BEFORE THE ARIZONA POWER PLANT
AND TRANSMISSION LINE SITING COMMITTEE

In the matter of the Joint Application ) DOCKET NO.
of Nogales Transmission, L.L.C. and ) L-00000F-17-
UNS Electric, Inc. ("UNSE"), in ) 0246-00176
conformance with the requirements of ) Arizona Revised Statutes §40.360, et seq., for Certificates of Environmental
Compatibility authorizing construction ) authorization No. 50658
of the Nogales Interconnection Project ) Case No. 176
and the UNSE Nogales Tap to Kantor ) Upgrade Project, including an
approximately 27.5-mile upgrade of ) approximately 27.5-mile upgrade of
UNSE's existing 138-kV transmission ) UNSE's existing 138-kV transmission
line from a point near the existing ) line from a point near the existing
Western Area Power Administration ) Western Area Power Administration
("WAPA") Nogales Tap in Pima County ) ("WAPA") Nogales Tap in Pima County
and the existing UNSE Kantor Substation ) in Santa Cruz County, a new
in Santa Cruz County, a new ) approximately three-mile 138-kV double circuit transmission line in Santa Cruz
County from a point near the existing ) County from a point near the existing
UNSE Valencia Substation to the ) UNSE Valencia Substation to the
proposed Gateway Substation and ) proposed Gateway Substation and
associated facilities, and a new ) associated facilities, and a new
approximately two-mile 230-kV ) approximately two-mile 230-kV
transmission line and associated ) transmission line and associated
facilities in Santa Cruz County to ) facilities in Santa Cruz County to
interconnect the proposed Gateway ) interconnect the proposed Gateway
Substation to the Mexican National Electric System. ) Substation to the Mexican National

At: Phoenix, Arizona
Date: August 29, 2017
Filed: September 1, 2017

REPORTER'S TRANSCRIPT OF PROCEEDINGS

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BE IT REMEMBERED that the above-entitled and numbered matter came on regularly to be heard before the Arizona Power Plant and Transmission Line Siting Committee, at the OFFICE OF THE ATTORNEY GENERAL, 15 South 15th Avenue, Conference Room 402, Phoenix, Arizona, commencing at 2:04 p.m. on the 29th of August, 2017.

BEFORE: THOMAS K. CHENAL, Chairman

APPEARANCES:

For the Applicant Nogales Transmission, L.L.C.:

EVERSHEDS SUTHERLAND (US) L.L.P.
By Mr. James E. Guy and Ms. Erin Elizabeth Morrisey
One American Center
600 Congress Avenue, Suite 2000
Austin, Texas 78701

For the Applicant UNS Electric, Inc.:

UNS ENERGY CORP.
Legal Department
By Ms. Megan DeCorse
88 East Broadway Boulevard
Tucson, Arizona 85701

and

SNELL & WILMER, L.L.P.
By Mr. J. Matthew Derstine
One Arizona Center
400 East Van Buren, Suite 1900
Phoenix, Arizona 85004
APPEARANCES:

For the Arizona State Land Department:

OFFICE OF THE ATTORNEY GENERAL
By Mr. David F. Jacobs
Assistant Attorney General
416 West Congress Street, 2nd Floor
Tucson, Arizona 85701

For the Arizona Corporation Commission Staff:

Mr. Charles H. Hains and Ms. Naomi Davis
Staff Attorneys
1200 West Washington Street
Phoenix, Arizona 85007

POTENTIAL INTERVENORS AND PARTIES OF INTEREST:

SunZia Transmission, L.L.C.
By Mr. Lawrence V. Robertson, Jr.

Mr. Marshall Magruder
Pro Se, appearing via teleconference
CHMN. CHENAL: My name is Tom Chenal. I chair the Line Siting Committee. And we are here to hold the prehearing conference with regard to the, what we have called the Nogales Transmission/UNSE project that's CEC No. 176.

May we have appearances, please. We will start with the people in the room. And then we will proceed to you, Mr. Magruder.

MR. GUY: Good afternoon. My name is James Guy with the law firm Eversheds Sutherland. We are here on behalf of the applicant, Nogales Transmission and UNS Electric.

MR. DERSTINE: Matt Derstine and Megan DeCorse from UNS Electric.

MR. JACOBS: David Jacobs with the Arizona Attorney General's Office for the Arizona State Land Department.

MR. ROBERTSON: Mr. Chairman, thank you.

Lawrence V. Robertson, Jr. I am here on behalf of SunZia Transmission, LLC.

SunZia is not an intervenor in this proceeding. As of this juncture we do not anticipate making a limited appearance. But I will be attending the Siting Committee hearings and also going on such tours as might be conducted. I am in an observer capacity.
MR. HAINS: Thank you. Good afternoon,
Chairman. Charles Hains and Naomi Davis on behalf of
Commission Staff of the Utilities Division.
CHMN. CHENAL: All right. Very good.
Mr. Magruder, would you introduce yourself,
please.
MR. MAGRUDER: I am Mr. Magruder, representing
myself.
CHMN. CHENAL: All right. I have a checklist
that I normally follow just to make sure that we have
complied with the procedural order and that the, you
know, logistics are in place and if there are any legal
issues that we have to decide for the hearing.
So first I just want to confirm, Mr. Guy, that
the lodging arrangements for Committee members, the
court reporter have been made.
MR. GUY: They have.
CHMN. CHENAL: And that's both Nogales and
Tucson?
MR. GUY: That's right.
CHMN. CHENAL: I know it is almost a rhetorical
question because I have gotten, I have received the
information on it. But I just want the record to be
clear that, you know, there will be lodging for our
members traveling to Nogales and Tucson.
We have some requests for, well, notices of intervention and a request for intervention. So let's address that now.

We have a notice of intervention by the Arizona Corporation Commission. And, by statute, they have the right to intervene since they are a state agency. So we will note that the Corporation Commission will be permitted to intervene.

And we have the Arizona State Land Department has filed a notice of intervention. And last I heard, they are a state agency, so they will be allowed to intervene as a matter of right.

