BEFORE THE ARIZONA POWER PLANT AND TRANSMISSION LINE SITING COMMITTEE

IN THE MATTER OF THE APPLICATION OF UNS ELECTRIC, INC., IN CONFORMANCE WITH THE REQUIREMENTS OF ARIZONA REVISED STATUTES 40-360, et seq, FOR A CERTIFICATE OF ENVIRONMENTAL COMPATIBILITY AUTHORIZING THE CONSTRUCTION OF THE VAIL TO VALENCIA 115kV TO 138kV TRANSMISSION LINE UPGRADE PROJECT, ORIGINATING AT THE EXISTING VAIL SUBSTATION IN SEC. 4, T.16S., R.15E., PIMA COUNTY, TO THE EXISTING VALENCIA SUBSTATION IN SEC. 5, T.24S., R.14E., IN THE CITY OF NOGALES, SANTA CRUZ COUNTY, ARIZONA.

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BE IT REMEMBERED that the above-entitled and numbered matter came on regularly to be heard before the Arizona Power Plant and Transmission Line Siting Committee, Esplendor Resort at Rio Rico, 1069 Camino Caralampi, Rio Rico, Arizona, Ball Room, commencing at 9:32 a.m. on the 2nd day of June, 2009.

BEFORE: JOHN FOREMAN, Chairman

DAVID L. EBERHART, Thunderbird Consulting Group

PAUL RASMUSSEN, Department of Environmental Quality

JESSICA YOULE, appointed member

PATRICIA A. NOLAND, appointed member

JEFF McGUIRE, appointed member

MIKE WHALEN, appointed member

BILL MUNDELL, appointed member

MIKE PALMER, appointed member

BARRY WONG, appointed member

APPEARANCES:

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TERESE M. HEISIG
Certified Reporter
Certificate No. 50378
CHMN. FOREMAN: My name is John Foreman. I'm the chairman of the Arizona Power Plant and Transmission Line Siting Committee. This morning is the time scheduled for the evidentiary hearing in the application of UNS Electric for a certificate of environmental comparability authorizing the construction of a line and the upgrading of a line presently in existence from the Vail Substation to the Valencia Substation in Pima and Santa Cruz Counties.

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

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

CHMN. FOREMAN: All right. Now, the first thing that we are going to need to address here this morning is an application or two applications to intervene that have been filed, and my reading of the statute is that the Committee needs to make the ultimate decision about whether intervenors can be allowed to intervene, potential intervenors can be allowed to intervene. So
I'm going to ask the two intervenors to introduce
themselves in the order in which they made application,
so, Mr. Magruder, would you start first.

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

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

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

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

I -- my understanding, Mr. Magruder, you have
been allowed to intervene before in line sining
proceedings; is that right?

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

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

MR. MAGRUDER: That's correct, chairman.

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

MR. MAGRUDER: And blue.

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

MEMBER MUNDELL: Mr. Chairman.
CHMN. FOREMAN: Member Mundell.

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

CHMN. FOREMAN: Member Wong.

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

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

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

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

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

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

MEMBER WONG: Please.

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

MEMBER WONG: Thank you, Mr. Chairman.
CHMN. FOREMAN: Thank you.

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

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

CHMN. FOREMAN: And --

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

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

MEMBER EBERHART: No, sir. Thank you.

CHMN. FOREMAN: Member Noland.

MEMBER NOLAND: Mr. Magruder, Chairman Foreman
advised you that this is not a rate hearing, and in your
filings for intervenor, you really do outline more rate
concerns than other environmental or line siting concerns. Do you feel that you can limit yourself to what this committee actually has to deal with, and that is the environmental line siting concerns, not the rate concerns?

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

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

MR. MAGRUDER: I understand.

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

MR. MAGRUDER: I'm not trying to talk about rates. I'm trying to talk about the cost of the project
MEMBER NOLAND: Thank you.

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

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

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

MEMBER YOULE: Second.

MEMBER WONG: Second.

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

Let me take roll call now.

Member Eberhart.

MEMBER EBERHART: Is this roll call?

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

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

CHMN. FOREMAN: Member McGuire.

MR. McGUIRE: Here.

CHMN. FOREMAN: Mr. Mundell.
MEMBER MUNDELL: Present.

CHMN. FOREMAN: Member Noland.

MEMBER NOLAND: Here.

CHMN. FOREMAN: Member Palmer?

Not here yet.

Member Rasmussen.

MEMBER RASMUSSEN: Here.

CHMN. FOREMAN: Member Whalen.

Member Wong.

MEMBER WONG: Present representing the public.

CHMN. FOREMAN: Member Youle.

MEMBER YOULE: Here.

CHMN. FOREMAN: Very good. Now, with regard to the motion, and the motion is to allow Mr. Magruder to intervene as a party in this matter.

Member Eberhart.

MEMBER EBERHART: Aye.

CHMN. FOREMAN: Okay. Member Maguire.

MR. McGUIRE: Aye.

CHMN. FOREMAN: Member Mundell.

MEMBER MUNDELL: Aye.

CHMN. FOREMAN: Member Noland.

MEMBER NOLAND: Aye.

CHMN. FOREMAN: Member Rasmussen.

MEMBER RASMUSSEN: Aye.
CHMN. FOREMAN: Member Wong.

MEMBER WONG: Aye.

CHMN. FOREMAN: Member Youle.

MEMBER YOULE: Aye.

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

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

Now, let's move to Ms. Webb.

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

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

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

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

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

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

Member Eberhart.

MEMBER EBERHART: Thank you, Mr. Chairman.

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

MS. WEBB: Member Eberhart, I'm the only witness.
MEMBER EBERHART: Ms. Webb, is there -- I'm not trying to limit you. I'm just trying to get a handle on how -- what time length you expect your presentation to take.

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

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

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

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

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

MEMBER EBERHART: Thank you.

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

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

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

CHMN. FOREMAN: Okay. Is there a motion with

regard to Ms. Webb's participation as an intervenor?

MEMBER EBERHART: Mr. Chairman.

CHMN. FOREMAN: Member Eberhart.

MEMBER EBERHART: Mr. Chairman, I would make a

motion to allow Ms. Webb to be an intervenor in this

case.

MEMBER MUNDELL: I will second that.

CHMN. FOREMAN: Is there any further discussion?

All right. Member Eberhart.

MEMBER EBERHART: Aye.

CHMN. FOREMAN: Member McGuire.

MR. McGUIRE: Aye.

CHMN. FOREMAN: Member Mundell.

MEMBER MUNDELL: Mr. Chairman, briefly explain

my vote. Sometimes it is difficult for laypeople to

participate not only here, but in front of the

corporation commission itself, and so I can -- I agree

with your admonition to Ms. Webb that she is to abide by

your rulings and be respectful of you and the committee

members as we go forward, but I would say the same

thing, that her participation in other cases that I

voted on was very valuable, giving a perspective that

was not presented by the utility or by other individuals
or intervenors, so, again, this is an ongoing process
for all of us to learn the rules, and sometimes as
lawyers, we understand the rules of evidence and
procedure, but for nonlawyers, it is a learning process,
so I'm -- I agree with your admonition, and I'm sure
that Ms. Webb will abide by that as -- and will
participate like the other individuals that are
participating in this proceeding. I vote aye.

CHMN. FOREMAN: Member Noland.
MEMBER NOLAND: Aye.

CHMN. FOREMAN: Member Rasmussen.
MEMBER RASMUSSEN: Aye.

CHMN. FOREMAN: Member Wong.
MEMBER WONG: Aye.

CHMN. FOREMAN: Member Youle.
MEMBER YOULE: Aye.

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

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

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

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

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

CHMN. FOREMAN: Okay.

MR. MAGRUDER: Thank you.

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

Ms. Webb.

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

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

I'm sorry, Member Mundell,

MEMBER MUNDELL: Thank you, Mr. Chairman.

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

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

MEMBER MUNDELL: Thank you, Mr. Chairman, for
your indulgence.
CHMN. FOREMAN: Any other comments or questions?

Okay. Let's move, then, to opening statement.

Counsel, you may proceed.

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

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

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

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

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

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

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

Mr. Miller, also of Transcon, will be your last
witness to testify about the public process, public outreach to the public who live along the line, the proposed route as well as agencies.

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

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

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

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
14 What we are asking to do is to rebuild the
15 remainder of the line from Kantor South.
16
17 CHMN. FOREMAN: And, Mr. Derstine, I think we
18 discussed the legal entity that was authorized to build
19 that. Is there a change in entity?
20
21 MR. DERSTINE: I think the history of that case
22 78 is that at the time of case 78 and the reconstruction
23 of that portion of the line, this system was owned by
24 Citizens Electric. Since that time, it was acquired by
25 UniSource Energy Services and now UNS Electric. So the
26 ownership of the system has changed, but the -- in
27 terms -- I'm not sure if there is a concern about the
28 impact or the ownership of the project.
CHMN. FOREMAN: And I'm just trying to make sure that we get the legal entities clear and that the members of the committee are clear on this. Would I be correct, also, in my understanding that while this process of transfer from Citizens to UNS was not approved in advance by the corporation commission, it is something that -- it was something made known to them and they are aware of it. Is that accurate?

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

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

MEMBER YOULE: Of the CEC?

CHMN. FOREMAN: Of the CEC.

MR. DERSTINE: I think that is accurate.
CHMN. FOREMAN: So UNS's acquisition of legal interest or legal authorization to proceed, according to the CEC, came as a result of the acquisition of Citizens lock, stock, and barrel, not the specific acquisition of the rights that accrued under the CEC; is that correct?

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

CHMN. FOREMAN: No.

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

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

MR. DERSTINE: I think what is true, Chairman, is that in the commission order that approved the
acquisition of the Citizen assets, it called out and
provided for and authorized the transfer of all the
Citizen infrastructure assets, equipment to UniSource.

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

MR. DERSTINE: I think that is correct.

CHMN. FOREMAN: Okay.

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

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

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

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

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

So the constraint comes from the WAPA system and by tying in to the TEP EHV system, we are allowed to increase the capacity from 50 megawatts currently to 120 megawatts. The reason for doing that is in order to meet peak load today, and what we've been doing for
years on this system is to run local generation down to Valencia Substation. Gas turbines that are located there at Valencia. The problem with serving peak and increasingly serving peak load through running local generation is that many of those generators are older and expensive to run. They are inefficient. Furthermore, by having to rely on local generation to serve peak, we are not allowed to use lower cost, other sources of power, which would otherwise transmit on the system.

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

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

When UNS Electric approached this project, and it has been in their ten-year plan for a number of years, the assumption was we could rebuild it in place, rebuild the existing line as it stands. That eliminates
the need for additional right-of-way. It is the least
cost way to do what needs to be done on the system
apart from the 45 miles of new line that are needed to
interconnect at the Vail Substation at the north end of
the line.

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

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

Those two sections are the only two sections
where we are asking to move off the existing line for
constructability, access, encroachment issues.

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

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

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

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

So, again, the project is to rebuild in place from Kantor South to Valencia our line where it stands, except for an area of encroachment here in Segment 3, a small area of encroachment here in Segment 4, and we
have the considerations and concerns about the bottom of
Segment 2 with the private landowners there just above
the Canez Substation.

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

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

Now, let me briefly touch on public process. As
I stated, Mr. Miller of Transcon will testify about
public process, our public outreach. Before filing this
application, there was indeed extensive agency outreach
and public outreach. That started in earnest in December 2007, with a first of four newsletters regarding this project. The newsletters informed the public of the planning and development of the project and later the newsletters informed the public about the proposed routes, preferred and alternatives.

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

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

So that is it. That is our project. That is our case. I heard that case 142 and case 143 were
finished in a matter of five hours or so. I have to say
that news almost made me cry. It hasn't been my
experience with these siting cases. I don't think this
case will be a five-hour case. At the same time, I
think with the presentation of our testimony or
evidence, that this is a case that can and should be
heard in three -- the three days we set aside, even
including a route tour, if you elect to do that form.

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

CHMN. FOREMAN: Questions for Mr. Derstine.

Member Noland.

MEMBER NOLAND: Thank you.

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

MR. DERSTINE: Mr. Chairman, Member Noland, the
main encroachment areas are in Segment 3 under the
existing line. When I say "encroachment," I mean houses
that have been built up close to the right-of-way, in
some cases even into the right-of-way as well as stuff,
sheds, basketball hoops, patios, all variety of things
that you might see in and around homes built up close to
the right-of-way and in many cases directly into the
right-of-way. We will have the Google Earth fly over as
well as Google Earth static images and photographs that
Mr. Beck and Mr. Warner can present to you today that
will give you a better understanding of what that looks
like, and why in that section we are moving off the
line.

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

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

MR. DERSTINE: On Segment 4 or...

MEMBER NOLAND: Segment 2, I'm sorry.

MR. DERSTINE: Segment 2, no, and I think that
is an important point. This alternative that moves over
along the railroad from the Kantor Substation down south
is an alternative that we thought we needed to include
in our application, because we've been -- received the message loud and clear that we need to include alternatives, but it is not a preferred alternative. And, in fact, it is an alternative that we don't think should be built, but it is there. It was there for consideration by the public. The only real issue and movement of the existing line that we think is appropriate in Segment 2 is this area here.

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

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

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

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

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

Member Palmer.

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

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

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

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

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

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

MEMBER PALMER: I gotcha. Thank you.

CHMN. FOREMAN: Any other questions or comments?

Member Mundell.

MEMBER MUNDELL: Thank you, Mr. Chairman.

Mr. Palmer made me want to ask a couple additional questions. In case 111, the 345 kV, did the
utility put on testimony concerning a smaller upgrade to
serve the Nogales area?

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

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

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

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

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

MR. DERSTINE: Well, I don't know when that
mobile home park came into existence, but certainly, as it is today, I believe that we have mobile homes and further down the line businesses where the line passes directly over it. So I think it could be considered an area of encroachment.

CHMN. FOREMAN: Okay. Very good. Thank you. All right. Mr. Magruder, tell us what it is you would like for us to do and why.

MR. MAGRUDER: Good morning, Committee. Right now I'm not sure I want to support this project, but I'm also not against the project. I think that is an important initial statement I want to make. But I do find that there are areas that I have serious questions that I think need to be answered, answered to the committee before you make your decision. The actual testimony I make might be fairly short, because most of my time will probably be spent in cross-examination to get these answers.

First, whenever I talk to the committee, I always want to remind you what the word "to site" means, which is a part of your title. The dictionary definition means, to determine a place, a location, a point. It does not mean, area or corridor. In my opinion, I feel every pole location should be given to you before you make your decision, because a 500-foot
wide corridor has significant impact on every property owner along the route, and I think it is unsatisfactory for those pole positions not to be provided to the public and to you as the committee before you make your decision.

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

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

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

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

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

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

The other concern I have on the routes is in the upper -- in the Segment 4 at the bottom part in the diagram, you see there is a blue line at the bottom end that makes a little loop to the east. That is from Gold Hill Road to the Valencia Substation. I agreed with the Gold section, to avoid the Grand Avenue, but I think that when we go on the tour tomorrow, that little segment, I think, might be better than the preferred segment, mainly because the preferred segment crosses through shopping centers, a mobile home park, the county facility, the Sgt. Manuel Tapia Memorial Trail and other -- and it is just -- goes right through downtown. We will compare it to crossing some industrial
The next subject is, there has been a lot of public participation, and the case is a lot better in this one than when I saw case 111. But in the ACC order in 1999, we are supposed to have a citizens action council that meets periodically to discuss these types of issues in advance. The last meeting of this ACC order local participation group was in September 2001, and I can list about 25 reasons why we need to have a local group participating to discuss energy issues in Santa Cruz County.

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

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

Also, case 111 had my fourth major comment, which was a mitigation and restoration plan to be
submitted on areas of new construction. That concludes my opening remarks.
CHMN. FOREMAN: Thank you. Any questions or comments from committee members? All right. Very good.
Ms. Webb, please tell us what your issues are.
MS. WEBB: Mr. Chairman, members of the committee, my name is Elizabeth Webb and I'm a TEP ratepayer and community volunteer in the Vail area. I'm predominantly concerned with Segment 1A at the northern end of the project. I am not an attorney, but I will try my best.
The exhibits and testimony I intend to present will show that there was no open house in the Vail or Corona de Tucson -- in Vail or Corona de Tucson. South and southeast of the proposed project in Segment 1A. The exhibits will also show that weathered steel monopoles next to the sky, distant mountains and existing steel lattice structures are visually incompatible and mar view sheds. The evidence will show 16 -- let's see, I can't even say it, 16 planned projects in the next 25 years associated with the Vail Substation.
I have a couple of questions that I really would like to have the committee ask. Why is this continually
called an upgrade when the evidence clearly shows
construction of a new transmission line regardless of
whether or not the northern or southern alternatives
chosen in Segment 1A when the Nogales Tap is removed
from the existing substations?

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

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

And I would like to ask the committee to add
this to the CEC that I have put in my witness
testimony -- in my book and it is in there listed as
number 23 in the CEC. I also would like to ask that
galvanized steel are put against existing steel lattice
structures or environments that are against mountains in
the background, and also against the sky. Because that
is more visually compatible and I intend to show that in
the evidence.

Thank you.

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

All right. We are going to take a brief recess.

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

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

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

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

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

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

CHMN. FOREMAN: We are going to go back on the
record, and I omitted during our last session to
indicate that Member Whalen was here, although I had
indicated that Member Palmer was here, so I apologize
for not timely getting that on the record.

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

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

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

CHMN. FOREMAN: Where about in the area?

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

MR. DERSTINE: Mr. Chairman.

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

CHMN. FOREMAN: Mr. Derstine.

MR. DERSTINE: I simply wanted to note that our
environmental consultants have up on the screen to the
left a Google Earth map that I believe is the area that
is being discussed by this gentleman presently and there
may be others, so if it is helpful to the committee to
have Google Earth image, we can zoom in or out if that
is helpful.

MR. POWELL: I actually live right out there.

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

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

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

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

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

MR. POWELL: That is part of it. I would like
to go on record of saying that I am opposed to that
particular route, which is the alternate route. But the
other part of my comment concerns the construction of
the tours themselves. I have a well on my property
which is very close to where that route is, to the
railroad right-of-way. My property actually abuts the
railroad right-of-way, and my well is very close to
that, and the water level in my well, static water
level, is at 15 feet. And my question and comment is,
have they made any kind of provisions or studies as to
water level, what effect going down into the water table
would have, putting these poles in if they get into the
water table, is there contamination issues as far as the
groundwater goes?

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

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

And that is basically the -- my comments.

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

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

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

The impact it would have with the alternative route would totally impact the historical significance, archeological significance, and the costs on condemnation of all the private landowners along that alternative route would absolutely be horrendous, and I hope that the site committee will pick the preferred route of the company, which does work, and the expenses
would be way down.

