But, again, that is just my opinion, and like I
25 say, I want to be on record that I would not like to see

1 that line moved over and put along through my piece of
2 property, and that that is what I have to say.

3 CHMN. FOREMAN: Sir, could you show us on the
4 map where the railroad track is in relationship to your
5 property?

6 MR. KARAM: The railroad runs right there right
7 along the back side of my property.

8 CHMN. FOREMAN: Thank you very much.

9 MR. KARAM: Thank you.

10 CHMN. FOREMAN: Now, no one else has indicated
11 that they wanted to speak. Is there anybody that has
12 come in later that would like to?

13 All right, sir, if you would step forward. Come
14 right up to this table. What I would like for you to do
15 is tell us your full name, spell your last name for the
16 court reporter, indicate where you live in relationship
17 to the proposed line and then tell us what your public
18 comment would be. I think it is on.

19 MR. LUNDERVILLE: My name is John Lunderville,
20 L-u-n-d-e-r-v-i-l-l-e. I live at 182 Vino Court. Our
21 property is a part of the Segment 2 where the proposed
22 new alignment is the yellow line which they want to move
23 the right-of-way to the back of our property. Now,
24 this -- what we are looking at is from right here to
25 here.

1 I'm here to speak for six of the property owners
2 of eight people that are directly affected by the moving
3 of this line. We have homes. We bought this
4 property -- we moved there 26 years ago. When we were
5 there, there was grass growing on Pendleton Road. We
6 bought it because of the trees and what is there. We
7 knew the power line was there, and we went ahead and did
8 all of our building on the easements that existed at
9 that time. We have easements in the middle of our
10 property and easements established at the back of our
11 property. So the hoists were placed and everything was
12 placed to be in accord -- in conjunction with what was
13 done between the county and the power company.

14 The six families, which are the Garcia family,
15 my family, the Lunderville family, the Wagner family.
16 Williams family, Mr. Jakle, who spoke with you earlier
17 today, and the Estrella family. We comprise about
18 80 percent of the property that is directly affected by
19 this moving. These are the properties that have
20 structures on them already, and currently put in place
21 by what was, you know, recommended to us by the proper
22 setbacks and everything.

23 Now, Mr. Jakle gave a great presentation this
24 morning, and everything is agreeable. The only thing I
25 think Mr. Jakle forgot about, he forgot to represent

1 himself, because he just completed a home a year ago
2 that is in accordance to everything that is being done,
3 that was supposed to be done. If this new power line
4 goes in the way they want, I doubt if Mr. Jakle's house
5 will be at the proper setback from the new power line,
6 and he did mention that it would come direct to his back
7 door. Now, he bought this property and developed it to
8 have, you know, what he has and in accordance setback
9 from what is existing. So it directly affects him.

10 Another situation is the Estrella family. They
11 have done everything in accordance to the setbacks. If
12 this happens to this, they have a beautiful back yard
13 with a swimming pool, palm trees, and everything. What
14 will happen? They will be sitting in the swimming pool
15 and there will be a power line right there. They have
16 several outbacks. The back of their property. Hay
17 storage, work shop, everything in accordance to the
18 proper setbacks, which will have to go.

19 Now, it is all fine and dandy to say, okay, you
20 can relocate, well, on their particular property, if
21 they go to relocate, the only place they have to
22 relocate is in front of their primary residence, which
23 the county will not allow a secondary building to be put
24 in front of a primary residence. So it affects them.

25 In my situation, I have property that I bought

1 for future development possibly. If this goes in, with
2 that amount of easement given, that renders that
3 property unbuildable, because I won't be able to meet
4 the setback requirements on that property.

5 Now, none of us that I mentioned here are
6 speculators. I've been there 26 years. The Estrella
7 family has been 16 years. We have no inclination of
8 moving. We would like to live there for the next 25 or
9 30 years, God willing, and we like it the way it is. We
10 are not trying to make money on it, but you have to look
11 at the situation, how is this going to devalue our
12 property?

13 The other point I would like to make is the
14 railroad has just gone through, and I hope you see this
15 tomorrow in your tour, the railroad went through and
16 upgraded the railroad track so they have a 100-foot
17 easement back there. They went through there and made a
18 freeway down there. Now we have traffic, coyotes
19 running illegals, everything else. So you have 100-foot
20 there and then the power company come and takes another
21 100 feet. You are going to have that aerial view, you
22 will have a bald spot 200-foot wide from the railroad
23 track toward Pendleton Avenue -- Pendleton Drive.
24 That -- and our situation, that is our cushion from the
25 railroad, the trees, everything cuts the sound, gives us

1 our privacy, and now you are going to put our houses,
2 everything is going to be in jeopardy, what we already
3 established.