Today I received a notice of intent to become a party and initial comments on the CEC application by Mr. Magruder, which I have not had the chance to review in any detail. But I will note that Mr. -- that the Committee will decide interventions that are not of right. And so the issue of whether or not Mr. Magruder will be allowed to intervene will be taken up by the Committee when we begin our hearing in Nogales next Tuesday.

Now, Mr. Magruder, you have indicated that you, based on what I have read in your notice of intent, that you will not be able to physically attend the hearing. I also note that the notice was filed not within the
required time, at least ten days before. So, you know, there is, I guess, a legal issue on the notice of intent. There is also the fact that the Committee will have to make the decision on Tuesday. And you have requested that, if you are allowed to intervene, that you would like to have the hearing continue for a period of time after next week so that you can cross-examine witnesses and such.

I guess these are all factors that will weigh into whether the Committee will allow you to intervene. But I will tell you it has been very difficult to find the dates for this hearing. We are basically, I use the words, crunching it in, with people's vacation schedules and such. And I don't know how likely it is going to be that this will continue past next week, assuming the hearing would otherwise be completed by the, by next week, by the end of next week. So I wanted to alert you to that possibility that we will continue -- if you are permitted to intervene, that we will hold the hearing and may very well complete it next week.

Now, having said that, if the Committee does vote to allow you to intervene, I suppose there are a couple options we have. Well, if they don't allow you to intervene, we can adopt your notice as a written statement, which will be, which I will make a part of
the record. So, at a minimum, we can do that.

If you are allowed to intervene, decided by the Committee, there may be a way to allow you, if your schedule permits, to appear telephonically for all or portions of the hearing. And maybe that will allow you some leeway in what you would like to accomplish by appearing in the hearing. I just throw that out. I don't know what the Committee is going to do with this. We leave it up to the Committee, I leave it up to the Committee to make these decisions. But I wanted to at least say that and see if, if the availability of having you appear telephonically would be of any benefit to you.

MR. MAGRUDER: Chairman, I understand the predicament that I put you in. On Tuesday I am in an airplane all day, which would not be a good time to participate. Wednesday morning, I am meeting with my Naval Academy classmates and we are going to the cemetery, placing roses on the tombstones of my classmates. And I also will pass a rose on my mother, my father, my grandfather, my grandmother, uncle and other Magruders so buried at that cemetery. So Tuesday is not a good day --

CHMN. CHENAL: Wednesday morning.

MR. MAGRUDER: Wednesday morning, excuse me.
And this was scheduled months ago.

The afternoon I will be driving to Annapolis to participate in my 55th reunion for my class at the Naval Academy. And I will be there for the rest of the week.

And that's my schedule for next week, which is -- I make it so it is fairly difficult to participate. I might be able to work in Tuesday afternoon. If you gave me an hour or so, I could call on the phone and possibly do that. That's about the best I think I can do and not cause my family lots of problems.

CHMN. CHENAL: Okay. We might be able to accommodate you. The problem is that the Tuesday afternoon -- the hearing starts at 1:00 p.m. And I am not sure the witnesses will be there. They certainly will not have testified by then. So I would suggest that if there would be a way to break out, and, again, this is all hypothetical, but if there is a way to break out, you know, Thursday or Friday -- and even Thursday morning we have a tour, I think, if I remember correctly.

Mr. James, we have got, or Mr. Guy, we have got tours Wednesday and Thursday morning.

MR. GUY: That's correct.

CHMN. CHENAL: Wednesday is shorter and Thursday
is a little longer.

   So, Mr. Magruder, if there were a way to break
away, you know, Wednesday, I know there is a time
difference here of three hours, but Wednesday afternoon
or Thursday afternoon or, you know, Friday morning, I
will try to accommodate, you know, your predicament. I
don't know if that will offer you any solace, but we can
try.

   MR. MAGRUDER: I understand. And I almost feel
it is close to impossible next week, that week, to do
something. That's why I have tried to respectfully
request that, if the hearings continue after the 12th
when I return home, that I could then participate in any
such meeting, but only on the condition that the normal
course of events would have something else that would
bring the group together.

   Would that make sense?

   CHMN. CHENAL: Well, that would, sir. If the
case is not completed by the end of next week, we will,
I am sure we will be able to accommodate your schedule
better.

   MR. MAGRUDER: Yes.

   CHMN. CHENAL: At a minimum, as I said, if you
can't appear Tuesday afternoon by telephone, maybe there
are, you know, maybe there is some way we could, if
there are witnesses available, allow you to ask some
questions. Certainly we can treat your notice of intent
to become a party and comments on the CEC application as
a written statement which we can enter into the record.
And if you have additional materials in light of your
predicament that you would like to submit, I think, you
know, my philosophy is to be as liberal as possible on
creating a record, so I am sure we would accommodate you
in that regard as well, so...

MR. MAGRUDER: Yes, I appreciate that. And I am
really not trying to take up everybody's time on this,
but I didn't really see the notice of the hearing until
Saturday. So I am -- I didn't have a lot of lead time
here because I have been out of town. And that's why I
am so late. And I normally try to be very prompt and on
time whenever I deal with the Commission or Line Siting
Committee or any other such proceeding. And this is
probably an exception to my normal practice.

CHMN. CHENAL: Okay. Well, we understand.

Thank you for your service.

So let's move on with my checklist, Mr. Guy.

MR. GUY: Okay.

CHMN. CHENAL: Notice of affected jurisdictions,

I notice you have filed a, you know, service.

MR. GUY: We have. We filed our notice of
effective jurisdictions, and including -- I can run off who we sent the notice to.

CHMN. CHENAL: Sure.

MR. GUY: But Pima County, Santa Cruz County, City of Tucson, City of Nogales, Town of Sahuarita, the State Land Office, Arizona Game & Fish Department, the Arizona Department of Transportation, United States Section of the International Boundary and Water Commission, Custom and Border Patrol, and the Department of Energy. Not all of those were affected jurisdictions under the definition of affected jurisdiction but those were the entities we included in our mailings.

CHMN. CHENAL: Very good.