CHMN. FOREMAN: Thank you very much.

Next we have Marty, and is it, Jakle?

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

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

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

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

Like I said, my name is Marty Jakle. I live at 195 Polvo Court, and if you go to about the third page, UniSource was kind enough to outline my property in yellow. You can see that my property gets a double whammy. It is -- I have an easement on the current alignment and then the proposed alternative is on the other side, so one easement is on the east and one easement is on the west of my property.
I have a master's degree in zoology. I retired as a biologist after working in Arizona for 30 years. I was a founding member, along with Duncan Patten, of the Arizona Riparian Council. I was on the board for 20 years. I'm now currently a member of the board of the Friends of Santa Cruz River.

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

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

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

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

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

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

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

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

No objection.

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

MR. DERSTINE: No objection.

MR. MAGRUDER: No objection.

MS. WEBB: No objection.

(COM-1 and COM-2 admitted.)

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

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

CHMN. FOREMAN: So if you go to the upper
right-hand corner of the Segment 2 where you have the
inset, is your property one of those properties that is
in-between the blue and yellow line there,

MR. JAKLE: My property is between the blue and yellow line. I can't quite figure out where on this map. Maybe somebody in the audience can help me out.

Okay. So that is my place, and you can see the -- that it has a good amount of riparian habitat.

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

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

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

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

MR. GELLMAN: Yes.

MR. JAKLE: Then that would be the preferred alternative and I'm opposed to the preferred alternative
for the main reason that there is -- it is a lot of my
really good habitat. Plus in the diagram, you can see,
it is not only at my place, but it is all throughout
that preferred alternative alignment, which would be
here, going through the mesquite bosque. Now, this is a
picture of what the habitat looks like now. It is
really -- I mean, I work in this arena. I know what
good riparian habitat looks like. This is good stuff.
This is some of the area that would be within the
100-foot alignment of the preferred alternative.

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

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

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

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

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

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

MR. JAKLE: Now, I'm not against the upgrade. What I'm against is environmental destruction. I offered in that letter two possible alternatives. I said that it could be possible to bring the alignment down in its current alignment and then come over to the railroad track where, generally, I haven't walked it. I haven't walked the ground, but I looked at the aerials and I live out there, I know it fairly well. It looks
like the habitat quality is lower, so that is a possible alternative. Bring it down through its current corridor and shift it over to the railroad south of Canez Station. I meant to put it, but Canez Station would be right there. Another possibility is taking the line and moving it to the west of the railroad.

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

CHMN. FOREMAN: Thank you very much, sir. Any comments or questions from committee members?

MR. MUNDELL: One quick one.

CHMN. FOREMAN: Member Mundell.

MEMBER MUNDELL: Thank you, Mr. Chairman. So I can get my bearings, on Segment 2, where is the mesquite area that you described? Just so I can mark it on my map.

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

MEMBER MUNDELL: Maybe if you don't know, there
will be testimony when we proceed through the process.

MR. JAKLE: I would have to look at -- this photo here would be better. I think we could just see it from this, if we could just zoom this out. Okay.

What is the dog lag right at the middle of the screen? What road is that? That is where the line comes over -- that is the -- okay. So Palo Parado Road would be the line just north of that. Okay. And the mesquite habitat, well, for purposes of this, you can see from Palo Parado south all the way down to about Canez Substation. Now, there is, you know, bits and pieces that are in ag, but again, for the most part, it is the mesquite bosque, the good stuff.

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

Thank you, Mr. Chairman.

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

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

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

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

Mr. Jakle, is that --

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

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

MS. SASS: Good morning. Thank you for letting
me speak. My name is Sherry Sass, S-h-e-r-r-y, S-a-s-s.
And I'm president of Friends of the Santa Cruz River,
which is a local volunteer group dedicated to protecting
the habitat created along the Santa Cruz River corridor,
mostly in Santa Cruz County.

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

I want to reiterate what Marty said. He is our
resident riparian expert or one of them on the board.
The mesquite bosque habitat that aligns the river in
Santa Cruz County is some of the last surviving mesquite
woodlands that have made it through the original
settlement of many different cultures coming through
here and using this very rich bottomland for
agriculture, and then after that for building. So it is
a very remnant habitat as it is, and I just wanted to
mention -- oh, I should say I'm a biologist, as well,
although I haven't practiced as one professionally for
some years, but my training is ecology and aquatic
biology and ecology. So I'm attracted to this kind of
area, but so is everything else.
The important bird areas -- biologists for Audubon, Scott Wilbor, did this tremendous riparian habitat guide to private landowners seeking to preserve habitat for birds and other wildlife. And he did it primarily for this county because of the importance of this habitat for birds, and I just wanted to quote some things that he said about this Bosque.

The once vast mesquite bosque or woodland is the most threatened habitat along the river, and he gives some suggestions to private landowners, which I guess UES is a landowner. It is not exactly private.

Protecting mesquite bosques from tree harvest is the greatest benefit you can do for this important habitat. If you need to collect wood from this forest, use wood on the ground first, and second, if you must cut trees, only cut trees less than 12 inches.

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

Leave old, large trees and branches even if they are dead, because they provide critical places for cavity-nesting birds, mammals, and reptiles to raise their young. In regard to birds, protecting forest tracts of large mesquite will benefit Gray Hawk foraging habitat, and foraging and nesting habitat for Elf Owl, Yellow-Billed Cuckoo, Bewick's Wren, Ladder-backed
Woodpecker, Ash-throated Flycatcher, Phainopepla, Verdin, Black-tailed Gnatcatcher, and many others.

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

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

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

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

MS. SASS: A couple other things. Another researcher, Julie Stromberg from ASU, she is a riparian ecologist, estimates that it takes over 100 years for a bosque to regrow or grow. They think maybe 100 to 200 years, so when you think about the clear-cutting that happens under a power line, and in this letter, there is a couple of pictures from -- actually, from Marty's -- around Marty's house of a kind of before and after, which I hope you will see on your site visit.
Once that habitat is gone, it is not like it comes back in a few years. So there really is a difference in quality between the old established multi-storied densely vegetated diverse bosque and then your individual mesquite trees there that will go up in an ag field that hasn't been mowed in a while. Big, big difference.

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

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

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

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

So that is my comment and I apologize to the court reporter for overloading her with bird names.

Thank you.

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

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

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

On May 18th, we took a position, and it was a unanimous vote by the membership to support the existing route only, not the route that you see in blue that goes along the railroad tracks. As we've heard from other people, that route involves mesquite bosque. It involves private property, ranchings. It would require either eminent domain or sale of private property and it
would just be terrible. The existing route is the only one that we support, and we certainly --

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

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

CHMN. FOREMAN: I do.

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

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

CHMN. FOREMAN: Let's see if we can resolve that. There is something called a "corridor" and there is something called a "right-of-way." A "corridor" is
an area within which the right-of-way is located. Now, my reading of the application is that except for the one trailer park that we talked about down in Segment 4, the one area down in Segment 4, the application requests a 500-foot corridor, but asks only of a 100-foot right-of-way within that 500-foot corridor. Is that the position of the applicant?

MR. DERSTINE: Yes, it is.

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

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

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

CHMN. FOREMAN: Thank you for coming and talking.

All right. Marcelino Varona, Jr.

MS. VARONA: My name is Marcelino Varona. I'm a resident of the city of Nogales. 826 North Linda Vista Drive. My last name is V as in Vick, a-r-o-n-a. Thank you for the opportunity to address this committee. I would like to talk about Segment 4.
I just would like to make a recommendation to the committee on the original site that is proposed by UniSource. Where I'm talking about from Gold Hills down south of Gold Hills. You can see that the gold mark there is taking you through a populated area there, an area where people go out to exercise. There is also -- which is called the Manuel Tapia Memorial park. We also have shopping centers within that area. There is a proposed trailer park there, but the proposed trailer park, half of it, to my knowledge, has been sold and dismantled and that is as you are going up to the Santa Cruz County complex, which will now be to the east of the complex will be a new -- brand-new detention center. With about 200 beds.

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

CHMN. FOREMAN: Thank you very much, sir. Any comments or questions?

MEMBER WONG: Yes.

CHMN. FOREMAN: Member Wong.

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

CHMN. FOREMAN: Supports the alternate.

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

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

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

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

MEMBER WONG: Very good. Thank you.

MR. VARONA: Thank you, Mr. Wong.

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

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

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

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

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

CHMN. FOREMAN: Which --

MS. ESTRELLA: Because of the same issue.

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

MS. ESTRELLA: We support continuing it on the existing line. We oppose where they want to run it along the railroad track. We have the same problem. Everything we built up, we've done the best to leave the existing trees, et cetera. The amount of birds and things that we have on our properties would be the same as Mr. Jakles, so I won't be redundant about that. Putting it on the back side will -- is the same thing. We have to wipe all that out and then I think our house is the closest to the railroad tracks, so removing all of that would expose us and our property to all of the illegal traffic that goes up and down that corridor,
which includes, you know, drug trafficking and illegal
aliens, so we definitely do not agree with it.

CHMN. FOREMAN: Thank you very much.

MEMBER MUNDELL: Quick question.

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

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

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

CHMN. FOREMAN: Member Mundell.

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

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

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

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

MEMBER MUNDELL: Thank you.

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

CHMN. FOREMAN: Member Noland.

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

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

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

Thank you, sir, for coming and talking.

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

MR. CAMPANA: These are some comments that I
made.

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

I think the other one is the one that works.

Tell us your full name and spell your last name.

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

And also a vacant lot.

I just want to express I support the upgrade project and I also support the preferred alignment outlined in the CEC by the UniSource Energy Services. I believe that is probably the best alternative; although, I empathize with my neighbors and friends, but I'm not as passionate as they are about the alignment. Although I think UniSource Energy Services overlooked an opportunity to get this -- the preferred alignment and the current alignment out of the -- out of the residential areas in Rio Rico. I think they should look at moving the line to the west side of the railroad grade in agriculture land and that would eliminate all
of the issues that some of my neighbors and friends have talked about and are concerned about here today.

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

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

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

CHMN. FOREMAN: Okay.

MR. CAMPANA: I'm suggesting that if they move it to the west side of the railroad grade, they would eliminate all the issues with the private property owners on -- in the preferred and in the current alignment.
CHMN. FOREMAN: Now, let me back you up to the area north of the Canez Substation. You indicated that you preferred the preferred route over the present route, which is also the alternative route. Tell us why.

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

CHMN. FOREMAN: Okay. Thank you very much.

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

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

Member Eberhart.

MEMBER EBERHART: Thank you, Mr. Chairman.

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

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

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

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

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

MR. BAFFERT: Mr. Foreman, can you hear me?
CHMN. FOREMAN: I can hear you. Could you give us your full name and spell your last name, please.

MR. BAFFERT: My name is William Baffert.

B-a-f-f-e-r-t.

CHMN. FOREMAN: All right. Sir.

MR. BAFFERT: I live in Nogales since 1925.

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

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

CHMN. FOREMAN: Well --

MR. BAFFERT: In other words --

CHMN. FOREMAN: Is there a particular --

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

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

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

CHMN. FOREMAN: All right. I'm showing you now on the screen on the left, the very lower portion of the application. Do you recognize this picture on the left here?
Mr. Verona: Mr. Chairman, this is Billy Baffert. He is a long time rancher. His property is on the blue line. The alternative line -- and talking with Mr. Baffert, he was a former county board of supervisor member. He favors the gold line. That is what he wants to say, he favors the gold line. His property is on -- right around that area there.

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

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

Mr. Verona: He is looking here at the Grand Avenue right here. This is Grand Avenue right there. Here is the easement.

Mr. Baffert: We have Grand Avenue, and then we have the railroad track, and then we have the Nogales wash and we are going east. We are going east, and then we have a 36-inch sewer line from Mexico where is right ready to bust any minute, and then we have a 30-inch waterline from Meadow Hills coming south. And there is too narrow in there to have so many easements, and then
those easements are going to have to be purchased. Why purchase them when you already have the gold ones? That is all I have to say.

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

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

CHMN. FOREMAN: We appreciate your input.

Thank you, sir, for assisting.

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

Call your first witness, please.

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

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

MR. DERSTINE: I do, Chairman.

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

MR. BECK: Either one is fine.

CHMN. FOREMAN: Raise your right hand, please.
EDMOND A. BECK,

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

CHMN. FOREMAN: : Mr. Warner, oath or

affirmation?

MR. WARNER: Whatever.

MICHAEL L. WARNER,

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

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.

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

CHMN. FOREMAN: : Mr. Warner.

MR. WARNER: Michael L. Warner.

CHMN. FOREMAN: : Spell the last name, please.
MR. WARNER: W-a-r-n-e-r.

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

EXAMINATION BY MR. DERSTINE AND COMMITTEE MEMBERS:

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

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

I have participated on behalf of both companies in the regional planning entities, including SWAT, the Southeast Arizona Planning Group, the West Connect Planning Group. As a member of the West Connect
Steering Committee, member of the Southwest Reserve Sharing Group, board member of the Arizona Independent Scheduling Administrator, and participated in the ACC's biennial transmission assessment. I am currently the director of line siting services for UNSE and TEP.

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

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

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

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

MR. BECK: Yes, I have.

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

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

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

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

MR. BECK: Yes.

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

MR. BECK: Yes, I do.

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

MR. BECK: Yes, I have.

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

MR. BECK: Yes, I was.

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

MR. BECK: My involvement with this particular project stretches back to a previous job function that I had at the companies, which was as superintendent of
transmission and distribution planning. We had
designed -- we had planned the project, identified the
need for the project, and as that process progressed, we
hired Transcon Environmental to do the environmental
work as well as help us with the application, and during
that process, the company created the new position
director of line siting, which I was then the successful
candidate.

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

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

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

MR. BECK: Yes, I do have it.

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

MR. BECK: Yes, I was.

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

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

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

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

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

MR. BECK: Yes, there are pictures of those signed postings.
MR. DERSTINE: Mr. Warner, if I may, I want to briefly turn to you. Could you introduce yourself to the Committee and give us some of your personal, educational background and experience?

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

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

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

MR. DERSTINE: Mr. Warner, can you please describe your involvement, your company's involvement with this particular project?
MR. WARNER: We were hired by UNS Electric to perform the environmental studies that are necessary to complete the application and to assist UniSource in their activities with public outreach. We were also involved in preparing a lot of the exhibits that you see in your applications and will be seeing as we describe the process.

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

MR. WARNER: Yes.

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

MR. WARNER: Yes.

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

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

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

MR. BECK: Sure. First of all, UNS Electric had identified the need to increase capacity to the Nogales
area. We have a limitation of 50.9 megawatts on the Western Area Power system that serves UNS Electric today. We also know that the structures on the existing 115 kV line that serves Nogales are reaching the end of their useful life. They are at least 40 years old and a typical life of a wood pole is approximately 40 years.

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

I put a slide in to show graphically in red you will see the peak load. It has been increasing over time. And the blue is the 50.9-megawatt limit that we have today. One thing I want to point out is that regardless of the forecast numbers, and you will always
have argument what the forecast, how close is the forecast, will it be right? The one thing we can guarantee is future forecasts will not be right on. There will be some variation, but in last year, 2008, our peak load down in Santa Cruz County was approximately 73 megawatts. It is greater than the 50.9 today. We have a capacity issue today.

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

Again, it is 50.9 is our limitation with Western. What I would like to talk just a little bit about, Western Area Power and what the connection is today. This map is intended to show the Western Area Power Parker-Davis system. The Western Area Power Administration has several lines in Arizona. They are identified by the projects that they were built for.
The particular one that comes down into the southeast Arizona area is the Parker-Davis system. Starts off up along the Colorado River. You will see a couple of lines along the Colorado River, and then this line that is going down into the Phoenix area, continues on down through Tucson and down to the Benson area. At the -- this point near Benson is approximately the Adams Tap, which you will hear about later. The Western Area Power Administration's charge in life is to deliver what is so-called "preference power" from the generators, primarily the hydrogenerators along the Colorado River and to a lesser extent, some of the Navajo output up in northeastern Arizona associated with the Central Arizona Project.

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

To the extent Western Area Power has excess transmission capability available for use by others over
and above what is needed for preference power customers, they do put it up for sale to basically first come, first serve. Citizens Utilities, the predecessor to UNSE, historically bought all of its transmission from Western -- well, to the Mohave area over the Parker-Davis system as well as another intertie system of Western, and for Santa Cruz County over the Parker-Davis system coming down towards Tucson.

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

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

MR. BECK: That is correct. The preference power coming out of the WAPA generators, none of that goes to UNS Electric or to TEP. The excess transmission that is available is what UNS is using to transport its resources. UNS Electric has a portfolio of resources that it uses to serve its load. There are basically five contributors that are the largest producers of power that UNS Electric buys from. Those are Arizona
Public Service, Salt River Project, Public Service of New Mexico, the Panda Gila River Power Project, located just south of Phoenix, and to a much lesser extent, but occasionally Pacific Corp. out of the northwest, and then on a daily and hourly basis, spot market purchases are made to make up the difference.

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

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

The little bouncy dot just went in to show the...
connection into the TEP system at Vail.

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

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

MR. DERSTINE: Mr. Beck, let me ask you, is it
necessary, in order to get the capacity increase that
UNS Electric needs, is it necessary to rebuild 115 miles
of line on the WAPA system or is there something less
you could do?

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

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

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

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

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

Now, equivalently on the TEP system, we did an analysis for the same time period, looked at what the TEP system peaks were, did the load ratio share for the Nogales/Santa Cruz load against the TEP peaks, just for comparison purposes, the system peak on TEP average is 3,457 megawatts. So it is -- 800 megawatts greater than
what the Western peak is. So when you do the load ratio share, it would be less than what it was on Western. The annual revenue requirement for TEP system is slightly higher at $38,552,000, but the net result is that the charge to UNSE for network service across the TEP system would be $36,700 per month. So basically, a $6,000 per month savings to the UNSE customer for the transmission service to get from the resource, the generator, down to the equivalent of the Nogales Tap location.

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

MR. BECK: That's correct, yes.

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

MR. BECK: Correct.

MR. DERSTINE: And what I take from slide 16 is that by moving from WAPA to the TEP system through the 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
developed the project. Initially, when we identified the need for a project and the connection to Vail and the need to upgrade the existing 115 portions up to 138 kV, UNSE looked at this as a simple rebuild in place, just like you had heard earlier, roughly half of this project was rebuilt in 1988. We were looking to rebuild the balance of the project in the existing corridor utilizing existing right-of-way and the only new construction that would be involved -- well, this portion shows what would not have new construction. This is the existing portion built under the CEC case 78. It already exists and it is 138 capable.