4 As far as I know, there are no encroachments in
5 this section here on the power line. In other words,
6 there is no violations here. There was mention that
7 there are some violations and I understand that there is
8 some things that have been built that are in, you know,
9 in the right-of-way or shouldn't have been built. The
10 power company has come through there several times. We
11 granted them access. There has never been a problem for
12 them to do maintenance on any of the lines that exist,
13 so there has never been any -- anything said about we
14 having any encroachment problems.

15 But if they want to move this line because there
16 is encroachment problems that do not exist, it will cost
17 us -- us that own the property dearly. It will make us
18 change, move, build less, lose value to our property.
19 Value is not the main thing. Like I said, we are not
20 speculators. We want to just stay there, and we want to
21 have what we designed and wanted to do 26 years ago. We
22 want it to go for another 26 or 30 years.

23 And we've taken care of this mesquite bosque
24 that everybody talks about. You go through -- when you
25 see your tour tomorrow, you will see where these homes,

1 our homes, are and we have maintained the undergrowth on
2 the bosque and everything. The trees are much larger,
3 everything is, you know, better than what you see where
4 it is unmaintained. We are actually stewards of the
5 land there.

6 I just wanted to make a point that, you know,
7 our opinion and our area, we have no encroachment. So
8 the only thing that will get encroached is if you move
9 that power line, the power company will be encroaching
10 on us and causing us to have to change, move structures,
11 move facilities. We have a horse training facility. We
12 have an arena we train horses in. That will not exist
13 anymore. We have no place to go with it.

14 And a 200-wide foot stretch along there is not
15 going to look good. What we have right now, you will
16 see, they clear-cut through there on some of that. But
17 you will see how the power line blends in where it
18 exists. It is not obtrusive. But to do what they want
19 to do back there, and it will be a problem, a serious
20 problem for everybody, and so I hope you take this into
21 consideration when you go and make your tour, because,
22 you know, we've got six, eight families here that are
23 taking the brunt -- everybody else above us and below us
24 have not developed, yet, so they can do what they want,
25 you know, it is not going to affect anything they have.

1 But what we have is already established and that will
2 take away from what we have.

3 It will cost us out-of-pocket and that, so like
4 I say, as far as I know, I will double check, but I
5 don't think any of the encroachment problems are on any
6 of this stretch right here that we have. And so -- and
7 there has never been an access problem for the power
8 company. We all worked with them. All the properties
9 are gated and fenced, but any time they need access, we
10 allow it. And so I just wanted to make it clear that,
11 you know, besides the color of the poles and all of the
12 wildlife and everything else, there is also some people,
13 a few families, will be directly affected by this. Some
14 of these other places, it is not going to affect, but it
15 is going to affect our homes and our families. So I
16 just wanted to let you know that.

17 CHMN. FOREMAN: Do we have any questions or
18 comments?

19 MEMBER PALMER: Thank you, Mr. Chairman. You
20 favor the preferred route, the yellow route, the
21 existing route?

22 MR. LUNDERVILLE: Not the yellow route. The
23 yellow route is the preferred route. We favor either
24 the existing or the other alternative, which has been
25 set aside, is the one on the west side of the railroad

1 track.

2 Now, I had a comment made to me earlier today
3 when I was at the meeting before about the floodplain
4 situation, the other side of the railroad track. With
5 the new flood maps and everything, the elevation on my
6 side of the railroad track and the elevation on the
7 other side of the railroad track are the same. So your
8 floodplain situation, you are only looking at 150 feet
9 from one side to the other is the same. So that is an
10 issue that I don't think is valid.

11 MEMBER PALMER: So you concluded on the existing
12 route there aren't any encroachments that are
13 significant in that they would impair the applicant's
14 ability to service and maintenance and --

15 MR. LUNDERVILLE: Not that I know of, and we
16 worked with the power company. They recently came
17 through and trimmed the trees on our property. They
18 did, what they call, a five-year trim. It makes sure it
19 doesn't affect it and they came in and did a five-year
20 trim. There was no -- nothing brought up. They went
21 through all of our properties and took care of their
22 area. If there was an encroachment, I would think they
23 would have brought it up. Like I say, we all built to
24 the standard and to the proper setbacks that have been
25 asked of us.

1 CHMN. FOREMAN: Member Eberhart.

2 MEMBER EBERHART: Thank you. Just to let you
3 know, the power company earlier today said they would be
4 okay with either alignment, so necessarily -- the
5 preferred alignment is not necessarily what is going to
6 happen. They said they would be okay with the blue line
7 alignment, as well.