Could you comment on the record on the posting and publishing of the notice of hearing.

MR. GUY: Absolutely. We arranged for publication of the notice of hearing in three newspapers, two occasions in each newspaper. The Arizona Daily Star publication appeared on August the 4th and August the 5th. The Nogales International, it appeared on August 4th and August 8th, and then the Green Valley News on August 6th and August 9th.

In addition to that, we of course posted signs on various locations along the route. And we have taken photographs of those signs and identified them on maps.
And we have actually included those in some of our prefilled exhibits that were submitted yesterday.

I think we also placed a copy of the application in a couple of libraries, the Nogales–Rochlin Library and the Sahuarita Public Library, as well as a copy of the application with the ACC of course in the Legal Division, Utilities Division, and the Tucson office as well.

CHMN. CHENAL: And, Mr. Robertson, did you happen to see the notice in the Green Valley publication?

MR. ROBERTSON: I did, sir, in both the Daily Star and the Green Valley News.

CHMN. CHENAL: That wasn't meant to impeach Mr. Guy.

MR. ROBERTSON: I didn't take it that way. It was free advertising for those two publications.

CHMN. CHENAL: Very good.

Okay. Let's look at the agenda, make sure that that's complete and correct. And that has been filed in the docket. And I just, I normally ask if anyone has any corrections or suggestions since there is time to amend that prior to the hearing.

MR. GUY: We reviewed the agenda, and it was fine from the applicant's perspective.
CHMN. CHENAL: Okay. All right. Let's talk about the hearing itself.

Mr. Guy, would you just kind of summarize the logistics of the hearing process. I know we have had discussions about this and tried to accommodate a number of different interests. So why don't you just give a summary, and then we will see if there are any questions after that.

MR. GUY: Absolutely. So as you mentioned earlier, the hearing will begin on September 5th at 1:00. And we will be holding the hearing in a conference room at the Quality Hotel Americana Nogales in Nogales, Arizona. The hearing then will go from 1:00 until approximately 5:00, subject to your revising that schedule. The applicants then will provide dinner for the Committee members and themselves. And then we have some time set aside for public comment after dinner.

And then the next morning, on Wednesday, September 6th, starting at 9:00, we have made arrangements for a tour, if the Committee decides it would like to take a tour and see the locations near Nogales. I think that tour is scheduled to take a couple of hours if that's something we do.

And then we will go back to the Quality Hotel Americano Nogales after the tour and finish with the
hearing through the close of business on Wednesday, September 5th, I mean September 6th.

The next day, September 7th, we will move the hearing location to the Desert Diamond Casino & Hotel just outside Tucson, or just southern side of Tucson. But we will start, we will start there, but we will start September 7th in the morning with another opportunity for a tour if the Committee decides that would be helpful. And that tour is scheduled to take roughly from 9:00 a.m. in the morning until close to lunch. After the, after the tour, or if a tour is not taken, we will start the hearing at the Desert Diamond Casino Hotel, and it is scheduled to run, again, until roughly 5:00. And then there is an opportunity for public comment at the end of that day as well.

That then gets us, I believe, to Friday, September 8th now, which we will continue the hearing at the Desert Diamond Casino & Hotel. And we expect to conclude by close of business on that Friday, the 8th.

CHMN. CHENAL: Okay. Very good. I don't know when people are going, the out-of-town people will be going to the various hotels, but I suspect that some will do like I will do, which will be to check in the night before the hearing in Nogales and then stay Sunday night, Monday night, excuse me, Monday night and Tuesday
night -- Monday is a holiday -- Monday night and Tuesday
night, but then, after the hearing Tuesday, I think that
day, after hearing, I would move to Tucson. I suspect a
lot of people would do that.

MR. GUY: That makes sense. And we have been
coordinating with Ms. Rossmell on those kinds of
arrangements. And I believe she has -- we reserved the
rooms and the Committee members are making their own
reservations, I believe.

CHMN. CHENAL: Okay. Good.

Now, let's talk about the status of the exchange
of witness summaries or written testimony. Let's -- I
know the applicant has filed, you know, testimony of the
witnesses.

MR. GUY: What we have, Mr. Chairman, we filed
yesterday and provided a copy to, electronically, to
both Staff as well as the Arizona State Land Department
as of toward the close of business yesterday, and then
also provided Mr. Magruder a copy of that material early
this morning. And what we have filed is several things
we have yet to talk about.

But we filed a proposed tour schedule. We have
also prefilled, we have actually prefilled written
testimony to the extent it is helpful for the Committee
members. And in addition to the prefilled written
testimony, we have also, each witness has prepared a
PowerPoint presentation, so that we have both written
form of testimony, if it is helpful, but then we also
intend to provide live testimony through the
presentation materials. Each of those -- the prefiled
testimony has a number of exhibits attached to it that
we believe is helpful.

In addition to that material -- I am looking at
my exhibit list here that we filed yesterday. I mean I
think that's basically what we have filed. We also
filed a proposed form of CEC. And, as I believe we
discussed in the prefiling meeting, we are actually
anticipating getting two CECs for this proceeding, one
for each entity, each of the joint applicants. So we
have filed two proposed CECs, one for each entity.

We provided that information to Staff, the other
parties, like I said, but we have not had a chance to
really visit with those parties, you know, about whether
they have any suggested changes to those. We received
presentation materials, prefiled exhibits from Staff
yesterday. And I believe they have proposed some
proposed conditions as well similar to some of what we
have proposed. So we expect that we will talk to Staff
about that and come to a version that we both agree on.

CHMN. CHENAL: Has State Land filed any proposed

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testimony?

MR. JACOBS: We have not. And we can do it as you all tell me is appropriate. I mean currently the Land Department and UNS are discussing a way to possibly, I guess hopefully, resolve the issue or any disagreements, or at least some of the disagreements. I know, I believe they are talking about this. And UNS may know more than I do about that. And I imagine it could continue until tomorrow or the next day if they can't work everything out.