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

As I mentioned, initially, we were going to rebuild the line in place where we had to rebuild it, but we identified on the north end that there was no
line between Vail and the Nogales Tap, and it would be new construction; therefore, we identified a study area. As part of Transcon's initial assignment, it was to look at that study area and look up the alternative routes that could be utilized for the project and make a recommendation on the correct route to use.

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

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

As we started to look at the details of the project, and we had our construction people go down and review the route, the existing alignment, we identified some areas on the southern end, which we had briefly mentioned today, that caused problems from construction
or access for construction, and/or encroachments from
property owners. And so we decided that in a couple of
those areas, especially the one around the Sonoita area
as well as the Grand Avenue down in Nogales, that we
were probably going to have to deviate from the route in
those areas.

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

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

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

    I would like to just briefly go through the
segments in a little bit of detail. Again, on the north end in the end, we identified two alternatives that were viable alternatives, but we identified the one that is to the north as a preferred route for UNS Electric, primarily because state land provided this input that that was their preferred route. They preferred it over the southern route. All things being equal, either route was workable. The southern route was a little bit longer, but in the end, state land said they really liked the northern route.

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

MR. BECK: I believe that is true.

MR. WARNER: Not quite.

CHMN. FOREMAN: Member Noland has a question.

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

MR. GELLMAN: Every day of the week.

MEMBER NOLAND: Mr. Beck, a clarification. I'm not sure you answered Mr. Derstine's question about other locations that could have been used rather than the Nogales Tap to Vail substation and that there are other areas that might better or adequately have served 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
10 MR. BECK: That's correct.
11
12 MEMBER NOLAND: Now you can answer the other
13 question.
14
15 MR. DERSTINE: Thank you for helping me out on
16 direct.
17
18 MR. BECK: I appreciate that because I missed
19 the question. There was one other alternative that
20 could have been a part of this project from a TEP/UNS
21 perspective. That would be the TEP south substation,
22 which is basically right over here near I-19 and Pima
23 Mine Road. It is another 345 kV station, but it is
24 eight to ten miles away from the Nogales Tap. With the
25 understanding that the whole section of line that was
26 built up to the Nogales Tap needed no work, we didn't
27 have to do anything. If we looked at the south
28 substation as an alternative, we would either come
29 across in some fashion and get rid of a portion of the
line that was still usable, as well as incur the additional cost of extending the line eight to ten miles versus the four miles to Vail. So Vail was a much closer substation for us and from a transmission capacity standpoint, Vail was actually a preferred location because we have two EHV transmission lines coming into Vail from the east side of our system, and one coming in from the south side, whereas at the south substation, we only have a line from the north and one from the east.

MEMBER NOLAND: Thank you.

MEMBER RASMUSSEN: Mr. Chairman.

CHMN. FOREMAN: Member Rasmussen.

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

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

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

MEMBER RASMUSSEN: That was my question.

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

CHMN. FOREMAN: Member Noland.

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

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

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

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

CHMN. FOREMAN: Yes. Proceed.

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

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

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

CHMN. FOREMAN: Member Eberhart.

MR. DERSTINE: Stepping on everybody. Go ahead.

MEMBER EBERHART: I did have a couple questions regarding both of those issues. Particularly, Mr. Beck, the one photograph we have in, I think it is, Exhibit
COM-3, the photograph of the clear-cut through the mesquite bosque, how do you build a new facility right on top of an existing H-frame facility? How would that -- how could that be done? Because your slide exhibit showed that, but how do you do both at the same time, maintain existing electric service and build a new line in the same place?

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

MEMBER EBERHART: Thank you.

Mr. Chairman, I have one more question.

Mr. Beck, you testified that the proposal at this time is to do a single circuit. At what level would -- and are there any projections on the year
forecasted when you would need to come back for a second line or a second circuit?

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

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

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

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

MR. BECK: No.

CHMN. FOREMAN: Please explain.

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

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

MR. BECK: In some cases, we will be able to do that. Now, again, it is terrain-related. On some portions of this line with the terrain, we have to stay
on the ridge lines just to be able to make clearance.

When we are on the flatter ground, we can adjust the span and potentially span out a little bit with the new line.

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

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

CHMN. FOREMAN: Great.

MEMBER MUNDELL: Mr. Chairman.

CHMN. FOREMAN: Member Mundell.

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

MR. BECK: More than likely, there will be some areas where the poles could be closer together. In -- one instance would be if we are in some areas where we are working with, for example, vegetation and trying to limit how much we have to clear, it may make sense to move poles closer, keep the line up higher, so you don't
MEMBER MUNDELL: I guess I was looking at it from a different perspective. If I know where the poles are now, and I don't have a concern about that from a quality of life perspective, and now we are going to move the poles, because -- I appreciate the Chairman's question that started this questioning, because I just assumed they would be at the same location. You were going to put in these newer, better poles, but now I'm hearing they are going to be, I guess, if we grant the CEC, you will be able to put them wherever you want to put them based on some internal criteria that you are going to use. Is that what I'm hearing?

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

MEMBER MUNDELL: What does that mean?

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

MEMBER MUNDELL: That would be nice if that were the case. I'm not sure that is where we will end up.

MEMBER MUNDELL: What does that mean?

MR. BECK: More than likely, I assume there will be conditions where we can place poles. We intend to work with the landowners along the way. I would like to just address the issue of the corridor width that has been brought up today, kind of in relation to your question. We are looking for, generally, a 500-foot right-of-way other than the one area on the south end. 500-foot corridor, excuse me. But we only want 100-foot right-of-way within that corridor, and the reason we
want a 500-foot corridor is to allow us the flexibility
to work with the landowners along the route for any
specific instance on their property where it would make
sense to make some adjustments in the alignment,
including pole location. If -- you know, we do the
layout and identify pole locations and we meet with the
property owners and say, we are going to put a pole here
and a pole there, and they have a real objection to it,
to the extent we can, we will work with them in the
adjustments with the pole locations. We have the
flexibility to do that.

MEMBER MUNDELL: Mr. Beck, the members of the
committee understand why we have corridor widths based
on prior cases, so based on what you just said, is the
landowner -- you wouldn't be opposed to, then, some
condition that allows some recourse if, in fact, the
land -- you want it one place and the landowner wants it
someplace else. I heard what you said. Again, I've
been doing this long ago. I heard you say you are going
to work with the landowner and if they have a problem,
we will work with them and talk with them. The question
becomes if push comes to shove and we grant the CEC and
allow you to put all the new poles in and you have a
difference of opinion with the landowner, how does that
get resolved?
MR. BECK: That is a good question, you know, if it is bad enough, I'm sure the complaint would be raised with the Commission, that would get us probably back in front of possibly the Siting Committee to work out an issue.

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

Thank you, Mr. Chairman.

CHMN. FOREMAN: Proceed.

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

This is going into Segment 2, which is the portion that will be starting the reconstruction. Again, it goes from Kantor South down to Canez. When we did our field reviews from a construction standpoint, there is some terrain issues, a few access issues along the way, but they really don't get to be much of a problem until you get down toward Canez substation. We worked with various property owners along the way who gave us input and said they would like this
reroute here. As a result, that is the preferred route that we came forward with. Based on the public comment today, it is apparent there are other opinions that didn't come out in our public process, which I would still argue was a very extensive and good public process to the extent we could do one. But to the extent there is enough public that wants us to stay on the existing route, UNS Electric is fine with doing that. In this area, we can rebuild on the existing alignment. There are a few challenges, but we can deal with those challenges in this area.

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

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

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

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

CHMN. FOREMAN: Member Eberhart.

MEMBER EBERHART: Thank you, Mr. Chair.

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

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

MEMBER EBERHART: Thank you.

CHMN. FOREMAN: Member Noland.

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

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

MEMBER NOLAND: Thank you.

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

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

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

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

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

MR. BECK: Yes, that is the estimate for the overall project. There is a difference between the application and that total in that the application was strictly looking at the transmission-related parts of the project. The overall cost that Mr. Derstine gave
this morning includes all the substation work and
equipment and changes at the substations related to the
project. So the overall project cost is greater than
the $26 million stated for the preferred route in the
application. And the difference being primarily
substation additions and transformer change outs as part
of the project.

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

MR. BECK: There is a new 345 to 138 kV
transformer being placed at Vail. A portion of that
cost is a portion to TEP customers, and a portion of it
is assigned to UNSE customers. There will be the cost
of the line segment to be built from the Vail substation
over to the tap and then we have the costs of the line
coming down from Kantor to the south as well as some
work at Valencia with a transformer and relocation of
two transformers in Valencia up to the other
substations. We have two existing transformers at
Valencia that are what are called "dual tap
transformers." They are capable of operation at 115 or
138 kV. We have two substations along the way that have
transformers that are only capable of operation at 115 kV. We will take the two transformers at Vail, move them upstream to the other two locations so that -- and then replace the transformer at Valencia so that all of the transformers will be compatible with the 138 kV operation.

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

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

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

MR. BECK: There will be a slight variation in that, but that is a pretty solid number. That is based
on an engineering analysis that was done for the project. Unless there is a major change in markets again where steel or concrete costs skyrocket, those numbers should be pretty solid.

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

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

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

MR. BECK: That's correct.

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

MR. BECK: This was prepared by Trans.

MR. DERSTINE: Mr. Warner, can you give us a little background on the Google Earth simulation. This simulation, kind of what -- how it was prepared? I know the Committee has seen numerous Google Earth flyover
simulations and are familiar with the platform, but a
little bit of background how this flyover was prepared
and what it will show.

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

MR. DERSTINE: Now, Mr. Warner and Mr. Beck, so
I understand where we are going with the presentation,
it is my understanding that this first simulation we are
going to see is generally kind of an overview of the
existing lines, some of the features of the environment
surrounding the existing line. Maybe cover some of the
constraints that Mr. Beck has talked about and then the
two of you will go greater in depth as we break it down
by segment; is that correct?

MR. BECK: That's correct.

MR. WARNER: That's correct.

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

MR. BECK: For this first --

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

MEMBER EBERHART: Thank you, one quick question.

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

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

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

MR. BECK: That's correct.

MEMBER EBERHART: Thank you.

MR. BECK: As Mr. Derstine indicated, this will
be a high level relatively fast fly over the existing
alignment to point out some issues we saw along the way,
some of the encroachments and identify the areas we --
we are going to identify alternatives and then we will
come back and look at the alternatives and the preferred route so we can get down into more detail.

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

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

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

MR. BECK: That's correct. It is this line
right here on the map.

MEMBER EBERHART: Mr. Chair.

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

CHMN. FOREMAN: Sorry, Member Eberhart.

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

MR. BECK: These are the core ten weathering steel, which is what we proposed to use for the project. We will now start the actual flyover. Again, for this northern part we are not intending to do anything, but just to give you a sense of what is out there. There is not much in the way of development on the northern part of the project.

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

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

CHMN. FOREMAN: Just a moment. Member Wong.

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

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

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

MR. BECK: That's correct.

MEMBER WONG: They are monopoles?

MR. BECK: That's correct. We will have another picture showing you closer to Kantor, and I will point it out. There is actually a second structure in the corridor.
MEMBER WONG: Yes, if you would point out where it deviates from a monopole to another type of pole, if you would point that out.

MR. BECK: Sure.

MEMBER WONG: Thank you.

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

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

CHMN. FOREMAN: Member Noland has a question.

MEMBER NOLAND: I guess I'm just a little dense today, I don't know. Where does this other line come from and is it in a different alignment than the one you just gave us, the second line on the right?
MR. BECK: It shares this same corridor for a portion of the line.

MEMBER NOLAND: And where does it not share?

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

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

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

MEMBER NOLAND: Thank you.

MR. BECK: And this is the transition point at Kantor substation. This is Kantor substation on the right edge of the picture. These poles are the -- are the poles that come from the north, stop on those poles and drop into the sub. The line comes out of the substation onto the next set of poles and heads south. So just past this pole from that point on would primarily be the wood H-frames. There are a few interset steel poles that were replaced for maintenance reasons, but 98 percent of those poles are H-frame wood all the way down to Valencia.
We will continue on, turning at Kantor substation, which is right there on the map, there was -- one of our alignments we will talk about was off to the right there, but this was the existing line. You can see the terrain is getting a little more hilly and rugged. Here you are going up and over hill. You can see the line does turn in a few spots here. Another major drainage that we are crossing. This is in Segment 2.

Could you pause that?
I just want to point out here, here is a development that was developed after the line was built. Could you zoom in just a little?
Just to point out that that development accommodated the corridor for the line. There isn't an encroachment in here other than possibly right there, but you can see the corridor has been pretty much kept clean in that area.

CHMN. FOREMAN: And where is this located? Is this Josephine Canyon?
MR. BECK: No, it is a little north of there. It is right opposite Tubac.

CHMN. FOREMAN: All right. Question?
MEMBER WONG: Yes.

CHMN. FOREMAN: Member Mundell?
MEMBER MUNDELL: I can wait, Mr. Chairman.

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

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

MEMBER WONG: And, Mr. Chairman, Mr. Beck, you mentioned Santa Cruz County. What about that segment of Pima County, is there an adequate notice procedures to
TEP/UNS before development occurs?

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

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

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

MEMBER WONG: Because of the issues you address, is there a procedure within your company that you routinely inspect the corridors for these type of encroachments? Notwithstanding whether or not the other
governmental entities notify you.

MR. BECK: TEP and UNS both have an annual line inspection program where we will do aerial overflight to make sure -- we are looking primarily for maintenance items on the line, but as they are flying the lines, if they identify any issues, new buildings, structures, construction going on that doesn't look compatible or they are concerned about, they will raise it within the company to the right groups to go check on it.

Primarily, our land department. So we do have a process in place for annual inspections that Citizens may or may not have had anything.

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

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

MEMBER WONG: Thank you.

MEMBER MUNDELL: I have a quick question.

CHMN. FOREMAN: Member Mundell.

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

MR. BECK: That is correct.

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

MR. BECK: Correct.

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

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

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

MR. BECK: I believe they could, yes.

MEMBER MUNDELL: Thank you.

CHMN. FOREMAN: Member Noland.

MEMBER NOLAND: They, Mr. Beck, I assume these
homes have electricity?

MR. BECK: I would assume so, yes.

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

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

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

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

MEMBER NOLAND: Well, the other thing that is required is title insurance to build a house, and if you have fee simple right-of-way, then that should show up on a title insurance policy. If it did not, then I would assume those landowners have recourse against the title insurance company, but I just don't understand
encroachment of any major facility on a legal
right-of-way. That is hard for me to fathom. Thank
you.

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

CHMN. FOREMAN: Please proceed.

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

This is the area that some of the public did
comment on today. This is just north of Canez
substation. Here is an instance where we did have to go
in and replace an H-frame structure because of a problem
on the old pole and it was a major problem for UNS
construction crews to go in and put this pole in. In
this case, they were able to do it. They worked with
the landowner to get in there. The vegetation does
exist under the line. Fences.

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

   CHMN. FOREMAN: Member Youle.

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

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

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

MEMBER YOULE: And NERC.

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

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

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

MEMBER YOULE: And fire prevention.

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

MEMBER YOULE: Thank you.

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

(Recess from 3:01 p.m. until 3:15 p.m.)
CHMN. FOREMAN: We are back on the record.

Counsel, you may resume your examination.

DIRECT EXAMINATION (Continued)

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

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

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

MEMBER MUNDELL: Can I just ask a question.

CHMN. FOREMAN: Mr. Mundell.

MEMBER MUNDELL: Mr. Beck, I'm not understanding what the previous picture -- could you put that other picture back up again? Why is that okay? I mean, I honestly am not understanding. Is it just because you don't want to deal with it because there are homeowners there? From a safety standpoint, a technical standpoint, from the national standards? I honestly am not understanding. I've always been under the impression you want that vegetation away so you don't
have arcing and things of that nature. You just showed me the other picture of how pristine it was underneath the poles. Now we are back -- it does go to the location, I will get to it when the time is, you know, when it is appropriate, to understand your selection of the different routes, because could you please explain why this is okay from a -- again, from a technical and a safety perspective.

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

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

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

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

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

MEMBER MUNDELL: I will have follow-up questions
when we proceed. Thank you.

CHMN. FOREMAN: Member McGuire.

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

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

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

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

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

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

MR. McGUIRE: Will this -- this doesn't look like more than three or four feet and I'm trying to
understand, where is the right-of-way in this picture?

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

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

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

MR. McGUIRE: That was my follow-up question.
If the analysis has been done that it is going to cost less money to use your preferred route than to use the existing route, and you've taken into consideration, I guess, the right-of-way costs, too, in your analysis?

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

MR. McGUIRE: Thank you.

CHMN. FOREMAN: Member Eberhart.

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

MR. BECK: There are portions that have some existing distribution underbuild, which you will see some of in another picture coming up. In the areas we have that distribution, we would maintain the right-of-way for the distribution line. We would take the 115 kV conductors and one of the poles on the H-frame out and leave the other pole to hold up the
distribution line, and where we don't have distribution, we likely would have either abandoned or sell that right-of-way.

MEMBER EBERHART: Thank you.

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

Now, here we are just south of Rio Rico. Here is an example of a patio wall. Here they did leave a gate, but it is not likely we could fit a line truck through that gate to do any work. Going a little further, you will see a tin shed built under the line, a fence line, some vegetation. And this is just right
outside of Sonoita substation. Here is the distribution that is on -- attached to that existing 115 kV line. It is hanging on this one side of this pole. If we don't use this right-of-way for the new line, this distribution would stay in place, and we would remove the 115 that is above it and one of these poles. As you can see, the access, when you have to take a fence down or a lot of vegetation out of here to be able to get access.

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

Continue along Old Tucson Road using the old right-of-way until we get to the intersection of Grand Avenue. Here is where we get into some real problems, and we will talk after about our alternative that comes around this way to skirt this problem. We will show you a few pictures along here. This is looking along Grand Avenue looking to the north. You can see there is a gas
station here with a canopy under the line. We have
distribution as well as the 115 kV above it. Other
structures down -- further down. This is
ADOT-controlled access. There is issues with where ADOT
would allow us to put poles. We looked at possibly
relocating to the east side. That was not feasible from
an ADOT perspective. To go back in here and rebuild
this, we would have to build a shoofly to temporarily
realign this and then rebuild all of this in place and
take the shoofly out, and there were issues to ADOT
relative to some extreme crash protection materials we
would have to put around the poles.

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

MR. BECK: Correct.

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

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

MEMBER PALMER: But in the earlier examples of
encroachment, the encroachment occurred after the fact
of the installation of the 115 kV and the acquisition or
the acquisition of right-of-way and the installation of
the actual line. So how did that encroachment happen if you had 100-foot wide right-of-way? How did somebody just decide to construct a structure that interfered with your access to the line?