8 MR. LUNDERVILLE: Like I say, I just wanted you
9 to be aware of what the changing -- of how it would
10 affect property owners that exist there. I don't think
11 enough attention was paid. If you really took your
12 aerial and blew it up and look close, you would see how
13 it would affect, but I don't think enough attention was
14 paid to that. I felt these people -- we had to be
15 represented about this.

16 CHMN. FOREMAN: Member Mundell.

17 MEMBER MUNDELL: How -- Mr. Chairman. Just,
18 sir, first of all, thank you for coming. I heard you
19 say that you complied with the proper setbacks a couple
20 times. The setbacks by the county, what did you mean by
21 that?

22 MR. LUNDERVILLE: The county has setbacks that
23 are required from property lines as far as from a road
24 from side, rear, so forth. So what I'm saying is,
25 everything that we have built on our properties have

1 complied with the county and with the proper setbacks
2 from the center of the existing power lines so that all
3 of our buildings that exist now are not in violation.
4 But the fact that if you was to take and move this large
5 line to the back of the property, it would put some of
6 our buildings in violation, and in other words, they
7 would have to be either moved, dismantled, something,
8 because they were setback at a 23-foot or a 37-foot
9 easement. You guys want to put a 100-foot, so there is
10 buildings that exist within this proposed easement that
11 you want to bring change.

12 MEMBER MUNDELL: We may be talking apples and
13 oranges. When you use the word "setback," I think of
14 just the definition "setback." You are actually 23 feet
15 from some designated line, but we saw -- were you here
16 earlier today when we saw pictures of development that
17 appear to be within the setback?

18 MR. LUNDERVILLE: No, I wasn't. I wasn't here
19 for that, but I'm just -- I'm sure -- I know they exist,
20 because I see them. I work on construction. I work all
21 over Rio Rico. I just am saying that in our area, I
22 don't believe any of this exists.

23 MEMBER MUNDELL: You know, I appreciate that,
24 and I was just trying to clarify, because we saw
25 pictures earlier that were presented as part of this

1 hearing that appear to be in violation of the setback
2 and we heard testimony that there wasn't enforcement by
3 the county and by the previous utility, so one of the
4 reasons we are taking the tour tomorrow is so we can
5 look at what you just described.

6 MR. LUNDERVILLE: And what I'm trying to say is
7 on my -- see, my plat plans of my properties, I have a
8 50-foot on the property -- of one property. I have a
9 50-foot easement for the existing line, the big one, and
10 on the back I have -- I can't recall. It is 27 or
11 37 feet, okay. Well, we've built corrals and out
12 buildings that are well within that 37 feet. I mean,
13 they are well out of that, say, they are at 60 or
14 70 feet, but if you come in and say, you need 100 feet,
15 they are in violation now when they weren't when we
16 built them. And that is what I'm saying about the home
17 of the Estrellas and the home of Mr. Jakle and also the
18 Garcia family, those are going to be very touch-and-go
19 as to where those houses are in accordance to the new
20 easement if you enforce the new easement, because they
21 are setback from what exists.

22 MEMBER MUNDELL: Thank you, sir, for your
23 presentation.

24 CHMN. FOREMAN: Thank you for coming and
25 talking.

1 Sorry, Member Eberhart.

2 MEMBER EBERHART: Just one last comment. If --
3 I'm not an attorney, but if they have to come in and
4 acquire right-of-way and purchase it from you or any of
5 your neighbors, they would have to pay you damages to
6 move your stuff or, you know, it would all be settled
7 and any payments for them to acquire the right-of-way,
8 so don't feel like they can come in to your property and
9 do whatever they want.

10 MR. LUNDERVILLE: Well, I understand that.

11 MEMBER EBERHART: You need to understand you
12 would be paid for any damages.

13 MR. LUNDERVILLE: I've been asked to represent
14 with these people that we are not interested in, like I
15 said, we are not speculators. We are not interested in
16 changing what we have. We are not interested in selling
17 it or making money off of it or anything like that. We
18 want to cooperate, but we want -- we don't want the
19 value and, like I say, especially in the Estrella
20 situation, they have no other place to go with those
21 other buildings unless they are in violation of county
22 code. So that is another issue that would have to be
23 dealt with. It could be a large, large issue to deal
24 with.

25 CHMN. FOREMAN: Thank you, sir, for coming and

1 talking.