So I mean we are drafting and prepared to file as though there, you know, there will not be an agreement, but I am not totally pessimistic either. So, at the same time, the Land Department doesn't kind of lightly intervene in these issues, so we don't want to file something if it turns out we agree. We don't want to go down that path and withdraw it. We would just rather do it if we have to.

So I guess we would propose filing something perhaps Thursday afternoon, if that works for people. I think that would be enough time to see if we could actually resolve it, and it would also allow us to, you know, focus the issues in if there are things we can narrow down to what the actual disagreement is, and, you know, more specific instead of more general. So that's
what I would propose, if it is okay.

CHMN. CHENAL: All right. Mr. Guy, do you have any objection to --

MR. GUY: We don't. I agree with everything Mr. Jacobs said. I know there is a meeting scheduled for this afternoon. And our expectations are that we will actually be able to reach an agreement on the best way to address State Land Department's issues. But if we don't, for whatever reason, and they choose to file something on Thursday, I think that's fine with us.

CHMN. CHENAL: Okay. All right. Because I just want to make sure that there is no -- we don't start a hearing with a lot of moving parts and a lot of moving venues and then on the fly, you know, the applicant for the first time sees you are going to bring in witnesses and they are going to testify about X, Y and Z.

MR. JACOBS: No, certainly. There would be -- we would give full information about what we intend to do.

CHMN. CHENAL: All right. Very good,

Mr. Jacobs.

Mr. Robertson.

MR. ROBERTSON: Just an information question of Mr. Jacobs and Mr. Guy, if I might. Is the disagreement with respect to the Nogales Tap-Kantor project or the
Nogales interconnection project or both.

MR. GUY: The former, the first.

MR. ROBERTSON: The first. Thank you.

CHMN. CHENAL: And what is, I mean, what is the nature of the disagreement?

MR. GUY: One or more of the alternative routes actually would go across state lands. And so essentially their interest is an affected landowner. And so we need to have conversations about whether there are changes we can make to a route to address their concerns or do we need to remove that route from consideration. We have filed multiple routes. And so --

CHMN. CHENAL: Sure.

MR. GUY: -- that's certainly on the table.

CHMN. CHENAL: Okay. All right. Well, hopefully it can be resolved. If it will, I assume it will be resolved in the form of an appropriate condition to be placed in the CECs, correct?

MR. GUY: Sure. That would be correct.

CHMN. CHENAL: Now, you mentioned there are going to be two CECs. We are familiar with that from the last hearing. Will the -- of course, the CECs will each address different projects or aspects of the projects, but will the conditions --
(Cell phone rings.)

CHMN. CHENAL: Uh-oh, excuse me. I'm sorry.

Mr. Magruder, I just want you to hear that it is
right around the corner. Excuse me. We at Notre Dame
have a great respect for the Naval Academy, but we still
want to crush them every year that we play them.

MR. MAGRUDER: We did fine last year.

CHMN. CHENAL: I remember. I remember.

Well, but will the conditions be the same for
both or will the conditions be different?

MR. GUY: They will largely be the same. And I
believe what we filed, I don't know what percentage, but
they are largely the same. And the additions would only
be different if they merited being different. So, for
example, this issue we just talked about with State
Land, if that's a condition that we need to place on
that entity and that project, then it obviously wouldn't
apply to the other because it is just not a relevant
issue.

CHMN. CHENAL: But do the draft CECs have the
same conditions at this point?

MR. GUY: Yes.

MS. MORRISEY: In large part, Mr. Chairman --

CHMN. CHENAL: Sure.

MS. MORRISEY: Erin Morrisey. In large part,
the conditions do, unless to the extent that they are to accommodate certain conditions that would be necessitated by a presidential permit, so those types of measures.

CHMN. CHENAL: Do me a favor, if you could.

Send me just an -- you know, e-mail me the conditions, the CECs to kind of reflect the differences between the two so I am not looking through each one of them to try to find the --

MR. GUY: That's a good idea.

CHMN. CHENAL: -- here is this sentence not in this one but it is in this one. It would be easier, just kind of track-change or something like that. That would be very helpful.

MS. MORRISEY: Absolutely.

CHMN. CHENAL: And just so people know, if they haven't been through these proceedings before, what we intend to do when we get to the conclusion of the hearing and after the deliberation, we actually walk through the CEC, you know, the findings of the fact, conclusions of law, summary, and then the conditions. And we work through the language, you know, condition by condition. And then we approve it as a Committee as to form. And then at the end we do a vote up or down on, you know, whether we adopt the CEC.
So maybe you all have been in the hearings where we have done that, but if you haven't, that's how we like to do it, and complete it by the end of the scheduled hearing. If it goes past next week, then we will have to figure out a date to do it, which won't be easy, but we will do it. But I think we are all anticipating we would be finished next week.

All right. So exchange of exhibits. Summaries have all been exchanged. Have exhibits been exchanged?

MR. GUY: Yes.

CHMN. CHENAL: Mr. Hains.

MR. HAINS: Staff has exchanged exhibits with the company but not yet with State Land or with Mr. Magruder yet. We will do that before the end of the day.


If there are any exhibits, what would be the preference? ACC, Mr. Hains, for --

MR. HAINS: At the Commission we stick with S for Staff. But we have gotten used to at the Committee that it is ACC, so we are happy to leave it at that.

CHMN. CHENAL: What would you like?

MR. HAINS: ACC is fine. ACC would be fine.

CHMN. CHENAL: ACC is fine. We will mark you down with ACC.
Mr. Jacobs, SLD for State Land Department, if it goes that far?

MR. JACOBS: Sure. Sounds great.

CHMN. CHENAL: All right. I know the record shows already that the applicant and the State Land Department have been narrowing down their issues. Does Staff have any legal issues regarding the application?

MR. HAINS: At the moment Staff does not have any legal issues with the application as presented.

CHMN. CHENAL: Okay.

MR. HAINS: Okay. I will just say we have no legal issues with the application.

CHMN. CHENAL: I was going to ask you what would change that, what would cause that legal issue to rise to the forefront.

MR. HAINS: A substantial change.

CHMN. CHENAL: All right. Very good.