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

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

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

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

MR. BECK: Correct.

MEMBER PALMER: Thank you.

CHMN. FOREMAN: I have a question, and the question is: You mentioned the need to conform to FERC and NERC standards that have been in place for a long
time. I'm not familiar with those standards, but I'm guessing that it is not a good idea to build a gas station underneath one of the high voltage transmission lines. Is my guess correct?

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

But we purchased the system that had all of these encroachments in them. We are now faced with we want to rebuild the line. We could go in there and just, under the rights we have, say, remove all of these encroachments. More than likely, we would incur the cost of moving the encroachments or go through a long court battle of who is right and who pays and how, or in
the instances we've identified, we do have an
opportunity to relocate the line. If this Committee
were to decide and the Commission were to say, build the
line in the existing alignment, we would find a way to
do that.

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

MR. BECK: But for the section along Grand
Avenue. I should have qualified that. Where all the
residential stuff is, those areas we can fix the
problems. Where we have a gas station here, that is
more of a problem. But the bigger problem for us is
actually the construction of the line itself. To go in
and rebuild that line in its location, regardless of
whether or not there is a safety concern, for example,
the gas station, the canopy being under the line, to be
able to build that line, we have to take the existing
line out just to be able to physically put the new line
in its place. To do that, we would build a temporary
shoofly, which would incur considerable cost, a
temporary right-of-way somewhere. Potentially doable at
quite a bit of cost. All the cost, then, of rebuilding
this segment of line and transferring the line back over
to this. So...
CHMN. FOREMAN: Let me just try to focus in on this issue, though, because I find it very troubling. You mentioned that the 100-foot right-of-way, I think, is a NERC requirement?

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

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

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

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

MR. BECK: I guess the biggest thing relative to the vegetation management, it was determined that a tree caused the major outage, I believe, in 2006 in the midwest and the east, and as a result, NERC and then
FERC jumped onto the vegetation management issue as a major issue and created a bunch of new standards and clearance requirements and, apparently, they haven't identified an issue with, for example, a gas station that they want to raise up the flagpole and make a standard for. So the only thing that applies to an immovable object like that is meet this clearance requirement, X number of feet, show that it -- you meet it in all conditions, and it is satisfactory.

CHMN. FOREMAN: Okay. Thank you for that.

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

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

MEMBER EBERHART: Mr. Chairman.

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

MEMBER EBERHART: Just a quick question. Could you go back to the previous slide or the previous photograph? Yeah. Given the concept of upgrading the line from 115 to 138, would it be possible, feasible to
reconduct the lines with the existing poles and such not to have any new poles in this Grand Avenue area?

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

MEMBER EBERHART: Thank you.

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

MR. BECK: Yes, some of these are. In this case, along Grand Avenue, because they were originally had some issues with clearance, rather than H-frame structure, they put in single wood poles. Just considering an H-frame, you are distributing that load over two poles. Put all that load on a single pole. These are really highly stressed poles on the system,
and they are in that range of 40 plus years old.

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

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

Could you put it there.

This is where we are coming south, this is the county complex here on the top of the hill. This is a pretty good-sized hill. In this area right here is the trailer park and the area that we've asked for the 1,250-foot wide corridor. Strictly for this property and this property owner, because early on in the discussions, we identified that he was looking to redevelop his property, probably remove these -- this trailer site park out of here, and he was very interested in trying to realign the line on one edge or the other of his property, basically change out the easement or right-of-way we had down the middle over to one edge or the other. And we are over some trailers in here. We have some encroachment issues here, but that property owner is willing to work with us in relocating.

But we haven't finalized on what side works best for him.
and for us. So that is why in the application we ask for a 1,250-foot corridor for that one property.

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

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

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

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

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

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

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

With that, I think we will go on to...
MR. DERSTINE: Yeah, that concludes your overview and your overfly of the existing line, Mr. Beck?

MR. BECK: Yes.

CHMN. FOREMAN: That is the short version.

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

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

MR. WARNER: Yes. First of all, I would like to make a couple comments about the study area overall. It is unlikely that you've had a project like this or that you will see another project like this for some time where it is basically rebuilding an existing line and it has such substantive issues. In order to get a little bit of perspective, I want you to think back about what
you were doing in 1960 when this line was built. What has happened here in much of the area toward the south is that the line was built and the fabric of the community sort of weaved in around this thing, so I want you to think about that as we look at these alternatives and these encroachments. These people were just, you know, doing what they -- living their lives and living in existence with a line that wasn't changing very much and didn't require a lot of poking around. So that is basically what we are set with, and so what I want to do is highlight basically on this.

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

I want to focus you in on basically the siting issues that sort of drove our valuation of the route and what became substantive as part of our study. On the north, near Nogales Tap, clearly we had a connection that needed to be made to the Vail substation and so we considered alternatives up here, so I will talk about that in a minute. This is, of course, all existing. And then we had down here, we have in the lower end, we have the bosque, vegetation issues. Further south, we have alternatives that were considered as a result of encroachment that has to do mainly with residences, and then as you approach Valencia substation, encroachments
and limited access that are related to more commercial
industrial uses. So we are going to talk about
alternatives for each of those.

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

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

CHMN. FOREMAN: Member Wong.

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

MR. WARNER: This would be the preferred
alternative route for the TEP as included in their
application, preferred route, sorry.

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

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

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

Let's take a look at the next segment. This is the alternative route. The alternative alignment. It
departs out of the Vail substation and goes south
paralleling existing lines there and then intersecting
another alignment of existing lines that runs east and
west. This is a little bit longer. State lands did not
prefer this alignment. But most, as I already
mentioned, the environmental factors between the two
routes are similar.

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

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

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

MR. DERSTINE: Thank you.

CHMN. FOREMAN: Member Eberhart.

MEMBER EBERHART: Mr. Chair, Mr. Beck, one quick
question regarding either of the alternatives. It appears they both have an existing line parallel. Would there be an opportunity to combine the lines and underbuild the existing lines that are there?

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

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

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

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

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

You can see there is a structure right here and then a structure here.
MEMBER EBERHART: So there would a third, the new route would add a third route. What would be the separation between the new route, the new line and the existing lines?

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

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

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

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

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

Let's move down the alignment, Clark.

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

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

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

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

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

MR. WARNER: That's correct. And off to the west is Tubac, and as we continue further south to Tumacacori. All right. Mr. Beck has already talked about this. This is pretty straightforward. In the course of our outreach activities, there wasn't resistance from this line at this point.
Okay. Now we are going to focus on entering the bosque. This is the area that there have been a number of comments made today.

Stop here for a moment. I want to point out the entrance there. The first photograph depicts the area and its current condition that has been recently cut and cleared.

Let's go to the next photo. This, again, it is cut and cleared. You've seen this photo again.

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

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

Now let's continue further south.

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

MR. WARNER: This is a good photo to tell part
of that story and then I will have Clark bring up
another exhibit that you haven't seen, or another slide you haven't seen. I want to point out the river in this location. The river across all of this location is fairly wild. Meaning, it is not channelized. It has the ability to move within the floodway and Clark is going to pull up -- do it on the right-hand side, if you can, Clark. I don't know if that is possible. It is not possible, so I will do it from this slide, but let me do it in a moment.

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

The railroad, or I mean, the river is an organic beast in some respects. It will go where it needs to go and it will flow. In this channel, it will flow wherever it wants to. Even though the channel is here, it may move over here later. When it flows, accessing the existing structures is problematic. Putting structures within the river channel itself, although can be done, is problematic, and because we had an existing right-of-way to move into the expressed preference and
an existing right-of-way that we were in, it didn't seem reasonable to try to embrace that kind of -- that kind of condition. In addition to that, this is heavily grazed here, so the understory is taken, but because it is a flood channel, it is likely that if the grazing ever stops, it would be a very, very rich environmental setting, and there is evidence of that in some places that aren't as heavily grazed down here. So unlike on this side where this is open for private development, from an environmental standpoint, it also faces some, I guess, long-term value that couldn't be replicated by choosing something on the west. That seemed to prevent or seemed to have a couple of options that looked pretty good.

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

MR. WARNER: Yes, that is right.

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

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

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

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

Now you can see the channel of the river right here as it jumps in here. This area right here, this hatching area, is called the floodway. That is where the energy of the river is the most severe. So go back to the -- and anything that is blue is in the floodplain, so you can see there are only little portions along the right-of-way that might allow you to get over here. So if you are going to come over here, you would jump across and then you wouldn't be able to do that here. You would basically have to do that down here someplace, jump across, come back, jump across. You eventually have to get back to this substation and interconnect with the existing substation.
Go back to the map just a minute, so we can just
look at that a little more carefully. Just outside the
flyway, there is a portion right in here, but this is
all clearly in the floodway and further down it is in
the floodway, as well.

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

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

From UNS perspective, if we were to cross the
railroad, come on this side, effectively you have a
floodway or a channel created by the railroad on the one
side, I-19 on the other side. The river will be able to
meander back and forth anywhere within those two
boundaries and likely will over time. Wherever we put
structures on this side of the railroad, there is a good
chance that we are going to encounter future flooding
issues of those structures. We would have to go with
very deep foundations to accommodate potential scour
from the river and as you've heard already, there are
relatively shallow groundwater issues in here. We would
be hitting groundwater as we drilled for those
foundations.
If, in fact, during the flood we had a problem, access would be difficult for us to get in there and work on the structures. It would entail a crossing one direction of the railroad as well as a crossing back in the other direction, crossings of railroads to the extent we can -- are -- we try not to. There is permitting issues, additional clearance issues with the railroad. It can be done, but there are some costs involved.

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

Our experience with structures and foundations in river channels is that they tend to collect a lot of debris, and with the rich vegetation that does exist along that Santa Cruz River valley, there will be large trees, branches and so on coming down that river when it does flood. Those tend to catch on the foundations and create damage, and will tend to really raise the water
level upstream. So whether we could even permit it from a county perspective is questionable.

CHMN. FOREMAN: Member Mundell.

MEMBER MUNDELL: Thank you, Mr. Chairman, Mr. Beck. So your preferred alignment on the east side of the railroad has none of those same concerns or floodplain concerns?

MR. BECK: Not from the Santa Cruz River standpoint.

MEMBER MUNDELL: Okay. But from other?

MR. BECK: From some of the tributary streams there can be some flows coming off these hills, but because they are transversed to the line, we can typically span those and put structures on either side so we are not in the floodways, per se, and they are pretty defined because of the floodways and hills and valleys that do exist. It is not like this river channel is -- over the years, obviously, it has meandered based on the vegetation that is out there.

MEMBER MUNDELL: Could you put the floodplain slide back up, and then the railroad is where?

MR. BECK: Generally, along this edge here.

MEMBER MUNDELL: So to the east of that, that is not part of the floodplain?

MR. BECK: This is standing water. This is --
MEMBER MUNDELL: I don't know. I'm just asking the question. I'm trying to understand. Usually, floodplains go both directions, so I was just trying to understand what you were saying.

MR. BECK: To the east of the railroad, that is -- some of that is floodplain. There can be standing water in a 500-year flood. On the hashed or dashed line, that is on the west side of the railroad, that is called floodway. That is kind of the active channel where water is going to flow in the river.

MEMBER MUNDELL: Thank you.

CHMN. FOREMAN: So following up on that, and again going back to some question I asked earlier, is my understanding correct that all of the floodway of the river in this area is west of the railroad track?

MR. BECK: Yes, that is correct.

CHMN. FOREMAN: So the railroad track acts, in essence, as sort of a dam or a barrier that keeps the, at least, flowing water from the river from accessing either one of the routes that you propose?

MR. BECK: That's correct. It is an embankment or a berm that protects to the east as the freeway serves as an embankment protecting to the west of the --

CHMN. FOREMAN: But the present alignment in this particular area would be further away from that
floodway and I presume at a higher elevation and, therefore, less likely to be reached by any 500-year flood?

MR. BECK: That's correct.

CHMN. FOREMAN: Member Rasmussen.

MEMBER RASMUSSEN: Just for my orientation, could you show me where I-19 alignment is in that floodplain map?

MR. BECK: It is kind of hard to see. It is right in here.

MEMBER RASMUSSEN: And south? Is it along the edge of the blue? What happens down there? Does it go -- does the flood go over the --

MR. BECK: Can you flip back, Clark? Slide the whole thing up.

I think it is probably this interchange, the water is backing up and coming back up in here. You can see there is some drainages coming down this way.

MEMBER RASMUSSEN: Thank you.

CHMN. FOREMAN: Member Wong.

MEMBER WONG: Thank you, Mr. Chairman, Mr. Beck, please clarify further, is that -- you have proposed to the east of the railroad track is your preferred alignment; is that correct?

MR. BECK: That's correct.
MEMBER WONG: And, then, to the east of the preferred alignment is the existing transmission line; is that correct?

MR. BECK: That is correct.

MEMBER WONG: Which also happens to be your alternate route?

MR. BECK: Yes.

MEMBER WONG: Because the existing transmission line is further east of the railroad track as well as your preferred alignment, it is further away from the water -- what is the term "channel"?

MR. BECK: The floodway.

MEMBER WONG: Floodway, yes.

MR. BECK: Yes, it is further away and higher in elevation.

MEMBER WONG: So explain again, then, why do you not want to preserve the existing transmission line route?

MR. BECK: As I believe I said earlier, I -- I want to clarify this. From a USNE perspective, we can rebuild from Canez North, we can use the existing line. The primary reason we went with the preferred alignment that deviated and went by the railroad was from public input we had early on in our public process. As we've heard today, there is a lot more discussion about people
not liking the railroad alignment. UNS is indifferent
to either alignment. We can build either one. They are
both doable. There are some slight challenges on the
existing. We can overcome those and, in fact, it is
further away from the floodway and a little higher in
elevation, so -- and it has -- a major portion of that
has been cleared and, therefore, the clearing isn't so
much of an issue on the existing alignment.

MEMBER WONG: So your company wouldn't have any
major oppositions to the existing alignment if that was
what this Committee decided.

MR. BECK: Absolutely not, down to Canez and
even a little south of Canez. We still do have the
issue between Canez and Sonoita, because of the
encroachments, but to the extent the Committee,
Commission were to say, build on the existing alignment,
we would also work that out, but we have identified
another preference other than the existing alignment.

MEMBER WONG: Thank you, Mr. Beck.

CHMN. FOREMAN: Proceed.

MR. DERSTINE: Mr. Beck, let me ask you to just
clarify that last comment where you indicated that from
Canez South where we've talked about these so-called
encroachment issues, if the Committee orders you to stay
in the existing alignment, you could, but I didn't hear
and I'm not aware of any opposition to that alternative, our preferred alignment in Segment 3. Am I right about that?

MR. BECK: That is my understanding. I didn't hear any real public comment to the contrary today.

MR. DERSTINE: We will move to Segment 3 in the second. I wanted to make sure I got it. I didn't hear anyone today urging against our alternative alignment in Segment 3. I just wanted to make sure I didn't miss it.

MEMBER PALMER: Mr. Chairman.

CHMN. FOREMAN: Member Palmer.

MEMBER PALMER: I have a question for Mr. Beck. In those instances where encroachment inhibits or complicates access for construction and maintenance, and this is probably a legal question that any of our wizards can answer, isn't there an argument for adverse possession in the cases where homeowners built underneath the transmission lines within the right-of-way and nothing was done over a 30 or 40-year period? Wouldn't they have an argument for adverse possession?

MR. DERSTINE: I think that argument is there, and the legal issues associated with this longstanding building of structures, patio walls, patios, whatever is there, and what you will see in that area creates not
only a variety of only constructability issues and access issues, but as you point out, Member Palmer, legal issues, and that is what really drove us to move away from that area in Segment 3 that Mr. Warner will get to in a second.

CHMN. FOREMAN: Maybe this is as good as time as any to address this as any. Do you folks have a problem with a condition that would require you to remove encroachments or at least encroachments like gasoline stations from the line this Committee might approve?

MR. DERSTINE: I want to make sure I understand your question, Mr. Chairman. In terms of future alignment or future routes?

CHMN. FOREMAN: No, the concern I have is, and I guess I'm maybe jumping ahead a little bit, but there are some encroachments that are -- have been identified in Segment 2 that we've talked about. If there is an encroachment that we think is a safety hazard, even though there may be no particular local or statewide regulation, do you have a problem with us conditioning approval on requiring you to enforce the legal right that you have to exclude that particular encroachment from the right-of-way?

MR. DERSTINE: I think it would largely depend on what the encroachment is and what we are facing. But
I think as a general matter, we can certainly live by that and abide by the Committee's decision.

CHMN. FOREMAN: Obviously, there is a dramatic -- a wide disparity in the type of encroachments we are talking about, but I just want to sort of plant that seed, because I think that is something that I'm going to at least want to address again later when we get to talking about particular routes.

MR. DERSTINE: I just want to make sure that you weren't looking ahead and going to impose a condition that we have to knock down that gas station. That is precisely why we want to move around it.

CHMN. FOREMAN: Member Noland.

MEMBER NOLAND: Thank you. Mr. Beck, where there are some of those potential encroachments just like fences, patio walls, all of that, you are still going to have a 500-foot corridor, are you not, to be able to move some potential alignment of the structures?

MR. BECK: Well, I believe that is up to the -- this Committee. We asked for a 500-foot corridor. If the Committee were to direct us to build in the existing right-of-way, I think we would be restricted to the right-of-way. If you go ahead and identify the 500-foot corridor centered on the existing alignment, that might
give us flexibility to work around some of the issues.

MEMBER NOLAND: Mr. Chairman and Mr. Beck, you have some flexibility also on where you place those structures. They don't have to, as you said, be necessarily where they were before. You could place them before the encroachment or after the encroachment. That could be part of your engineering work in the preconstruction phase, can it not?

MR. BECK: Absolutely. We would do the best we could to alleviate or eliminate or avoid any of the encroachments that might be there.

MEMBER NOLAND: Thank you.

CHMN. FOREMAN: Member Youle.

MEMBER YOULE: Also, Mr. Beck, weren't there some of those encroachments where actually you were on DOT right-of-way or some other existing right-of-way and it wasn't really your right-of-way?

MR. BECK: That is a very valid point. I believe the gas station issue in particular is on -- I believe on -- we were on ADOT right-of-way, and therefore, we might not have the right to control what is underneath the line.

CHMN. FOREMAN: Let's proceed.

Sorry, Member Eberhart.

MEMBER EBERHART: I do have a question about
Segment 2, which I think about a half hour ago is what we were talking about. I heard you mention there was something about combining in the lines in the preferred alignment. Is there an existing line on the yellow right now?