2 Member Noland.

3 MEMBER NOLAND: Yeah, Mr. Chairman,
4 Mr. Derstine, and TEP/UNES people, one of the things
5 that is misunderstood the most is the corridor in
6 relation to the right-of-way that is actually needed.
7 We saw this when we were doing the Solar One plant down
8 near Gila Bend, and it really confused landowners,
9 property owners, and others. They felt they had been
10 misled because originally people were talking 100 feet
11 of right-of-way or whatever, and then they were asking
12 for a 1,500-foot right-of-way. This 500 feet is nothing
13 compared to what we've seen at 2,500-foot corridors, and
14 15,000-foot corridors, so I think it behooves you to
15 explain this better in the public hearings, and to
16 really explain the difference between the two and why
17 you need a corridor to give the flexibility to locate
18 around structures, around other obstacles, around
19 natural sites, and to locate your structures. So as I
20 tried to nicely suggest to APS, and I now suggest it to
21 you, do a better job during the public hearings and the
22 information you send out to people in explaining the
23 difference between those two, and then they won't feel
24 like they've been betrayed when they get to a hearing or
25 see a notice or whatever and it says, 500 feet corridor.

1 Thank you.

2 CHMN. FOREMAN: Sir, you didn't -- would you
3 like to talk?

4 MR. DOBOS: Yes.

5 CHMN. FOREMAN: Come forward and give us your
6 full name and spell your last name.

7 MR. DOBOS: Martin Dobos. That is my wife
8 Laura. I just want to make one point on the --

9 CHMN. FOREMAN: It is D-o-b-o-s.

10 THE WITNESS: On the color of the poles, it was
11 the dull gray galvanized that she was talking about and
12 as realtors, we see the countryside. We see the homes
13 and there was another gentleman that came up and said
14 that brown would be less conspicuous. That is just not
15 true. We deal with this every day and part of the
16 beauty of the area is the views and the dull gray or
17 dull galvanized would blend in with the sky and make the
18 horizon. It would be much more aesthetic. That is what
19 she was opting for in that. We have plenty of brown
20 ones there in the Tubac Foothills so we would appreciate
21 that choice and we also like the existing line where it
22 is out of all the choices. That is it. I just wanted
23 to clarify that.

24 CHMN. FOREMAN: Thank you very much for coming
25 and talking with us.

1 Anybody else who wanted to make public comment?

2 All right. Very good. We will -- Member Mundell.

3 MEMBER MUNDELL: The only thing I was going to
4 follow up, Member Noland, I agree with her
5 wholeheartedly. Maybe at some point in time, I don't
6 know if it is appropriate now, but there needs to be an
7 explanation to the public of the distinction between the
8 corridor and the right-of-way, because we seem to,
9 again, continue to have that issue come up and you sort
10 of started talking about it, Mr. Chairman, and I
11 appreciate that, but at some point in time, we need to
12 close the loop so people understand the distinction.

13 CHMN. FOREMAN: And it is. And, again, the --
14 there is a legal reason for requiring notice. Notice is
15 required to be given that it is possible that the line
16 of the -- the line -- the alignment of the line will be
17 within certain boundaries. This is a study area.
18 Within the boundary of the study area, there are certain
19 corridors that are identified, and the corridor means
20 that you have a 500-foot, or as Member Noland said, we
21 have had 2,500-foot. I think we even had a 5,000-foot
22 wide corridor identified.

23 And then there is a right-of-way, which is
24 actually the burden on property, either fee burden or
25 easement burden, meaning, the people who own the line

1 have the right to control the property use and that
2 right-of-way usually runs to a 100 feet and that has
3 been the request in this case. So the right-of-way gets
4 placed inside the corridor which gets placed inside the
5 study area.

6 So sometimes in trying to deal with the legal
7 terms or sometimes in people talking about the terms,
8 those terms get confused and there are misunderstandings
9 that occur, so it is -- it is important that there be an
10 explanation of the difference between those three
11 different terms and the potential impact on the people
12 whose lives are touched by these lines.

13 We appreciate again very much those of you who
14 have come to give us public comment. We will adjourn
15 this evening. We will commence tomorrow with the tour
16 at 8:30. If there are members of the public who wish to
17 follow along on the tour, there are maps and stops
18 indicated. The Committee earlier decided it would stop
19 at stops 1 through 5, 8, and 9 of the 13 stops that were
20 identified, so we are only going to view those and 8 and
21 9 will involve the area north of the Canez substation
22 that was subject of part of the public comment tonight.

23 See you folks at 8:30 in the morning.

24 (The Public Comments concluded at 6:36 p.m.)

25

1 STATE OF ARIZONA)
) ss.
 2 COUNTY OF MARICOPA)

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I, TERESE HEISIG, Certified Reporter No. 50378
 for the State of Arizona, do hereby certify that the
 foregoing printed pages constitute a full, true and
 accurate transcript of the proceedings had in the
 foregoing matter, all done to the best of my skill and
 ability.

WITNESS my hand this 4th day of June, 2009.

 TERESE HEISIG
 Certified Reporter
 Certificate No. 50378