I am assuming at this point there are no legal issues that we need to deal with today, that those will be dealt with at the hearing or concluded by agreement of the parties. But if there is any legal issue that you believe should be, you know, that we should bring up and discuss now, I guess now is the time.

MR. GUY: Mr. Chairman, I am not aware of any
from the applicant's perspective.

CHMN. CHENAL: Okay. Staff? Mr. Jacobs?

MR. JACOBS: Not from State Land.

CHMN. CHENAL: Financial arrangements with the ACC, Mr. Guy, would you comment on that, please.

MR. GUY: Absolutely. We, of course, many of the things such as the hotel reservations, other things, the applicants have agreed to cover. In addition, we have spoken with ACC Staff and assured them that we are also able and willing to reimburse the Committee members and others that experience costing reimbursement for the hearing.

CHMN. CHENAL: All right. And I know you have done these before and there has never been a hiccup in that regard. And I obviously don't anticipate one now. But I assume that the applicant will cover those costs that are incurred by the Committee and court reporter --

MR. GUY: Yes, we will.

CHMN. CHENAL: -- the normal course expenses?

MR. GUY: That's correct, yes.

CHMN. CHENAL: Now, we are going to a casino. How far would that go? Okay, I am sorry.

MR. HAINS: And, just to clarify, when you say with Commission Staff, you mean with the Business Office.
MR. GUY: I am sorry, yes, yes. Carla Bowlin is the Business person we spoke with.

CHMN. CHENAL: All right. I have not had an opportunity to review the proposed CEC. I don't know if any of the other -- I don't know if the Staff has proposed a CEC or any conditions other than one condition that I did read about regarding the gas lines and testing and the normal condition.

MR. HAINS: That is correct, Chairman.

CHMN. CHENAL: Okay. At the last hearing, what I tried to do is to circulate some additional conditions that I thought should have been included in the CEC in the last case and sent it out in an e-mail. And I think there is a better practice there, because I then had to file with the Commission on the docket a, you know, the e-mail that I had sent and the conditions that were attached. And while I think that's not -- I think it is proper, I think it would be better, and I think I have been kind of adopting -- this is learn as we go -- adopting a different practice of I will just introduce that at the hearing itself and make it a Chairman's exhibit and then provide maybe an electronic version of it or Word version of it to the applicant.

Because, again, what we like to do when we get to the point where we deliberate and review the
conditions is we like to add to what the applicant has
proposed, kind of a redline or track-change version,
which shows additional conditions to be considered.
And, you know, I think the Committee is at a
disadvantage if I spring those on them at the last
minute.

So I think if there is any -- what I would like
to consider at this time, I think I would like to do
that early on and maybe just put on the record, mark it
as a Chairman's exhibit, whatever, distribute it so
people have it, and provide an electronic version to the
applicant to incorporate into when we get to that part
of the deliberations. And I think that's just a cleaner
way to do it. So that's what I am going to do. I don't
know if I am going to have any, but if I do, I think
that's the way we will do.

And I guess that's the way I propose that anyone
else does it as well. We know already the condition
from Staff. But if anyone else has conditions,
Mr. Jacobs or any intervenors that's allowed to
intervene, I think that's a cleaner way to do it.

Now, if State Land and the applicant can agree
on a condition or conditions and if it is by
stipulation, we will just put those in and that won't be
a problem. We can deliberate with those as we normally
do.

MR. GUY: Okay.

CHMN. CHENAL: All right?

Having done a few of these now, we come to what is a topic that is of interest to the Committee, which is how do we describe the route of the CEC. And if you were to ask me what, how it has been done in the past, I am not sure I can tell you with clarity how it has been done. In some cases I see a metes and bounds. In some cases I see a legal description. In some cases I see basically a map, you know, and sometimes a number of pages, you know, a pretty, you know, close range map that shows the, as exactly as possible, the proposed location of the route. But this is a longer line.

So what might the applicant propose as to how the route will be described?

MR. GUY: Well, our assumption, and certainly subject to feedback from yourself and the parties, is the combination of the narrative description along with a map that's the best scale we can give you, which may be multiple pages.

We are not likely to do a legal description, if you will, because part of our request is actually approval of a route within a corridor. And so we don't really, we won't have a legal description of a route,
but we will have a map with a corridor with a proposed alignment within the corridor. And then we will have a narrative description with geographic, you know, east, quarter mile east of this location, those sorts of things. And we will try to be as precise in that description as we can be.

CHMN. CHENAL: This is just thinking out loud, but how precise is that? And I know that's the way it makes sense, I think, to do it in this case. But, I mean, how precise is it if you have a map and if it is a scale that's -- I mean it is not -- I don't want to suggest what the scale might be, but it seems like when the engineers go out or the surveyors go out and actually mark where you would like to put the line, I mean how, how -- with the way the map is drawn with a corridor, I mean I guess it is possible that, you know, depending on the scale, you could be off where you actually want to put it. So, I mean, how do you make it work?

MR. GUY: Well, the way that, and, again, the way that we did it in the one other proceeding that I had before you as Chairman is we had conditions that not only spelled out the route, the corridor, both in narrative and mapping form, but we also had conditions that required the applicants to consult with landowners
and discuss the location of the line and to accommodate their concerns and their desires. And I think that's consistent with what we would propose in this case, is we will be as precise as we can within the maps and narrative but then have conditions that say, you know, our engineer doesn't go out and set the lines until he has had a conversation with the landowner to address the location of the line.

CHMN. CHENAL: Any comment from Staff or

Mr. Jacobs?

MR. HAINS: Chairman, from Staff, I might just say I guess it would depend. I don't know that there is one preferred way to do the description in any one -- I guess it is going to depend on the nature of the CEC requested, how congested is the area it is going through. Obviously the more congested it is the more you are going to want to fine tune it to notice people what they are in for.

I do think that, you know, when you are noticing or providing the description, you don't necessarily have to give the legal description of the corridor so much as a centerline. It is a centerline off which you can say, you know, 150 feet off or 200 feet in width. That is going to be the nature the corridor.