MR. WARNER: Yes. Member Eberhart, on the yellow line now there is a distribution line that runs along the -- along the railroad within an easement already owned by the utility.

MEMBER EBERHART: I always try to ask, because my preference is to combine or underbuild whenever possible. Is there an opportunity -- I'm getting a sense from the Committee and possibly even the applicant that you would be okay with using the existing alignment through this area. Would there be an opportunity to underbuild and eliminate the existing distribution line in this area?

MR. BECK: It probably would be difficult because of the location and what that distribution line is serving versus where the existing alignment is. We could take that into consideration and look to the extent we could, we could do that. I just want to caution you on one thing relative to transmission lines and some of the other rules we have to deal with, in particular, the FCC says that on any structure that we
have -- the company has distribution lines on, we are obligated by law to allow communication lines to then go on our structures and attach to our structures. So we have transmission above. We put distribution down below that and we have to have sufficient clearance to make that work raising the height of the pole. Then if you have to accommodate the communications, it raises the pole again and it causes us real problems, so that is why we prefer on transmission level voltages to have no distribution attached to it.

MEMBER EBERHART: Thank you. I hadn't heard that before. So referring to the slide on the left, currently, there is two existing lines, one where the yellow line is and one where the blue line is; is that correct?

MR. BECK: There is a distribution line along the railroad. I think that is what you are referring to and then the existing 115 kV line that is on the blue line.

MEMBER EBERHART: So, Mr. Beck, if we upgrade in the existing alignment from the 115 to 138, we would not be adding any new lines to the landowners in this area. It would just be modifying the existing line, and that is always a concern is when you add a new line. It is, you know, much more detrimental than upgrading an
existing line.

MR. BECK: That's correct, and that is why our original concept was just rebuild it in place, because it is already there. We are just improving it.

MEMBER EBERHART: Thank you very much.

CHMN. FOREMAN: Member Palmer.

MEMBER PALMER: Mr. Chairman, Mr. Beck, what is the differential in pole height between the existing 115 kV and the proposed 138 and would there be an additional differential if there was a 48 kV underbuilt?

MR. BECK: There definitely would with a differential with a 46 underbuild. The 115 kV line that is there are probably 85-foot structures, and we are probably going to be more like 85, 90-foot structures on average with the 138.

MEMBER PALMER: How much extra height would be involved with the addition of a 46 kV underbuilt?

MR. BECK: Probably at least 20 feet.

MEMBER PALMER: Thank you.

MEMBER EBERHART: One last question.

CHMN. FOREMAN: Member Eberhart.

MEMBER EBERHART: One last question and I apologize. There was a public comment this morning by one of the landowners in the area concerned about high water levels and any possible pollution with this.
Mr. Beck, could you comment on that for us, please.

MR. BECK: Well, to the extent if we were to rebuild on the existing alignment, that is probably less likely because of the elevations are somewhat higher. There would be less chance of hitting groundwater. Along the railroad, there may be more. As we heard today, somebody had a well, I believe, 15-foot below the surface. The foundations that we are talking about, more than likely, would be a 15-foot depth, not much more than that. So depending -- we would be right at the limit -- actually, we would probably be more like 12-foot with the foundations, so in some cases we may or may not hit the groundwater table. As part of the design process, we would do geotech borings along the alignment once the alignment is determined, and if there were groundwater issues encountered, we would come up with a mitigation plan for use during construction.

MEMBER EBERHART: Thank you.

CHMN. FOREMAN: Please proceed.

MR. DERSTINE: Mr. Warner, is there more the Committee should know about Segment 2, or are you ready to move on to Segment 3?

MR. WARNER: Let me just ask the Committee if
you are interested in looking at the other alternatives of Segment 2 or would you like me to proceed to Segment 3? Anyone want to go back and look at that alignment along the railroad in Segment 2?

Let's move on, then, to Segment 3 and go through that.

Clark, if you could just restart the Google. Put us back.

Oh, let me summarize before we do that, let me summarize some of the -- I think we have a summary slide here after Segment 2. The preferred alignment was selected because it largely used the existing right-of-way. We talked about aggregating those lines into one single corridor, and it would cut the vegetation at the edge of the bosque, understanding that others have mentioned the value of that, but the primary reason for choosing that was at the time the outreach activities were occurring, the expressed preference was to get it over by the railroad.

Let's move on to Segment 3.

MEMBER YOULE: Mr. Chairman.

CHMN. FOREMAN: Member Youle.

MEMBER YOULE: Can we flip that back now. It matches our maps.

MR. WARNER: Yeah. Are we flipped back? I see,
you want to go backwards. Frontwards. Do it that way.

You will just have to walk through it, Clark, instead of using the automatic feature, and Clark is particularly well equipped to do that. Let's move south.

CHMN. FOREMAN: Up is south; is that correct?

MR. WARNER: Up is north now on both maps. Up is north now on both maps now.

I'm going to point to the Canez substation. If you will walk us down south, Clark.

Let's take a look at photograph -- this first photograph we see. We cross going south out of the Canez substation through the bosque for a little bit longer. That is where the existing line goes, and our preference is to be on the railroad right-of-way, which is depicted in orange here. Now, the primary reason for staying over there in this location is because the line rises up into the foothills and going into those neighborhoods where the most encroachments occur.

Now, earlier, Member Noland, you asked about whether a 500-foot right-of-way was sufficient to navigate through difficult places. The 500-foot corridor was sufficient to navigate in those difficult places.
The difficult --

MEMBER NOLAND: Take it just slightly north again. A little more. A little more. Okay. Why did you not consider a route that would then go over to the preferred route from the existing line to get away from some of the development that is going on towards the east? It is a short hop over by the railroad line where your picture is.

MR. WARNER: Our preferred alignment is along the railroad here. The blue line depicts the existing line, and further south, as we rise up and go through those areas, that is where the complications are. So our preferred alternative was to remain close to the railroad to the south, and we will see some of those complications in a moment.

Now, getting --

CHMN. FOREMAN: Let me stop you there and ask a follow-up question. If the Committee should decide that it prefers the present alignment for Segment 2, but the preferred alignment for Segment 3, I'm not seeing a line that communicates from the Canez substation to the preferred alignment. Is that further north of where we are at or does that need to be --

MR. WARNER: What is not actually specifically depicted there is the interconnection point at the Canez
substation, and basically at that location, where we are
on the existing alignment obviously has a connection to
the east. One would have to be built that 100 feet or
so in there.

CHMN. FOREMAN: So the preferred alignment would
actually --

MR. WARNER: Bring the connection in from the
west.

CHMN. FOREMAN: All right.

MR. DERSTINE: Mr. Beck, can you add anything to
how we would connect from Canez to the preferred
alignment in Segment 3 if the Committee were to adopt
the existing line for Segment 2?

MR. BECK: Yes.

Clark, could you scroll down a little to the
south? A little more.

One suggestion that has been made in public
comment and I believe the Friends of the Santa Cruz
suggested that we use the existing alignment up and
through Canez substation, continue in the existing
alignment down, I believe, to a point approximately here
or here and then come over to the railroad alignment.
And UNS is okay with that. This section in here has
been cleared and so it is cleared today. So to utilize
that to a point somewhere in here and then coming across
the edge of this field makes a lot of sense and is an acceptable alternative to UNS Electric.

CHMN. FOREMAN: It looks like there is some cleared land directly south of the place where you have the photograph? Yes, up in that area.

MR. BECK: Yes.

CHMN. FOREMAN: Is that another possibility?

MR. BECK: There may be a residence in there. I don't know if you can zoom in here, Clark. Is there something right here, Clark? Maybe not.

That is something that we can make some adjustments on and --

CHMN. FOREMAN: All of this area, though, is within the study area; is that correct?

MR. BECK: That's correct.

CHMN. FOREMAN: Do we have a problem, though, with the fact that this is not identified in the application or the notice, the interconnection is not identified in the application or the notice?

MEMBER NOLAND: Mr. Chairman.

CHMN. FOREMAN: Member Noland.

MEMBER NOLAND: Mr. Chairman, if you go further north just to get past all of that, because we just hate getting into that notice area stuff and outside of it and all that speculation. Just do -- you already
intended to connect at the Canez substation; correct?

MR. BECK: That's correct.

MEMBER NOLAND: Why wouldn't the crossover point be there if we were going to say, do that and cross over to the railroad?

MR. BECK: That is also satisfactory.

MEMBER NOLAND: Okay. He is a linear thinker. I think outside the box.

MEMBER MUNDELL: It made me think of it when you said, we -- you don't know if there is a homeowner there. This is a five-year-old -- is this the most recent you could get?

MR. WARNER: We don't do the study from this. We do it from field investigations. And just off the top of my head, I drove out there yesterday. I took a look at -- there was somebody doing some things out there. It was highly vegetated. I wasn't 100 percent sure he didn't have something out there underneath the trees.

MEMBER MUNDELL: That wasn't my question. I appreciate that explanation, but earlier on I was going to ask it earlier. You indicated that this was five years old, the Google, as I understood the testimony.
And my question was, isn't there something more recent?

MR. WARNER: Yes. There is aerial photography that we could overlay on this and we've also got Lidar overflights that we can show you, as well, if you would like to look at that instead.

MEMBER MUNDELL: Is there something from Google more recent?

MR. WARNER: No.

MEMBER MUNDELL: I appreciate it. This says, 2009. Did someone testify it was 2004?

MR. WARNER: That is in the northern portion that you were asking about.

MEMBER MUNDELL: My question is: Why don't you have a 2009 for the northern portion?

MR. WARNER: We don't do that. It is Google does that. Now we can and we have the technology of taking photography and putting it in there, but in those areas, it doesn't tell us much, because nothing has changed, so...

MEMBER MUNDELL: I don't know. I would think, then, the areas that -- you said in the northern area nothing has changed. I don't know. I would have to think that statement through, but I would think you would want in areas that are developing, you would want as most -- the most recent Google you can get. So I
will have to think about your statement that nothing has
changed in that. Is that Segment 1?

MR. WARNER: Yes.

MEMBER MUNDELL: When you say "the northern
area," are you saying Segment 1?

MR. WARNER: Yes.

MR. DERSTINE: I'm told by the wizards at the
back, and let me applaud Clark, in particular, for the
aerial flying he did earlier. What we are presenting to
you are the most current versions of the Google Earth
platform. Different segments are updated at different
times. This segment here happens to be the 2009
version. Am I right about that? The other versions
higher up in the project were 2005. We are using the
most current Google Earth platform that is available in
this presentation today. Some segments are newer than
others.

MEMBER MUNDELL: Counselor, I appreciate that,
and I guess, just so the record is clear, you will
need -- I would hope you would present, then, testimony
as opposed to exhibits on the growth that is occurring
in the areas where you have 2004 Google Earth, whatever
they are called, okay. Whether you do it this new
modern way or whether you do it with the old-fashioned
way with testimony saying -- talking about the area,
because we had some testimony just a second ago saying he went out and looked and his testimony was his testimony, but either way, I think we need to get something on the record on what is occurring in those areas.

MR. DERSTINE: I appreciate that comment. We will endeavor to do that. What Mr. Warner was pointing out in the areas we don't have the most current Google Earth, we will supplement that with photographs that were recently taken and I think we have current video that we will supplement the Google Earth presentation with.

MEMBER MUNDELL: I appreciate that. Thank you.

MR. WARNER: Let's proceed further south. Now, in regards to the question or the comment about the 500-foot corridor and whether or not that would provide sufficient room to allow you to navigate 100-foot right-of-way in the future. Clearly, in some of these areas, whether you have 500 feet or whether you have 100 feet, getting through that area sort of depends on how you can navigate through there. There are houses in there. So providing a broader right-of-way in sections where it is highly populated isn't necessarily the solution and that is the point I wanted to make.

Now, as we continue further south along the
existing alignment, you can see ag lands that have cleared out some of the bosques on the east and then you can see the existing alignment rising and falling through the hills on the right. As the -- as the existing alignment is again following the railroad right-of-way -- and here a couple of stars that depict visual simulation.

Let's look at the one of -- on the left, Clark, if you can punch that up.

These are best viewed from the exhibits in your packet. This is in exhibit G and depicts an alignment looking from Rio Rico Drive back towards the alignment, and you can see the simulation depicting those alignments here.

MR. DERSTINE: Mr. Warner, when you said "exhibit G," is that exhibit G to the application which is UNS Exhibit Number 1?

THE WITNESS: Yes. Let's look at the one along Pendleton Drive.

Clark, if you could pull that one up.

This one is from the residences that are along Pendleton Drive looking back through along Rio Rico in its approach, and the circles, again, you can see these depicted circles of where the towers would be and how they would be viewed if the line was moved over towards
the railroad. Take a look at some of these others.

Clark, if you would move to one of these others.

And this is the -- another simulation looking back towards the alignment. If it was along the railroad right-of-way, and you can see in the photograph a large ag field in the foreground, and that is this ag field right here in the foreground, and then that rise where the vegetation is is where the line would be.

MR. DERSTINE: Mr. Warner, can I stop here one second and make sure I understand what we are looking at. These are simulations from the viewpoints designated with the stars of looking back at our preferred alignment and what we have simulated to be what would be the view or the impact on the view shed of that new line; is that right?

MR. WARNER: Yes.

And, then, let's look at the last photograph or the last simulation, Clark. Is that just a video? This is the Lidar overflight.

MR. DERSTINE: What is a Lidar overflight?

MR. WARNER: Mr. Beck is probably better equipped to talk about what a Lidar is and how it is used. Let me turn that over to him, if you don't mind.

MR. BECK: Basically, a Lidar survey involves having a helicopter fly, in this case, our transmission
line, and it can, through a surveying process, determine
the locations of the structures, the height of the
wires, clearance to the ground, the height of trees
under the wires and in the process of doing that, they
also take a video along with that Lidar survey. They
are flying the alignment they take a video and this is
the video that accompanies the survey work that was done
for clearance purposes.

Just to warn you, this video is a little choppy
because it is done in a helicopter, so you will bounce a
little bit or get the feeling you are bouncing.

MR. DERSTINE: What are we seeing with the
Lidar?

MR. BECK: Basically, there is the existing 115
kV line, helicopter flying down the line. As it is
doing its survey work, it is taking a video picture of
the alignment.

MEMBER NOLAND: Mr. Chairman.

From where to where? Point, so we know what
area we are looking at.

MR. BECK: It goes from this star here down to
the south down towards what would be Sonoita substation.

MR. WARNER: I will provide a little bit of
narration here. You can see that the structures are
largely on tops of the hills. Now you can see where the
houses are and the roads kind of come into the area.

One of the problems with this area is getting access to this back area, not just driving along it. This is a pretty steep area, too. And what you see on the top just coming up to us is the Sonoita substation and that is the UNS Electric substation and is the end point of that segment.

MR. DERSTINE: Mr. Warner, can you go ahead and summarize considerations and what your analysis was for Segment 3.

MR. WARNER: Sure. The preferred alignment was selected because it avoids those residential areas where the encroachments were most pronounced. It parallels an existing linear corridor, the railroad right-of-way. It follows flat in the even terrain and avoids complicated and expensive construction activities and simplifies some of the maintenance and operations. Mr. Beck can speak to that in a moment. There is also the preferred alignment from the residences in Rio Rico who are all eager to get it out of their back yard.

MR. DERSTINE: Mr. Beck, the engineering construction considerations that informed the decision to -- for the preferred route.

MR. BECK: Well, again, it goes back to the issue that this is, if we move it to the preferred
alignment, it is on flat terrain, easily accessible. When this line was originally built in the late '50s, early '60s, it was cross-country. There was probably no residences, no structures out here. Access for construction was along ridge lines, very easy to get to. They probably drove cross-country to get to these, probably with no right-of-way or road access. Just went out there and did it because of the terrain issues and access issues we now have. It is much simpler to maintain along the railroad right-of-way in this area. That is the simple reason for identifying that as a preferred route. And it did meet with public acceptance.

CHMN. FOREMAN: Let me ask this question: We discussed susceptibility to flooding in Segment 2, and we discussed the fact that the railroad acted as something of a barrier. Is the railroad still a barrier to flooding, a barrier to the floodway for the Segment 3 preferred route?

MR. BECK: Yes, it is. It will still be to the west edge of that preferred alignment, basically running along here, containing the river channel, again, between I-19 and the railroad tracks so that to the extent we are on the east side of the tracks, the railroad will protect our structures.
CHMN. FOREMAN: Member Noland.

MEMBER NOLAND: Yes, Mr. Beck, do you have co-located telecommunications lines on that current transmission line?

MR. BECK: I am not aware of any and the only place we really have distribution is in this area from Sonoita to the north through this residential area. I just don't believe there is communications back in there. There is such an access issue, probably no one wanted to go and attach to those poles.

MEMBER NOLAND: Do you have -- are there multiple lines on that current line?

MR. BECK: There is one distribution line, a set of three wires underneath the 115 kV.

MEMBER NOLAND: There is, okay. What would you do with that? You wouldn't be able to remove the poles. As you said, they want them to get them all out of there. You couldn't if you had the distribution, could you?

MR. BECK: We talked to the public. In those areas where we have distribution on those poles, we remove the 115 kV line on top and remove one of the wood H-frame's poles, the ones that don't have distribution on it. All our cross members would go, so all that would be left standing would be one pole in the

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distribution circuit for the section that there is
distribution.

MEMBER NOLAND: Thank you. That answers my
question.

CHMN. FOREMAN: Member Youle.

MEMBER YOULE: If you go along your preferred
alignment on the railroad right-of-way, will you have to
build any new access roads or construction roads in this
Segment 3?

MR. BECK: I believe, for the most part, there
is access along here, but we would build a road on our
right-of-way as part of the process.

CHMN. FOREMAN: Member Whalen.

MEMBER WHALEN: Member Youle just asked my
question.

CHMN. FOREMAN: Member Mundell.

MEMBER MUNDELL: Thank you, Mr. Chairman. I
learned the new terminology "floodplain," and to follow
up on the Chairman's question, the preferred alignment
is how close to the floodplain?

MR. WARNER: Member Mundell, in some cases, the
preferred alignment is in the floodplain. The
difference between the floodway and the floodplain in
this particular case is that the floodway carries the
energy of the river, and the floodplain, in some cases,
is a matter of saturation. In other words, fills up with water and so...

MEMBER MUNDELL: Let me ask it differently:
Where is it within the 100-year floodplain? I mean, I've seen the Salt River probably three times in the last 15 years have 100-year flood where -- and when I was in legislature, it washed out the landfill. So that is why I understand the distinction. I'm trying to make sure I understand where it is in the floodplain.

MR. WARNER: Clark, if you could bring up that photo so we can examine that.

MEMBER MUNDELL: Because in the earlier testimony, you said it was within the 500-year floodplain, but I've seen three floods in the 100-year floodplain in the Salt.

MR. WARNER: This will just take a moment to load.

MEMBER MUNDELL: While you are doing that, I can ask Mr. Beck a question to follow up on Member Noland's question. I'm glad she -- I appreciate her follow-up, because I originally thought when you said the people would be happy because you are going to move the lines, and I thought that meant the poles, too, but in reality, it just means part of it, so we are going to have the old poles and now we will have some new poles; correct?
MR. BECK: There will be portions where the old poles would exist outside of the Sonoita substation going to the north and then there would be the new poles down along the railroad.

MEMBER MUNDELL: And to follow up on a previous question, you can't put those distribution, the current ones, with the new poles?

MR. BECK: No, because in this case, they actually feed that development right in Sonoita and if we moved them down to the railroad, there would be no distribution service to those houses. Those are the actual lines feeding the houses.

MEMBER MUNDELL: To clarify, they are just happy the bigger line is gone, but the distribution line is still going to be there.

MR. BECK: A much shorter pole and one pole.

CHMN. FOREMAN: Member Eberhart.

MEMBER EBERHART: Thank you, Mr. Chairman, Mr. Beck, if they're -- the residents in that area within Segment 3 wanted to form an improvement district to underground the distribution lines, they would be able to do that and get rid of whatever straggler poles are left behind; is that right?

MR. BECK: That's correct.

MEMBER EBERHART: So in that way, all of the
ratepayers of UNS don't have to pay for undergrounding power poles or power lines in a neighborhood area that right now is served by overhead poles?

MR. BECK: That is correct.

MEMBER EBERHART: Thank you.

CHMN. FOREMAN: All right. Let's address the floodway/floodplain issue.

MR. WARNER: We are experiencing technical difficulties.

CHMN. FOREMAN: Let me talk to the Committee members a moment, then.

We are coming up on 5 o'clock. And I'm sure that folks want to take a look at the Segment 4 issues. We also have public comment session at 6:00. I'm concerned about going too much past 5:00. The notice says the session will last until approximately 5:00 p.m. We need to discuss the very sticky issue of whether we are going to take the tour tomorrow. I want to hear from the applicant what our options are with regard to that. So after we do this, let's see if we can -- move quickly through the Segment 4 material and then get, if we have questions, then let's ask them and get on to the tour issues.

Do we have the technical difficulties resolved?

MR. WARNER: Okay. Anything in blue is in the
floodplain. And so you can see that our line is located around here and then goes around the corner, so, yeah, it is within the floodplain.

MEMBER MUNDELL: And the distinction, is this the 500-year floodplain, the 100-year floodplain? Do we know what the time frame is?

MR. WARNER: Can you bring up that column that tells us? I believe it was the A zone, so is that the 100-year floodplain? It should give us a depth. Go up, because are we in zone A?

It doesn't tell us the depth of that water that would accumulate in those areas, but let me just mention the railroad grade is elevated and is built in such a way to prevent the river from moving in that direction in normal conditions, so I don't know what their design standard is, but that is the reason perhaps that the floodway doesn't move to the other side of the railroad.

CHMN. FOREMAN: So to follow up on Member Mundell's question, in order for the poles that would be placed in the preferred route to be structurally compromised by a flood, the railroad would have to be washed out; is that true?

MR. WARNER: That is right.

MEMBER MUNDELL: That was a good question, Mr. Chairman. That was exactly what I was thinking of,
thank you.

CHMN. FOREMAN: All right. Let's move to Segment 4 and see if we can get down to Valencia.

MR. WARNER: Segment 4 is among the most complicated of all of the ones that we looked at, because there were so many more alternatives. It is not complicated in its -- in the issues. The issues are commercial -- limiting of rights-of-way and commercial encroachments.

CHMN. FOREMAN: Let me ask you, then, to focus on the preferred route that you folks have posited, because we've taken a little bit of a look already at the existing route -- sorry, we would like to see the alternative that comes in to the east. So you have two alternatives to the east.

MR. WARNER: Very good. Clark, take us through there.

Let me just mention on the existing line, you have a crossing of the Santa Cruz River that spans the river vertically, so that is accomplished.

Take us to the blue lines, Clark, if you would.

I will pass -- first of all, let me just highlight, we've bypassed one alternative that we considered a weak alternative. Similar to that one in Segment 2 at the top. It was principally dismissed
because of its circuitous features and follows an area that is not a very good alignment for a route, but we felt like we wanted to have an alternative for following the existing alignment and that is principally why it was included in the application.

UES's preference is to follow the existing line. Of more substance are the alternatives further south in terms of their varying opportunities, so let's get into that beginning at Bravo Lane. As we go south, instead of going back down along the existing line in front of some of those encroachments, we had another alternative that stays up on the hills, an unpopulated area and avoids that. It goes behind some industrial facilities and then comes back and reenters one of the alignments for the preferred alternative. As an option, it stays east and goes over again largely open areas, residences rising up towards the east, but stays below those and in the hills away from the commercial developments, largely accumulate around the -- around the valley floor. And then it enters into the Valencia substation by passing through some industrial areas, and then comes back in from the east.

I would like to show you one of the simulations there that we just went past.

Clark, is that the simulation there?
This is one of the simulations from the residential area that is closest to the line that is on the east. And on the simulation, and again I apologize, because these are dark on the screen, but you will be able to see the line depicted on the horizon here in the center of the simulation.

CHMN. FOREMAN: Now, it looks like in the existing condition photo, and this is in exhibit G-11 to the application, that there is already an existing line. Is that a distribution line?

MR. WARNER: Yes.

CHMN. FOREMAN: So you would, again, basically be --

MR. WARNER: The distribution line that you are seeing is actually running perpendicular to the line. If you look carefully at the horizon, the -- we are looking directly at the line and so you can see the line depicted on the horizon. It is a new structure there, vertical structure, and then you can see the conductors passing along the horizon for the length of the line.

CHMN. FOREMAN: It looks to me in the top photo, the existing condition photo, that there is a line going from the center right to out the -- yes, that line. Is that line in existence right now?

MR. WARNER: Yes, it is.
CHMN. FOREMAN: What kind of line is it?

MR. WARNER: It is a distribution line that runs perpendicular to the alignment.

CHMN. FOREMAN: So where would the alignment, then, go through that photograph?

MR. WARNER: If you look at the photograph here, you can see a structure right here. That structure, if you look carefully, right in the center of the photo, it has conductors that actually move left to right through the photo.

CHMN. FOREMAN: Got it.

MR. WARNER: Okay. The character of this area is industrial. And in the lower portions and views to these areas are not typically going to be back toward the industrial area.

There was testimony earlier today about some of the property owners that had -- that recognized it and he owns property, one of the gentlemen that spoke, owns much of this property up in this area.

CHMN. FOREMAN: Well, Mr. Baffert made a statement, not testimony.

MR. WARNER: Yes, sorry.

CHMN. FOREMAN: And he talked about problems with existing easements, sewer lines, and waterlines that were in this area. Can you address those concerns.
MR. WARNER: Yes. Some of the alternatives that were analyzed for this area -- go down toward -- yeah, there you go. Nogales wash runs down the -- along parallel along the railroad.

Go a little further south, Clark.

And he is talking about the complexities of all of the infrastructure that is along this road here, and there is -- there are sewer lines there. There are waterlines. There is a railroad right-of-way abuts immediately to the highway. There is the road itself. It is a very congested and tight right-of-way in that area, which is why you don't see an alternative running up and down there.

CHMN. FOREMAN: But do those lines run in close proximity to the north/south portion of that line that appears to be east of the wash?

MR. WARNER: No. They do not run parallel to the alignment in that area, north and south, further east. They are down right close to Grand Avenue and run front of the substation.

MR. DERSTINE: Mr. Warner, I want to make sure, when you are backing up and looking at this Alternative 2, we went through some of that hilly terrain, and I didn't see any homes or any structures there. It just looked like it was open country. Am I right about that
or are there homes that if we are going back up to that
Alternative 1, that are going to be impacted by that
line?

MR. WARNER: Zoom out. You can see homes that
are up higher above the line itself. We have a few
photographs from some of those places.

Maybe you can show us those, Clark.

So these are the views of the valley from -- I
don't know how that rain cloud got that shade. That
gives you a sense of the view down the hill. These are
homes that are up on top and are down in those areas.
That is the condition of those hills, so go back so you
can see that picture.

And this one is closer. This one is -- we
didn't do a simulation from here, but the line would
be -- would be right behind -- it would pass right down
through this area. There is one lone home that is
immediately behind this.

MR. DERSTINE: And so in looking at and
analyzing this Alternative 2, we are essentially looking
at constructing a new line over this lower hilly terrain
that will be within the view shed of the homes and
apartments and residences on the upper end of the hill;
is that right?

MR. WARNER: Yes.
MR. DERSTINE: Any important features of this Alternative 2?

MR. WARNER: That is really the distinction between the two alternatives. In this particular case, you have some view sheds that will be impacted for the first time, a few right-of-way, and the other distinction on the other alignment is you have close dancing with the existing residences and kind of working through the existing alignment.

MR. DERSTINE: Can you focus on some of the main features of the existing alignment down here in the south section where we did hear public comment from the former mayor of Nogales urging us to move away from our preferred alignment over to this alternative. Can you show us what the preferred alignment is in this area briefly?

MR. WARNER: Where we are jumping off that area, Mr. Beck has talked about that at length, so I will focus further south, and that alignment goes through that area, goes through largely an industrial area. It seems to work pretty well, seems to be adequate spacing. Those are vegetable transfer stations and so it is large semi-truck traffic.

Go further south, Clark, if you would, please.

This crosses back behind the Santa Cruz County
administrative building and we have a simulation of that area, if you will bring that up. You can see on the top view the view with the line in H-frame condition and then lower you see the single H-frame or the single monopole. So...

MR. DERSTINE: So, again, what is being represented by the gold line, which is our preferred route in this area, is the existing line; is that right?

MR. WARNER: That's correct. Now, in regards to crossing through the mobile home park as was previously mentioned, the landowner was interested in working out where that alignment needed to go through his property. They emptied the mobile home park to the west and he has plans for development on the eastern portion, as well, so that is why that corridor was widened in that area, so that there was flexibility to figure out where that needed to go by both parties.

MR. DERSTINE: Can you jump ahead to kind of your summary and why we picked this preferred route over the Alternative 2 in this lower section of Segment 4?

MR. WARNER: Yes. I think where we ended up arriving at was that the existing alignment was overall, regardless of the, as I called it earlier, close dancing with some of the landowners, was better. It -- the existing land uses had grown up around it and they were
accepting of the line and its presence rather than introducing it to a new group of people that don't have the line.

It was more cost effective as it penciled out and I will let Mr. Beck talk a little bit about that. But both alternatives would allow, with that one deviation around Old Tucson, would allow that -- or Grand Avenue, that -- a maintenance and operation that was suitable.

MR. DERSTINE: Mr. Beck, what can you add, contribute to the Committee's understanding in deciding between the preferred route and this Alternative 2 in the lower segment?

MR. BECK: The existing alignment in this segment is totally buildable. There is no construction issues, as long as we work with this property owner, that is, the mobile home park, and he is amenable to somehow rerouting on his property to make that work. It will avoid the issue we have with a few trailers in here. We can go up through the mall. It is fairly clean construction. As we go south, there are no issues going into the Valencia station. It is utilizing the existing alignment; therefore, we don't have to purchase new right-of-way on this portion of the line. If we look at the other alternatives, there is anywhere from
two and half to as much as seven miles of right-of-way
that would have to be purchased.

CHMN. FOREMAN: From a technical point of view,
Mr. Beck, is there any problem with -- with what was
referred to as Alternative 2 in Segment 4 of the blue
alternative from Bravo Lane South to Valencia?

MR. BECK: This one coming down here?

CHMN. FOREMAN: Correct.

MR. BECK: Technically, that is also buildable.

I would personally have concerns about all these
residential properties here and what they may see, the
fact you are building a new line that is not there
today. At least on the existing alignment there is an
existing line that is there.

CHMN. FOREMAN: Back up there. Are you
cconcerned about the line impairing their view of the
back of the warehouses or...

MR. BECK: I'm not sure what perception is
relative to view. Any time you put a transmission line
into the view shed, it seems to be an issue.

CHMN. FOREMAN: Would the alternative route
south of Bravo Lane miss all of the encroachment issues
that we talked about earlier, the building over gas
stations, the building over other structures that were
along Old Tucson Road and Grand Avenue.
MR. BECK: Can we scroll up to Bravo Lane?
Yes, it -- where is Bravo Lane? Do you know, Clark?
So, yes, if we take off at that point, it will avoid all of the encroachments along Grand Avenue. So from a construction standpoint, it is very clean, very doable. But, again, it will require considerable brand-new right-of-way purchase.

MR. DERSTINE: Let me ask a follow-up on that. When you say "new right-of-way purchase," I gather that means increased cost to build Alternative 2?

MR. BECK: Yes.

MR. DERSTINE: Do we have any ballpark estimate in terms of what sort of cost differential there is between building the preferred route and building Alternative 2?

MR. BECK: Not at this moment. We can have some for Wednesday morning.

CHMN. FOREMAN: Questions from -- comments from Committee members?

Member Noland.

MEMBER NOLAND: I just have to know where the -- all of the offending Texaco station is based on the map on the left. Could you pinpoint where that is?

MR. BECK: It is basically down in this area.
Clark, if you zoom in.

MEMBER NOLAND: Okay. So, Mr. Chairman, if you left it on the preferred alignment to that point just before the nasty Texaco station then went off to the east, that would solve that problem without having to do all of the new construction and lines around where there are more residential issues.

MR. BECK: The preferred alignment skirts around the Grand Avenue issues and that is nine-tenths of a mile of new right-of-way that would have to be purchased.

CHMN. FOREMAN: Other questions? Comments? Member Whalen.

MEMBER WHALEN: I'm not so sure I fully understand what the community difficulty is with that nine-tenths of a mile. I don't think I heard anything in opposition to that section.

MR. BECK: Member Whalen, I believe you are correct. I'm not aware of any push back on rerouting on that alignment.

MEMBER WHALEN: Thank you.

CHMN. FOREMAN: All right. What I would like to do now is stop the testimony. We are a little bit after 5 o'clock. And move to a discussion of the tour. As we have talked before, we have a problem. We are caught
between a rock and a hard place. If we have a tour, if we have reference to landmarks, to geographic markers, we have information communicated that the corporation commission staff has said even if it is repeated at a later time in the hearing, reconstructed at a later time, they feel violates the open meetings law and/or the ex-parte rules of the corporation commission. The alternative to that is to have testimony presented that would communicate that information.

The statute clearly indicates that if testimony is to be presented, it must be under oath and before a court reporter. The court reporters who have provided court reporting services to the Committee and to the Commission indicated last Friday afternoon that they would not do so for the tour. So -- I talked to them a month or so, a month and a half ago and indicated that this was a possibility, asked if we could work with them on this. They indicated their concerns, but said they would think about it and then they told us last Friday -- well, I was gone on Friday. I was being furloughed, but the date and time of the message to me was last Friday at 3:00 p.m., so I found out about it yesterday.

I communicated with the parties and asked for alternatives. So I guess the first question is, do
members of the Committee want to take the tour? I think I'm the one that has to make that call, but I want to make that call based upon the desires of my Committee members, and if there are folks that think a tour would be worthwhile, if we can engineer it, then we will try. If nobody wants to take a tour, then there is no use going through the engineering process.

Member Palmer.

MEMBER PALMER: Mr. Chairman, based on past experience, I'm suffering from tour trauma anxiety syndrome. If there an alternative? I recommend we pursue that.

CHMN. FOREMAN: Well, the alternative was simply not to take it, would be to base our action on what has been presented to us in the hearing. If we are going to take the tour, then what I've indicated I've asked the applicant to do is try to find a court reporter who would go out and either record it using a voice recorder or report it using a reporting machine, but from that derive a transcript that could be certified, and the courts now are using voice recorders at least as often and maybe more so than reporting -- traditional reporting machines, so I think either method of constructing the transcript is appropriate, but what we have to have is somebody who can be sworn and certify
that the transcript accurately reflects what was communicated.

I think we can limit drastically what is said on the trip to just identifying markers, identifying where the corridor would be, that sort of thing, and then discuss more fully what we have seen back here in the committee room after the tour, and we can use the flyover, the Google Earth tour to enhance our recollection of it and any discussions of it. But we would have to take along Mr. Beck and Mr. Warner. We would have to ask them questions like, what is north, where is the line, where is the corridor, what is that landmark, and that would be pretty much it.

I've told the intervenors if we take the tour and there are particular landmarks that they want to identify so that the Committee can take a look at those landmarks and have those in mind when questions are asked later on, I will allow them to do that. I am not going to allow cross-examination or anything beyond just a very basic discussion of where we are and what we are seeing.

So that is the way I am trying to engineer it.

How is your syndrome?

MEMBER PALMER: I would be satisfied with, you know, a Google tour and visual representation here as
opposed to having the potential of our integrity challenged, which occurred several times in the past and one completely unfounded and I was offended. You know, we try to satisfy the requirements of the statute as best we can, and our intentions were always good, at least in the eight years I've served on the Committee. My preference is not to go through tour trauma again.

CHMN. FOREMAN: Well, I'm still healing from the wounds myself, but I'm trying to accommodate my Committee members.

MEMBER NOLAND: Mr. Chairman, I don't have post-traumatic tour syndrome, since I never went, but I did go out myself in two of the different areas that we did CECs, and I had some specific areas I wanted to look at, and I just did it myself in my own automobile, and I think there are two or three areas that I want to refresh my memory. I know this area fairly well. I lived in the Pima County area for 38 years, so I've done quite a bit of riding down in these areas and traveling. But I do want to look at the Grand Avenue area of where there is the alternative loop proposed, and I do want to go up near where the railroad is with the floodplain as compared to the existing alignments near the mesquite bosque, but I can drive that and look at that between
now and tomorrow at some point in the morning before the
hearings and that will satisfy me.

CHMN. FOREMAN: Member Wong.

MEMBER WONG: Thank you, Mr. Chairman. I would
support a tour that limited to two areas where we had
substantial discussion today, and that is that area in
Segment 2 that -- around where the railroad track, the
preferred route and the existing route that is also the
alternative route. That is one. The other one is
similar to Member Noland, the area of Nogales that she
referred to. Thank you.

CHMN. FOREMAN: Member Mundell.

MEMBER MUNDELL: Thank you, Mr. Chairman. I had
the same thought as Mr. Wong, and, Member Wong, at least
I don't need to go on the whole proposed line, but there
are those areas that, you know, I think would be
beneficial to see, as he just expressed them.