That said, not every situation lends itself to
that. If you are going through barren tracts of the
middle of nowhere, as it were, where you don't have a
whole lot of other people who are going to be interested
in it, I think the interest is a little bit less in
having a very fine tuned, you know, legal metes and
bounds description, whereas, if you are going downtown
Tucson, that would probably be very different.

CHMN. CHENAL: I think this case presents both
of those.

MR. HAINS: As the case may be.

CHMN. CHENAL: It is congested in Nogales but
also a relatively rural area. I mean I can just see
this will be an issue. I don't have an answer but I
suggest that the Committee will be interested in how the
routes are defined. I just throw that out.

MR. JACOBS: May I add, Mr. Chairman?

CHMN. CHENAL: Sure.

MR. JACOBS: From the Land Department's
perspective, I think the Department is used to, as
Mr. Hains said, having a centerline with a width on both
sides. And then when the actual right-of-way is issued,
the precise legal description will come out then, from
the Land Department's perspective.

CHMN. CHENAL: Sure.

Mr. Guy, any other jurisdictional permits that
will be required for this project, assuming a CEC is issued?

MR. GUY: Well, of course the, I don't want to characterize it as the most significant, but the one that's out there that is the most significant for the project to go forward, if you will, is the presidential permit with the Department of Energy. And that's, that's in process. They are actually waiting until a route is approved by the Committee before they would, before they finalize that because they want to know which route to finalize their assessment of. That's the main one, other than local, you know, local crossings and things like that, there are some issues.

I mean State Land, for example, I mean we would need to work with the right-of-way agreements and things like that if those go forward. There are conditional use permits. You know, it came up in the prefiled conference the Custom and Border Patrol mentioned some issues. I mean there is the Roosevelt Easement right along the border, but that sets spanning that.

So the short answer is we have a couple of additional authorizations that we would need to finalize, but I think the Line Siting Committee CEC is the most significant at this point.

CHMN. CHENAL: And you mentioned Border Patrol.
I remember at our prefiling conference there was a representative from Border Patrol. Are you in discussions, is the applicant in discussions with Border Patrol? I think they had to accommodate, I think they had some frequency issues.

MR. GUY: We are. And I may have to ask Mr. Beck to give us an update on that, but we have had some discussion.

MR. BECK: Yeah, Mr. Chairman. We have discussed directly with the Border Patrol their concerns. We are providing language to DOE to include in their EA to address the issues they raise. And we will also have that in our -- during our hearing we will mention the issues that they raised.

CHMN. CHENAL: Okay. Do you anticipate the need for a condition in the CEC with respect to any issues that involve the border, Border Patrol?

MR. BECK: Don't foresee a need for a condition. I think we will address everything, hopefully to the satisfaction of the Committee, that we are taking into consideration. And we are designing to accommodate the issues that were raised to mitigate them. And I don't foresee the need for specific conditions other than there typically already is a condition regarding radio interference. So that is a standard condition, and we
already put that into our prefiling material also.

CHMN. CHENAL: Is, since you mentioned it earlier, is there a condition in the CEC regarding working with landowners to place the line appropriately?

MR. GUY: There is. We based our proposed CEC on the two most recent cases that you have been Chair of that have been approved by the Commission. So we tracked the language from those cases.

CHMN. CHENAL: Okay.

MR. MAGRUDER: This is Mr. Magruder.

In Case 111, which is similar to this on a border crossing, there were two conditions that were unique. And one of them was an interface agreement with CFE, the Mexican electric company, that was required to be approved before construction could begin, which I think is prudent anyway. But the two companies have to agree on how they are going to interconnect.

Does that make sense?

CHMN. CHENAL: Mr. Beck.

MR. BECK: Mr. Chairman, relative to that issue, part of the presidential permit process is to validate the interconnection with Mexico. And so to the extent DOE approved the interconnection through the presidential permit process, they have already addressed the reliability issues on the U.S. side.
MR. MAGRUDER: Okay. And the other thing that was unique was that the approval of the substation is a City of Nogales function, and this Gateway substation is vastly different than the previously approved Gateway substation. And I assume that you will have to have city approval for the substation.

MR. BECK: Mr. Chairman, that's true. We will need a conditional use permit for buildout of the Gateway substation. We will have to apply for that. We will do that a little bit later in the process, once we have a CEC and know that the project is going forward. And the conditional use permit we had previously has long since expired. So it doesn't apply.

MR. MAGRUDER: Yeah. Okay.

CHMN. CHENAL: Okay. Very good. Yeah, good. Are there any other federal issues that are involved with this project other than with -- was it BLM or Border Patrol?

MR. GUY: Well, there was a -- with respect to this project, we don't expect any of the federal issues. We expect the Department of Energy to issue as part of their assessment a finding of no significant impact. So there won't be any sort of more detailed environmental analysis or record of decision, for example. We expect there will not be that sort of issue.
CHMN. CHENAL: Okay. All right. Well, I am almost concluded with my list.

The applicant will have obviously notebooks for the exhibits for the Committee members?

MR. GUY: We are. We are planning to do a couple of things. And, number one, we will have notebooks, three-ring binders, with all the applicant's exhibits. We will leave room for additional exhibits that could be offered in the hearing or that Committee members may want to keep track of.

We also are planning to provide tablets on a temporary basis, iPads or tablets on a temporary basis to Committee members during the hearing so that they can maintain all the electronic files on that tablet and have the ability to access them. We are hoping that's a little more convenient, a little bit easier to use than the three-ring binders. But we will make both available.

CHMN. CHENAL: And they will be preloaded with the documents?

MR. GUY: We will update them on a daily basis to the extent additional exhibits come in.

CHMN. CHENAL: How will the documents be held in the iPad?

MR. GUY: I think we are still working through
those. I know there are certain apps you can use. I mean down in the weeds a little bit is we may actually create independent G-mail accounts just for the purpose of downloading documents and saving them on them. We are still exploring what is the best app for this kind of function.

CHMN. CHENAL: I am looking at Yvonne, because we have been through this many times with the iPad and its ability to, you know, hold and manage documents. It is not as user friendly as you would think. I thought you had a breakthrough here, Mr. Guy, that --

MR. GUY: There is an app called GoodReader that works really well that allows you to save in folders --

CHMN. CHENAL: All right.