My question is, I wasn't clear, are the
intervenors going to be on the bus with us? I wasn't
clear by your statement.

CHMN. FOREMAN: No, and I didn't make that point
clear. My understanding is, from discussions that we
had at the prehearing conference, that if the tour is
taken, the Committee would be on one bus or vehicle.
The only other people in the vehicle or only other
person on the vehicle would be the driver who would be
instructed not to discuss anything that relates to the
matter before the Committee. The only discussions that
would occur would be at scheduled stops. At those
stops, the only discussion that would occur would be on
the record and would be basically me probably asking
Mr. Beck or Mr. Warner where we are, where the line is,
what is the significance of this in relation to the
application, and then seeing if there is any particular
question that a member has about where we are at, and
asking each member to hold the questions to a minimum so
that we can have the bulk of our discussion back in the
committee room with everyone present.

Now, again, we have a two purpose gathering
here. This is an evidentiary hearing and a quasi
administrative action. It is also an open meeting of
public body, and so we have to accommodate two separate
sets of statutes. It is my reading of the law that if
we are going to have a portion of our meeting at these
stops, that we need to make access available to members
of the public and that the parties have a right to be
present to witness what has occurred. So I've indicated
to both Ms. Webb and Mr. Magruder that they would be --
have the right, should they so choose, to be present for
all discussions that occur and to be able to see and
hear what is going on and then ask me if they indicate
that there is a landmark that they wish to call our
attention to, they would have the option of asking me if
they could call that to the attention of the Committee.

MEMBER MUNDELL: I appreciate that
clarification, because I don't know if the right word is
my concern. You know, whether there -- the applicant
utility or whether you are an intervenor, you have equal
status.

CHMN. FOREMAN: Absolutely.

MEMBER MUNDELL: And I guess my question would
be, just so I'm clear, Mr. Beck is not going to be on
the bus with us? He is going to be in a separate
vehicle?

CHMN. FOREMAN: Yes.

MEMBER MUNDELL: So they can do the same thing,
Mr. Magruder and Ms. Webb can follow along?

CHMN. FOREMAN: Any member of the public who
wants to follow along.

MEMBER MUNDELL: Because I hadn't heard you say
that part about them, but I appreciate that
clarification. That was what my issue was. You've
indicated where we are going to stop, then, and --

CHMN. FOREMAN: No. That is what we need to
decide now. And I -- and just to be more complete here,
I have had the applicant place language in the notice that has been provided that -- and I have provided a prehearing procedural order that indicates that if we do take the tour, that the procedure that I have outlined would be followed.

Any other questions or comments by Committee members?

Member Whalen.

MEMBER WHALEN: I would appreciate the area between the Kantor substation and the area to Sonoita, and I think we all are familiar with some of the key points within those areas in area 2, Segment 2. I'm not so sure I need to see the Nogales area now that I know that one short segment is going to alleviate the problems along Grand Avenue. But the Segment 2 is my primary area of concern.

CHMN. FOREMAN: Okay. Member Rasmussen.

MEMBER RASMUSSEN: My experience has been that the field trips that we have done in the past on many cases have been very, very helpful, and I favor doing that. Given my current orthopedic situation, I think, while I favor it, I think I am going to pass in whatever decision. If you do do a trip tomorrow, I won't -- I will catch up in discussions with the group if that is the case.
CHMN. FOREMAN: And this is certainly not required. Any member who wants to go, that is fine. Any member that does not feel comfortable going or does not want to go, that is also fine.

All right. Let me ask for a show of hands how many members would like to have a tour, and this is not necessarily going to be a majority vote, but I just need to know how many would like to have a tour. And Member Rasmussen. So I think that is enough to justify taking the tour. So -- there is no requirement that a quorum be present. So it will be yet another tour without a quorum. Well, actually, yes, I think -- because I feel like I have to go along regardless. So I think we are going to have a tour.

So now that we have that weighty matter out, and we have expressed interest in particular places to see. First of all, let me ask Mr. Magruder and Ms. Webb if you would like to be heard briefly on what it is you think we should tour.

MR. MAGRUDER: Mr. Chairman, the applicant has nicely given us an Exhibit 12, a route that he has proposed, and I think that would be a good place to start from. And obviously, it will start from the Esplendor hotel, and personally, I would like to go through stop one to Gold Hill and then, personally, I
would like to then skip and go down I-19 until we come
up with number seven, eight, and nine. That is my
personal opinion.


MS. WEBB: Mr. Chairman, members of the
Committee, I'm going to have to defer to Mr. Magruder on
the Santa Cruz issues. I recognize there are severe
encroachment issues. At the prehearing conference, I
indicated that the Vail substation was a serious concern
to the members of the public up at the Vail area, and
this is a -- can you hear me? This is a bit of a drive
for the members of my community, and that it was very
important that that was part of the tour as that was
part of new construction which had been acknowledged by
Mr. Beck.

There are several docketed comments by Vail,
Corona residents. There is also a plan, a City of
Tucson plan reference in the book for that area. Also,
there is a letter from the substantial subdivision that
would be directly west of the Nogales Tap, and I think
it would be good to see a perspective of the -- where
the lines would -- she speaks specifically of the
things, the transmission poles, and also the letter in
the book is not very clear that this is actually the
construction. It states it is an upgrade from the Vail
to the Valencia line when it is sent out to the
stakeholders, so I think it is very, very important and,
as Mr. Magruder asked, that we skip some of the Santa
Cruz County parts, maybe we would have a little bit of
extra time to shoot over to the Vail substation, if that
would be okay with you guys.

CHMN. FOREMAN: Now, Ms. Webb, let me see if I
can ask you to focus on -- I am looking now at Exhibit
Number 12 in the notebook that has been provided by the
applicant. Could you identify for us the stops that are
listed on Exhibit Number 12 that you feel the Committee
should make.

MS. WEBB: Again, deferring to the Santa Cruz
ones to Mr. Magruder, my discussions with Mr. Beck, 11
was included and changed and then 12 and 13 is not very
clear, just says, stop at old Vail connection, which is
the crossover that was identified by Mr. Warner in the
first slide up there. Number 13 and inset 1, and it is
not very clear as to whether we would continue north to
I-10 to return to the resort or if we would continue the
way we got to that location, which is where that red
arrow is there. And I believe that we should continue
north and go east on Interstate 10 and then south on
Reeder Road. It would only add an additional
approximately ten minutes to get there, and as is this
is the only part of the entire project that is new
collection as far as the CEC goes, I think it is
incredibly important, because a lot of people put a lot
of work into getting their comments docketed under the
regulations about their concerns regarding the
substation. I'm just asking that you consider that,
please.

CHMN. FOREMAN: All right. Now, am I correct in
my understanding that you can see the Vail substation
from stop 13?

MS. WEBB: With binoculars.

CHMN. FOREMAN: And your feeling is we need to
go over and put, in essence, a stop 14, which would be
at the Vail substation, or just --

MS. WEBB: Correct.

CHMN. FOREMAN: All right. Before we do that, let me back up.

Mr. Magruder, looking at Exhibit Number 12,
which is the tour itinerary, the stops then that you
feel are important are again?

MR. MAGRUDER: Starting at the beginning on
Exhibit Number 2 through Gold Hill Road.

CHMN. FOREMAN: So stops 1 through 4.

MR. MAGRUDER: Well, plus Gold Hill Road. It is
between 4 and 5. It doesn't have a number.
CHMN. FOREMAN: All right.

MS. WEBB: Mr. Chairman, if I can interrupt briefly. George Miller will hand around a map that corresponds to Exhibit Number 2 and the tour stops, so it gives you a graphic understanding of where those stops are. That may help you in deciding about where you want to stop.

CHMN. FOREMAN: All right. And the discussion that we had concerning the bosque area was this area directly north of the Canez station; is that correct?

MR. DERSTINE: Yes.

CHMN. FOREMAN: So stop 8 and stop 9 would bracket that area; is that correct?

MR. DERSTINE: Yes.

CHMN. FOREMAN: So the area that Member Whalen and others had expressed concerns about would be identified as stop 8 and stop 9. Mr. Magruder was interested in 1 through 5. Ms. Webb is interested in 11 through 13.

Are there other stops that --

MEMBER NOLAND: Might as well go through them all.

CHMN. FOREMAN: Actually, Ms. Webb indicated 11 through 13 and number 14.

All right. Mr. Magruder.
MR. MAGRUDER: Looking at the map, taking off at Sahuarita Road and driving up north from Sahuarita Road to 11 is a dirt road, but it goes right along the path of the route.

CHMN. FOREMAN: Sorry, which -- where are you referring to?

MEMBER NOLAND: From Sahuarita to 11.

CHMN. FOREMAN: So you are wanting the Committee to go -- well, I'm assuming we would drive that way and then stop at 11 anyway.

All right. Member Mundell.

MEMBER MUNDELL: Thank you, Mr. Chairman.

Ms. Webb, we haven't had the benefit of your testimony yet, so I would like to ask the question so I understand your suggestion that we go up to that area. Are you -- do you have a position on either one of the lines that has been suggested, either the preferred or the alternative?

MS. WEBB: Member Mundell, the northern alternative is really the only one that makes sense, and that is also the one that I've been reading in the application by the huge subdivision, that is where the word "Nogales Tap" is indicated, also. I really could see, you could drive by 11 and say, there it is, and really not have to stop. I mean, you can see it. It is
right there and save a lot of time.

MEMBER MUNDELL: I guess what I'm trying to understand is if that is your preference and clarify what the utility's preference is, maybe there is not an issue. I'm just trying to understand, we haven't had the benefit of your testimony yet at the hearing in making our decision.

MS. WEBB: So, and maybe I need to have you repeat the question, because I'm not understanding, either.

MEMBER MUNDELL: Well, your preference, if I understand it, is the -- on the map is the yellow, the northern route, you said?

MS. WEBB: I don't really have a preference, but what I'm -- I guess what I'm trying to articulate is from a logical standpoint, the northern alternative and the utilities' preferred alternative or the preferred alignment is the only one that really makes sense, in my opinion, because either one, they are sort of a wash.

MEMBER MUNDELL: Okay. But I'm just trying to understand, it is your position you don't want either of them?

MS. WEBB: No, I'm just trying to articulate the best I can. My position is there needs to be appropriate monopole color and there needs to be
appropriate monopole color choices and there needs to be a Citizens Advisory Committee so that there is appropriate public outreach and comprehensive planning with utilities and communities that will be impacted.

MEMBER MUNDELL: Well, we will certainly have that discussion at the appropriate time on the -- on the citizens outreach and the material for the poles. I was just trying to understand if, of the two choices, yours is the northern choice and the utility, that is their preferred alignment. If there isn't an issue, then I don't know.

MS. WEBB: We can skip all the stops and go to the Vail substations. You can wave as you go by.

MEMBER MUNDELL: I am just asking the question. I'm not taking a position. I'm trying to understand the thought process.

Thank you, Mr. Chairman.

CHMN. FOREMAN: Any other comments?

Now, Mr. Derstine, do you have a court reporter for us for tomorrow?

MR. DERSTINE: I am told that we do. We have an all-wheel drive all-terrain qualified court reporter who is willing to accompany you folks on the tour and do what you need them to do.

CHMN. FOREMAN: Let me turn to the Committee
members who are planning on going and what I propose doing is asking if there is anybody that wants to go to stop 1, stop 2, stop 3 as we go through. One option would be to cut the tour off after stop 9 and to simply drive by stops 6 and 7. Another option would be to stop at stop 1, stop 2, stop 3, stop 4, and stop 5, if there are people who are interested in stopping, go by 6 and 7, stop at stop 8 and stop 9 and then simply drive stops 10 through either 13 or 14. So we have options.

MEMBER MUNDELL: Mr. Chairman, even if we have a stop, it could be for, like, 30 seconds or a minute. So we are not just whizzing by? When you say "stop," did you envision getting out and having the court reporter there and have us ask questions? I wasn't sure what you meant by "stop."

CHMN. FOREMAN: If we are going to stop, I'm hesitant to stop without having the court reporter come forward and identifying where it is we stopped because --

MEMBER MUNDELL: I just wanted to define the term "stop." I appreciate your concern.

CHMN. FOREMAN: Cease motion relative to the earth.

Member Whalen.

MEMBER WHALEN: I have no trouble starting with
1, but I see no reason to go beyond 9.

CHMN. FOREMAN: Do you want to stop at 6 and 7 or just drive by?

MEMBER WHALEN: Drive by would be fine with me.

CHMN. FOREMAN: Okay. Member McGuire.

MR. McGUIRE: I agree, I concur.

CHMN. FOREMAN: Member Mundell, are you planning on coming?

MEMBER MUNDELL: I'm planning on coming.

CHMN. FOREMAN: And what route would you like to follow?

MEMBER MUNDELL: I agree with Mr. Whalen.

CHMN. FOREMAN: Okay. Member Wong. Do you plan to come with us?

MEMBER WONG: Mr. Chairman, I will be attending the field trip. I do have a question as to when you said, stop. Again, I want to make sure that the field trip would be worthwhile, that the sites would be pointed out so we can visualize where alternate routes or preferred routes are proposed to be sited. Is that the -- just following up on Member Mundell's. I don't want to just do a drive by. By the way, that happened to be an alternate route there. I want to see somebody pointing out where are we looking and which route are we talking about.
CHMN. FOREMAN: Well, I think some of that can be addressed at the stops. We can say not only what it is we see at the stop, the witnesses can identify what it is we have been by and the witnesses can tell us what it is we should look out for as we move forward. But I'm going to instruct the Committee members not to discuss the routes in the bus, those that go along, and any discussion I would hope would be back here in the committee room, any questions about where we had been or where we are going should be asked at the stops on the record. And the idea is to make sure that we have a record and to make sure that it is accessible, what is said is accessible to all the parties, so they have an opportunity not only to witness what has occurred, but to ask questions or present testimony in response to it when we get back here to the hearing.

Now, is there anybody over here that is going to go along?

MEMBER YOULE: Well, if --

CHMN. FOREMAN: Member Youle.

MEMBER YOULE: -- Mr. Whalen's suggestion of not going past 9 is adopted, I would go along, then, but I see no reason to go all the way up to Vail.

CHMN. FOREMAN: All right. Member Eberhart.

MEMBER EBERHART: I'm okay.
CHMN. FOREMAN: And I'm assuming that is not a statement concerning your present psychological status, but what route would you like? Are you okay with stopping at number 9, at stop 9?

MEMBER EBERHART: I will go wherever the bus takes me.

CHMN. FOREMAN: All right. Then it sounds to me like what we have is a consensus that we will go. We will start at 8:30 in the morning and the bus will be at the front door at 8:30. We will start at 8:30. We will go to stop 1, stop 2, stop 3, stop 4, stop 5, stop 8, and stop 9 and then return at whatever time we finish back to the hearing room, and at that time, depending on how much time is left in the day, we will either have lunch and reconvene for further testimony in the afternoon or we will adjourn until the next day.

Does everybody understand, Mr. Magruder?

MR. MAGRUDER: Mr. Chairman, I believe I read the agenda that we started at 9:30 on the tour, that 8:30 was probably not --

CHMN. FOREMAN: No, I think you should reread it. I think you will find on Wednesday we are to start at 8:30.

MR. MAGRUDER: I will be here at 8:30.

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
5 MEMBER RASMUSSEN: Is it reasonable to expect we
6 will reconvene at 1 o'clock in the afternoon? From the
7 applicants, is it a morning tour on this juncture? Just
8 in terms of --
9
10 MR. BECK: I think it is a very good chance we
11 could be done by noon depending on the questions and the
12 discussions that take place.
13
14 CHMN. FOREMAN: I'm anticipating that the
15 questions and discussion are going to be very strongly
16 limited by the Chairman. It is just because I want to
17 limit discussions to the hearing room to the extent
18 possible. We are just going to ask factual questions.
19 So let's hope, then, that we can get this done by noon
20 tomorrow.
21
22 MEMBER RASMUSSEN: Reconvene at 1:00, say --
23
24 CHMN. FOREMAN: And, then, 1:00 or 1:30,
25 depending on the exact time we return. Anything else?
26
27 Then we are going to recess for the evening and
28 in 13 minutes we will start the public comment session.
29 We will wait approximately 15 minutes for folks. If no
30 one appears, hopefully we will have a few folks appear
31 and make public comment, and, again, those Committee
members who wish to attend, certainly may do so. If
not, we will reconvene at 8:30 in the morning.

   Thank you, all.

   (The evidentiary hearing was at recess at 5:48
p.m.)
(The proceedings reconvened at 6:00 p.m. for
Public Comments.)

CHMN. FOREMAN: All right. It is 6:00 p.m.
This is the time that we have previously noticed as the
time for public comment in this matter, and this matter
is a hearing and public meeting concerning the
application by UniSource Energy for a certificate of
environmental comparability concerning a line to be run
from the Vail substation to the Valencia substation.

My name is John Foreman and I'm the chairman of
the Arizona Power Plant and Transmission Line Siting
Committee. And we have members of the Committee here
and present. I have a sign-up sheet that we put over,
and we -- I have an indication of some names here. As I
call your name, I will ask you to come forward and pick
up the microphone that is on this little table over
here. We are going to try to put up the map of the
proposed line similar to one that will be on the board
that is right behind the table. I would like for each
of you to indicate your name and spell your last name
for the court reporter, because what you say will be
taken down and placed in a transcript that will follow
this proceeding if and when it is reviewed by the
Arizona Corporation Commission.

Then I would like for you to tell us where you
live in relationship to the proposed line, and then tell us what your interest is and what you would like for us to do.

So let me start with Laura, and it looks like, Dobos. If you would come forward, ma'am, and, again, tell us your name and spell your last name for the court reporter.

MS. DOBOS: My name is Laura Dobos, it is D-o-b-o-s. And my husband and I, we live in Solero Ranch, which is located probably about seven miles east of Tumacacori, and probably five miles east of where the preferred site, the existing line is off of Camino Josephine. So anyway, and I should also disclose to you, we are realtors in the area, and we've lived in Solero Ranch for approximately eight years, and since we have lived there, we have seen a tremendous amount of growth in the area, that area Baca Float 3, it is called. Tremendous amount of growth. Families moving in to new homes, a lot of homes have gone up and continue to go up in that area, and there will be, as soon as the housing market picks up, there will be more homes.

So at any rate, the reason why I wanted to speak to you was with regards to the -- actually, the color of the poles. I understand the poles that are there, that
will be put up, are the brown poles. Right now there is
one of the brown monopoles that exists right now, and I
understand there is another type of pole. It is the
galvanized steel pole, the dull galvanized steel pole,
and that would be preferable if you could put that type
of pole in that general area, because it is basically,
the vegetation is very low to the ground, and it is a
beautiful area. There is some mesquite, but it is very
low mesquite, and the galvanized pole would be
beautiful. I thought that type of pole would be
gorgeous, I didn't realize it even existed.

But when you look out, there is a beautiful
panoramic view, which is why everybody moves out there
in the first place, and I thought if something like that
existed before I even knew that it did, that it would
just blend in with the scenery beautifully, and it would
make the -- all of the people, the residents in the area
very happy if they could see something like that erected
as opposed to the brown pole which is, quite frankly,
not very attractive at all. So I would put that on our
wish list and I know because there would be more and
more homes that go up in that area, so that is really
all I have to say. Thank you.

CHMN. FOREMAN: Thank you very much for coming
and talking.
Now, let's see, next we have David Taylor.

MR. TAYLOR: My name is David Taylor, T-a-y-l-o-r. I live at 9244 South Big Tree Lane, which is located in the Sycamore Park residential development on the north end of the proposed alignment. There have been some discussions today concerning visual impacts, particularly of the poles and mono structures that will be placed. My personal opinion is currently from my location, which is approximately 75 yards away from the open desert, from my home, I cannot see any of the existing lattice structures. From the south end of Kolb Road, you can see the lattice structures, but it is my understanding that the monopoles will be approximately 30 to 40 feet lower in elevation, or excuse me, in height. It is my opinion that the self-weathering steel poles being a brown color would be a more natural appearance rather than a more lustrous galvanized steel, and that is all I have.

CHMN. FOREMAN: Very good. Thank you for coming and talking, sir.

Now we have Michael S. Karam. Care to come forward, sir.

MR. KARAM: Can you hear me? I live -- my name is Michael Karam, K-a-r-a-m. And I live at 1898 North Pendleton, which is about 500 yards from Santa Gertrudis
Lane going south, next to Josephine Wash. Bring the dot down, now go to the left, and back up, that is my place right there. That is it. You are on it right now. That whole piece belongs to me. There is -- and 30 acres right there belongs to me, too. According to this drawing that I have here, the blue line represents a secondary position that the line is thinking about going through.

CHMN. FOREMAN: The applicant has indicated to us that the yellow or gold line to the right side of the screen that you are looking at is their preferred route. They have identified the blue line as an alternative to that route for the Committee's consideration.

MR. KARAM: That blue line going through there is not my preferred route.

CHMN. FOREMAN: And why. Tell us why, please.

MR. KARAM: Well, for two reasons. One, it takes Tumacacori Mountain, the Atacosias Mountains that are all here. My whole house faces those mountains with all of my view is out on my pastures that are all out here with my cattle and my horses and my dogs and my wife, most important one of all, who sent me down here.

CHMN. FOREMAN: Please remember, sir, this is being memorialized in a transcript.

MR. KARAM: I understand. That is why I did
that. That is exactly why I said it. So I'm on record.

But it is not the preferred way that I believe that it
should go. My thinking is that it needs to stay where
it is at this point in time, and be upgraded, and I am
curious as to know why the utility company is talking
about a 500-foot right-of-way or easement to put up a
50-foot pole?

CHMN. FOREMAN: The testimony --

MR. KARAM: There may be another reason involved
for that.

CHMN. FOREMAN: The testimony that we have
received today and the application that we have received
indicated that the company would like a 500-foot
corridor and from that corridor, they would then like to
take a 100-foot right-of-way. There is a difference.

It is like the width of this room and then the width of
this middle area of carpet.

MR. KARAM: For what reason? Why?

CHMN. FOREMAN: Well --

MR. KARAM: I mean, if I have a road that is
50 feet wide and I need 400 feet more, there has to be a
reason for wanting that 400 feet more. And I don't
think the company is telling the people why they want
that. But, again, that is just my opinion, and like I
say, I want to be on record that I would not like to see
that line moved over and put along through my piece of
property, and that that is what I have to say.

CHMN. FOREMAN: Sir, could you show us on the
map where the railroad track is in relationship to your
property?

MR. KARAM: The railroad runs right there right
along the back side of my property.

CHMN. FOREMAN: Thank you very much.

MR. KARAM: Thank you.

CHMN. FOREMAN: Now, no one else has indicated
that they wanted to speak. Is there anybody that has
come in later that would like to?

All right, sir, if you would step forward. Come
right up to this table. What I would like for you to do
is tell us your full name, spell your last name for the
court reporter, indicate where you live in relationship
to the proposed line and then tell us what your public
comment would be. I think it is on.

MR. LUNDESVILLE: My name is John Lunderville,
L-u-n-d-e-r-v-i-l-l-e. I live at 182 Vino Court. Our
property is a part of the Segment 2 where the proposed
new alignment is the yellow line which they want to move
the right-of-way to the back of our property. Now,
this -- what we are looking at is from right here to
here.
I'm here to speak for six of the property owners of eight people that are directly affected by the moving of this line. We have homes. We bought this property -- we moved there 26 years ago. When we were there, there was grass growing on Pendleton Road. We bought it because of the trees and what is there. We knew the power line was there, and we went ahead and did all of our building on the easements that existed at that time. We have easements in the middle of our property and easements established at the back of our property. So the hoists were placed and everything was placed to be in accord -- in conjunction with what was done between the county and the power company.

The six families, which are the Garcia family, my family, the Lunderville family, the Wagner family, Williams family, Mr. Jakle, who spoke with you earlier today, and the Estrella family. We comprise about 80 percent of the property that is directly affected by this moving. These are the properties that have structures on them already, and currently put in place by what was, you know, recommended to us by the proper setbacks and everything.

Now, Mr. Jakle gave a great presentation this morning, and everything is agreeable. The only thing I think Mr. Jakle forgot about, he forgot to represent
himself, because he just completed a home a year ago that is in accordance to everything that is being done, that was supposed to be done. If this new power line goes in the way they want, I doubt if Mr. Jakle's house will be at the proper setback from the new power line, and he did mention that it would come direct to his back door. Now, he bought this property and developed it to have, you know, what he has and in accordance setback from what is existing. So it directly affects him.

Another situation is the Estrella family. They have done everything in accordance to the setbacks. If this happens to this, they have a beautiful back yard with a swimming pool, palm trees, and everything. What will happen? They will be sitting in the swimming pool and there will be a power line right there. They have several outbacks. The back of their property. Hay storage, work shop, everything in accordance to the proper setbacks, which will have to go.

Now, it is all fine and dandy to say, okay, you can relocate, well, on their particular property, if they go to relocate, the only place they have to relocate is in front of their primary residence, which the county will not allow a secondary building to be put in front of a primary residence. So it affects them.

In my situation, I have property that I bought
for future development possibly. If this goes in, with that amount of easement given, that renders that property unbuildable, because I won't be able to meet the setback requirements on that property.

Now, none of us that I mentioned here are speculators. I've been there 26 years. The Estrella family has been 16 years. We have no inclination of moving. We would like to live there for the next 25 or 30 years, God willing, and we like it the way it is. We are not trying to make money on it, but you have to look at the situation, how is this going to devalue our property?

The other point I would like to make is the railroad has just gone through, and I hope you see this tomorrow in your tour, the railroad went through and upgraded the railroad track so they have a 100-foot easement back there. They went through there and made a freeway down there. Now we have traffic, coyotes running illegals, everything else. So you have 100-foot there and then the power company come and takes another 100 feet. You are going to have that aerial view, you will have a bald spot 200-foot wide from the railroad track toward Pendleton Avenue -- Pendleton Drive. That -- and our situation, that is our cushion from the railroad, the trees, everything cuts the sound, gives us
our privacy, and now you are going to put our houses, everything is going to be in jeopardy, what we already established.

As far as I know, there are no encroachments in this section here on the power line. In other words, there is no violations here. There was mention that there are some violations and I understand that there is some things that have been built that are in, you know, in the right-of-way or shouldn't have been built. The power company has come through there several times. We granted them access. There has never been a problem for them to do maintenance on any of the lines that exist, so there has never been any -- anything said about us having any encroachment problems.

But if they want to move this line because there is encroachment problems that do not exist, it will cost us -- us that own the property dearly. It will make us change, move, build less, lose value to our property. Value is not the main thing. Like I said, we are not speculators. We want to just stay there, and we want to have what we designed and wanted to do 26 years ago. We want it to go for another 26 or 30 years.

And we've taken care of this mesquite bosque that everybody talks about. You go through -- when you see your tour tomorrow, you will see where these homes,
our homes, are and we have maintained the undergrowth on
the bosque and everything. The trees are much larger,
everything is, you know, better than what you see where
it is unmaintained. We are actually stewards of the
land there.

I just wanted to make a point that, you know,
our opinion and our area, we have no encroachment. So
the only thing that will get encroached is if you move
that power line, the power company will be encroaching
on us and causing us to have to change, move structures,
moves facilities. We have a horse training facility. We
have an arena we train horses in. That will not exist
anymore. We have no place to go with it.

And a 200-wide foot stretch along there is not
going to look good. What we have right now, you will
see, they clear-cut through there on some of that. But
you will see how the power line blends in where it
exists. It is not obtrusive. But to do what they want
to do back there, and it will be a problem, a serious
problem for everybody, and so I hope you take this into
consideration when you go and make your tour, because,
you know, we've got six, eight families here that are
taking the brunt -- everybody else above us and below us
have not developed, yet, so they can do what they want,
you know, it is not going to affect anything they have.
But what we have is already established and that will take away from what we have. It will cost us out-of-pocket and that, so like I say, as far as I know, I will double check, but I don't think any of the encroachment problems are on any of this stretch right here that we have. And so -- and there has never been an access problem for the power company. We all worked with them. All the properties are gated and fenced, but any time they need access, we allow it. And so I just wanted to make it clear that, you know, besides the color of the poles and all of the wildlife and everything else, there is also some people, a few families, will be directly affected by this. Some of these other places, it is not going to affect, but it is going to affect our homes and our families. So I just wanted to let you know that.

CHMN. FOREMAN: Do we have any questions or comments?

MEMBER PALMER: Thank you, Mr. Chairman. You favor the preferred route, the yellow route, the existing route?

MR. LUNDERVILLE: Not the yellow route. The yellow route is the preferred route. We favor either the existing or the other alternative, which has been set aside, is the one on the west side of the railroad
Now, I had a comment made to me earlier today when I was at the meeting before about the floodplain situation, the other side of the railroad track. With the new flood maps and everything, the elevation on my side of the railroad track and the elevation on the other side of the railroad track are the same. So your floodplain situation, you are only looking at 150 feet from one side to the other is the same. So that is an issue that I don't think is valid.

MEMBER PALMER: So you concluded on the existing route there aren't any encroachments that are significant in that they would impair the applicant's ability to service and maintenance and --

MR. LUNDEERVILLE: Not that I know of, and we worked with the power company. They recently came through and trimmed the trees on our property. They did, what they call, a five-year trim. It makes sure it doesn't affect it and they came in and did a five-year trim. There was no -- nothing brought up. They went through all of our properties and took care of their area. If there was an encroachment, I would think they would have brought it up. Like I say, we all built to the standard and to the proper setbacks that have been asked of us.
CHMN. FOREMAN: Member Eberhart.

MEMBER EBERHART: Thank you. Just to let you know, the power company earlier today said they would be okay with either alignment, so necessarily -- the preferred alignment is not necessarily what is going to happen. They said they would be okay with the blue line alignment, as well.

MR. LUNDERVILLE: Like I say, I just wanted you to be aware of what the changing -- of how it would affect property owners that exist there. I don't think enough attention was paid. If you really took your aerial and blew it up and look close, you would see how it would affect, but I don't think enough attention was paid to that. I felt these people -- we had to be represented about this.

CHMN. FOREMAN: Member Mundell.

MEMBER MUNDELL: How -- Mr. Chairman. Just, sir, first of all, thank you for coming. I heard you say that you complied with the proper setbacks a couple times. The setbacks by the county, what did you mean by that?

MR. LUNDERVILLE: The county has setbacks that are required from property lines as far as from a road from side, rear, so forth. So what I'm saying is, everything that we have built on our properties have
complied with the county and with the proper setbacks from the center of the existing power lines so that all of our buildings that exist now are not in violation. But the fact that if you was to take and move this large line to the back of the property, it would put some of our buildings in violation, and in other words, they would have to be either moved, dismantled, something, because they were setback at a 23-foot or a 37-foot easement. You guys want to put a 100-foot, so there is buildings that exist within this proposed easement that you want to bring change.

MEMBER MUNDELL: We may be talking apples and oranges. When you use the word "setback," I think of just the definition "setback." You are actually 23 feet from some designated line, but we saw -- were you here earlier today when we saw pictures of development that appear to be within the setback?

MR. LUNDERVILLE: No, I wasn't. I wasn't here for that, but I'm just -- I'm sure -- I know they exist, because I see them. I work on construction. I work all over Rio Rico. I just am saying that in our area, I don't believe any of this exists.

MEMBER MUNDELL: You know, I appreciate that, and I was just trying to clarify, because we saw pictures earlier that were presented as part of this
hearing that appear to be in violation of the setback
and we heard testimony that there wasn't enforcement by
the county and by the previous utility, so one of the
reasons we are taking the tour tomorrow is so we can
look at what you just described.

MR. LUNDERVILLE: And what I'm trying to say is
on my -- see, my plat plans of my properties, I have a
50-foot on the property -- of one property. I have a
50-foot easement for the existing line, the big one, and
on the back I have -- I can't recall. It is 27 or
37 feet, okay. Well, we've built corrals and out
buildings that are well within that 37 feet. I mean,
they are well out of that, say, they are at 60 or
70 feet, but if you come in and say, you need 100 feet,
they are in violation now when they weren't when we
built them. And that is what I'm saying about the home
of the Estrellas and the home of Mr. Jakle and also the
Garcia family, those are going to be very touch-and-go
as to where those houses are in accordance to the new
easement if you enforce the new easement, because they
are setback from what exists.

MEMBER MUNDELL: Thank you, sir, for your
presentation.

CHMN. FOREMAN: Thank you for coming and
talking.
Sorry, Member Eberhart.

MEMBER EBERHART: Just one last comment. If --

I'm not an attorney, but if they have to come in and acquire right-of-way and purchase it from you or any of your neighbors, they would have to pay you damages to move your stuff or, you know, it would all be settled and any payments for them to acquire the right-of-way, so don't feel like they can come in to your property and do whatever they want.

MR. LUNDERVILLE: Well, I understand that.

MEMBER EBERHART: You need to understand you would be paid for any damages.

MR. LUNDERVILLE: I've been asked to represent with these people that we are not interested in, like I said, we are not speculators. We are not interested in changing what we have. We are not interested in selling it or making money off of it or anything like that. We want to cooperate, but we want -- we don't want the value and, like I say, especially in the Estrella situation, they have no other place to go with those other buildings unless they are in violation of county code. So that is another issue that would have to be dealt with. It could be a large, large issue to deal with.

CHMN. FOREMAN: Thank you, sir, for coming and
MEMBER NOLAND: Yeah, Mr. Chairman, Mr. Derstine, and TEP/UNES people, one of the things that is misunderstood the most is the corridor in relation to the right-of-way that is actually needed. We saw this when we were doing the Solar One plant down near Gila Bend, and it really confused landowners, property owners, and others. They felt they had been misled because originally people were talking 100 feet of right-of-way or whatever, and then they were asking for a 1,500-foot right-of-way. This 500 feet is nothing compared to what we've seen at 2,500-foot corridors, and 15,000-foot corridors, so I think it behooves you to explain this better in the public hearings, and to really explain the difference between the two and why you need a corridor to give the flexibility to locate around structures, around other obstacles, around natural sites, and to locate your structures. So as I tried to nicely suggest to APS, and I now suggest it to you, do a better job during the public hearings and the information you send out to people in explaining the difference between those two, and then they won't feel like they've been betrayed when they get to a hearing or see a notice or whatever and it says, 500 feet corridor.
Thank you.

CHMN. FOREMAN: Sir, you didn't -- would you like to talk?

MR. DOBOS: Yes.

CHMN. FOREMAN: Come forward and give us your full name and spell your last name.

MR. DOBOS: Martin Dobos. That is my wife Laura. I just want to make one point on the --

CHMN. FOREMAN: It is D-o-b-o-s.

THE WITNESS: On the color of the poles, it was the dull gray galvanized that she was talking about and as realtors, we see the countryside. We see the homes and there was another gentleman that came up and said that brown would be less conspicuous. That is just not true. We deal with this every day and part of the beauty of the area is the views and the dull gray or dull galvanized would blend in with the sky and make the horizon. It would be much more aesthetic. That is what she was opting for in that. We have plenty of brown ones there in the Tubac Foothills so we would appreciate that choice and we also like the existing line where it is out of all the choices. That is it. I just wanted to clarify that.

CHMN. FOREMAN: Thank you very much for coming and talking with us.
Anybody else who wanted to make public comment?

All right. Very good. We will -- Member Mundell.

MEMBER MUNDELL: The only thing I was going to follow up, Member Noland, I agree with her wholeheartedly. Maybe at some point in time, I don't know if it is appropriate now, but there needs to be an explanation to the public of the distinction between the corridor and the right-of-way, because we seem to, again, continue to have that issue come up and you sort of started talking about it, Mr. Chairman, and I appreciate that, but at some point in time, we need to close the loop so people understand the distinction.

CHMN. FOREMAN: And it is. And, again, the -- there is a legal reason for requiring notice. Notice is required to be given that it is possible that the line of the -- the line -- the alignment of the line will be within certain boundaries. This is a study area. Within the boundary of the study area, there are certain corridors that are identified, and the corridor means that you have a 500-foot, or as Member Noland said, we have had 2,500-foot. I think we even had a 5,000-foot wide corridor identified.

And then there is a right-of-way, which is actually the burden on property, either fee burden or easement burden, meaning, the people who own the line
have the right to control the property use and that right-of-way usually runs to a 100 feet and that has been the request in this case. So the right-of-way gets placed inside the corridor which gets placed inside the study area.

So sometimes in trying to deal with the legal terms or sometimes in people talking about the terms, those terms get confused and there are misunderstandings that occur, so it is -- it is important that there be an explanation of the difference between those three different terms and the potential impact on the people whose lives are touched by these lines.

We appreciate again very much those of you who have come to give us public comment. We will adjourn this evening. We will commence tomorrow with the tour at 8:30. If there are members of the public who wish to follow along on the tour, there are maps and stops indicated. The Committee earlier decided it would stop at stops 1 through 5, 8, and 9 of the 13 stops that were identified, so we are only going to view those and 8 and 9 will involve the area north of the Canez substation that was subject of part of the public comment tonight.

See you folks at 8:30 in the morning.

(The Public Comments concluded at 6:36 p.m.)
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