MR. GUY: -- PDFs and have multiple files open at one time.

CHMN. CHENAL: All right. That's nice.

MR. GUY: That may or may not be the one but that's one that does work.

CHMN. CHENAL: Now, are games downloadable on this? I have got to keep a sharp eye on some of the Committee members here. No Solitaire.

MR. GUY: I defer to your judgment,

Mr. Chairman.

CHMN. CHENAL: Okay, good. All right. Does
anyone have any issues that we should raise? I think I am, I am -- I have concluded my list.

Mr. Hains.

MR. HAINS: Yes. Thank you, Chairman.

And I apologize. I didn't bring it up with Mr. Guy but I did allude to it with Mr. Derstine while we were waiting downstairs before this began. One thing we wanted to address with regard to scheduling was the possibility of a date certain for our Staff's witnesses, the presentation of those witnesses. We were hoping, if it is possible, in light of the schedule and in light of how quickly the matter may move, we didn't want to push too late, typically Staff does go last, but we were thinking possibly on September 7th, if we could lock that down as a day when Staff would present its case.

CHMN. CHENAL: Wednesday.

MR. HAINS: Thursday.

CHMN. CHENAL: I am sorry. Tuesday, Wednesday.

Thursday in the afternoon.

MR. HAINS: In the afternoon.

CHMN. CHENAL: Because Thursday morning we will have the tour. That could consume the morning.

MR. GUY: Yeah. No, I think that's close to where I would have predicted Staff would fall, in any event. Either late Thursday or early Friday was sort of
what we were projecting. So if we need to schedule a
date certain for Thursday afternoon, we can do that.
And if we need to take them slightly out of order to
accommodate, we could do that.

CHMN. CHENAL: How would you like to handle that
issue? Would you like to decide among yourselves what
that date should be or would you prefer that I just
order now what that date, that date is?

MR. HAINS: If we accommodate or reach an
agreement here between the parties, I think that would
be fine, as long as it works with the Committee needs.

CHMN. CHENAL: Right. But we can always take
items out of order a little. And I think this is one
where it would make sense. If your witnesses are coming
down, you know, we would like to accommodate them.

How many hours do you think you will need?

MR. HAINS: In terms the direct presentation, I
think it is probably about 40 minutes for the two of
them together. That said, I have no idea how much
cross-examination there may be for either witness. But
that's what I would anticipate right now based on the
dry runs we have done so far.

CHMN. CHENAL: Do you think your witnesses would
prefer to be down here Thursday afternoon or Friday
morning?
MR. HAINS: Well, Thursday afternoon is what we suggested because we didn't want to foreclose the possibility we could be done before Friday.

CHMN. CHENAL: Right, okay. So --

MR. GUY: That's fine with us. We can make that work.

CHMN. CHENAL: Okay. Well, we will just say that your witnesses, we will make time Thursday for Staff's witnesses. And obviously we are talking about obviously in the afternoon because I suspect -- well, we will have a tour Thursday morning, because, as I have said, if one person wants a tour, we will do one, and I am one of those that wants a tour. So guess what? I get to call that one. So we will have the tour.

And if that -- so we will start up in the afternoon. And, you know, as long as we know we have enough time for your witnesses and get them on and out if they want to come back that day, we are -- they don't have to -- I am just saying Thursday, would they anticipate going back to Phoenix on Thursday?

MR. HAINS: That would be the idea.

CHMN. CHENAL: Okay. So probably earlier in the afternoon would be better than later. Maybe we pick them up first thing right after lunch and start them right away. That will give them a little more time to
MR. GUY: That's fine with me.

CHMN. CHENAL: And not hit the rush hour traffic from Tucson to Phoenix.

MR. HAINS: The consideration is much appreciated and we look forward to that. And thank you.

CHMN. CHENAL: Okay. So let's plan on that. And if you will agree amongst yourselves there is some leeway, that's fine, but otherwise we will just plan on having Staff's witnesses start off the afternoon session on Thursday.

Anything else?

MR. JACOBS: Mr. Chairman, I guess in that light, so the portion that the State Land Department is concerned with is primarily the Wilmot Road portion, if we have an idea when, if State Land Department's witness has to be available, when that might come up. Because I guess I was assuming only in Tucson, but am I wrong about that?

MR. GUY: The sequence of the hearing, the way the applicants are currently thinking to present their case probably doesn't lend itself to dividing the projects and inserting. But we could work with a date certain on any particular witness. I mean the Wilmot routing issue will probably come up as early as Tuesday

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afternoon.

But just sort of in the order in presentation, what would normally happen is the applicant would present our entire case, and then typically, you know, Land Department would come right before Staff. But we can accommodate any way we need to.

CHMN. CHENAL: How many witnesses would you anticipate?

MR. JACOBS: I imagine just one and, you know, probably also 20, 30 minutes. But they would also like to hear the presentation about that stretch as well, so... And I can relate it to them. But it would be helpful to --

CHMN. CHENAL: Well, if it doesn't resolve itself by, you know, by agreement, Mr. Guy, if you could anticipate and give some notice to Mr. Jacobs on when you believe, you know, that portion of your case will be presented, he could have his witness there and maybe we could take that witness out of order. If it is going to be 20 or 30 minutes, we could take that witness out of order, you know, as an accommodation --

MR. GUY: I think that's fine. We can do that.

CHMN. CHENAL: -- without too much disruption. We would be focusing on one narrow issue and we would get in and get out. It is, yeah, it is hard. It is
difficult when you have got employees like that, and I want to accommodate them. Okay.

MR. JACOBS: Okay. Thank you.

CHMN. CHENAL: But it sounds like you are moving in a direction where that won't be necessary.

MR. JACOBS: I don't think so.

CHMN. CHENAL: Okay. Any other issues?

MR. GUY: The only thing we haven't mentioned that maybe there was an assumption, but just mention -- it's in front of me here -- is we were expecting to present our witnesses on panels, two panels in particular. And, you know, the first panel would likely be Tuesday afternoon and finish up on Wednesday, and then the second panel would start on Wednesday and finish up probably on Thursday, was our thought process just as far as the way the hearing is likely to proceed from the applicant's perspective.

CHMN. CHENAL: So Tuesday would be the first panel, and finish up, if necessary, on Wednesday, and then the second panel Wednesday. Because we will have some time Wednesday because the tour is relatively short. It is only a few hours.

MR. GUY: Right. I think the second panel is the environmental panel. So, from a prefilng perspective, that's the bulk of the testimony. Now, if
there are not a lot of questions on the environmental piece, they would finish up early Thursday. But we have at least thought about them continuing through close to the end of the day on Thursday, subject to accommodating Staff's.

CHMN. CHENAL: So Thursday then would be the tour, would be Staff's witnesses, possibly Mr. Jacobs' Wednesday or Thursday. I am thinking Wednesday would be better just in terms of how to accommodate everybody. But then Friday would be any rebuttal maybe.

MR. GUY: Friday, under, I apologize, under our current thought, is testimony would finish up Friday, if needed, but then the bulk of Friday would be spent finalizing the CECs. We are allotting some time to do that.

CHMN. CHENAL: Now, there are two of them, and I suspect this will take a little longer than some. And if you remember, if you remember, the discussion about the route and the description of the route took a little time and where, if I remember correctly, you had your experts come back and have to prepare, I am not going to say cobble together, but prepare the maps to show where the route was. And I just want to make sure that, you know, we don't wait until the last minute.

And I mean we, collectively, thought you -- I
mean if the Committee is going to want to see this
presented a certain way, I would hate to be dealing with
this, you know, late Friday morning or Friday afternoon
and for the first time trying to figure out, well, how
we are going to put this route together.

MR. GUY: I think -- and that's good, good
feedback and advice. And I think what our presentation
would do is, early on on Tuesday, we would discuss the
routing at that point, and we would at least be able to
present to the Committee the kind of maps and the kind
of descriptions that we are expecting to use. And so if
we hear that that doesn't quite do it, it gives us a
couple days to make revisions.

CHMN. CHENAL: And why don't you actually raise
that in the course of your presentation and just remind
me if I don't bring it up. That would be the perfect
time to have a little discussion about that with the
Committee, so that if you have to have your experts, you
know, put something together, that they will have time
to do it.

MR. GUY: Okay. We will do that.

CHMN. CHENAL: Okay. All right. Mr. Magruder.

MR. MAGRUDER: Yes, is here.

CHMN. CHENAL: Yes. Let's talk logistics for
you, sir, if you are able to call in. Let's talk about
how that would occur, what numbers would be used, and
let's just talk about that.

So I don't know, Mr. James, if, if you had
anticipated that we would have a telephone, anyone
appearing by phone.

MR. GUY: I did not, but we can make those
arrangements. That's not a problem.

CHMN. CHENAL: I will tell you at the last
hearing we actually had to have that issue. There were
a few people that couldn't make it that were on the
Committee. And to have of a quorum, we actually had to
gerrymander a telephone, a cell phone with a microphone
and an amplifier next to the telephone and the court
reporter. And it worked. But it was pretty amazing.

But I think if we had that capability ahead of
time and if you could provide maybe Mr. Magruder with a
call-in number or your number so if he, if he has the
ability to call in, he could call you perhaps on your
cell phone and we could then bring him in.

MR. GUY: We will do that, yes.

CHMN. CHENAL: Okay.

MR. MAGRUDER: Mr. Chairman, Marshall Magruder.

I would, I think, by Thursday have a reasonable
time period that I might be able to call in that would
be workable with my schedule. I have to do some
finagling to get to that point from right here. And I will send an e-mail, if that's possible, to the principal, to the applicant's staff, and you on what would be a good time. Or maybe I will just send it to the applicant and let them work it in the schedule.

CHMN. CHENAL: Okay. And that would be for purposes of asking questions of the panels, is that correct?

MR. MAGRUDER: Yes, and mainly to -- yes, and also to answer any questions that I might have, yes, to -- oh, let's see. I have got to look at the panels. The panels I am really not -- well, let me see. I have to do a lot of work. Let me just see. When I get your schedule, I will try to respond to it in the next two days.

CHMN. CHENAL: All right. And you can always call the applicant's attorney, Mr. Guy, and discuss this with him.

MR. MAGRUDER: Okay, okay.

CHMN. CHENAL: Again, I have to caution you that this, it depends as to whether or not the Committee will allow intervention. But if that occurs, you know, we will accommodate you as best we can, Mr. Magruder.

MR. MAGRUDER: Thank you.

CHMN. CHENAL: So maybe exchange e-mails with
contact information and then, you know, we will try to
do the best we can.

MR. GUY: We have already done that. We have
exchanged e-mails and we have spoken to Mr. Magruder on
the phone.

CHMN. CHENAL: All right. Is there anything
else that we should bring up? Or, if not, I guess
1:00 p.m. in Nogales?

MR. GUY: That sounds --

CHMN. CHENAL: Mr. Hains.

MR. HAINS: Just for thoroughness, since Mr. Guy
brought it up too, I will point out that Staff was
planning to present its witnesses as a panel as well. I
hope that's okay.

CHMN. CHENAL: Sure, absolutely, absolutely,
absolutely. I prefer it like that.

Okay. So we will see everybody in Nogales on
Tuesday.

MR. GUY: Tuesday, 1:00.

CHMN. CHENAL: So if there is anything else that
comes up, just let me know between now and then. But,
otherwise, we will conclude the hearing now. And I will
see you Tuesday.

(The proceeding concluded at 3:02 p.m.)
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I CERTIFY that I am in no way related to any of the parties hereto nor am I in any way interested in the outcome hereof.

I CERTIFY that I have complied with the ethical obligations set forth in ACJA 7-206(F)(3) and ACJA 7-206 (J)(1)(g)(1) and (2). Dated at Phoenix, Arizona, this 31st day of August, 2017.

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