

1 BEFORE THE ARIZONA POWER PLANT LS-361

2 AND TRANSMISSION LINE SITING COMMITTEE

3

4 IN THE MATTER OF THE APPLICATION OF)DOCKET NO.
 4 TUCSON ELECTRIC POWER COMPANY, IN)L-00000C-24-0118-00232
 CONFORMANCE WITH THE REQUIREMENTS)
 5 OF A.R.S. § 40-360, ET SEQ., FOR A)LS CASE NO. 232
 CERTIFICATE OF ENVIRONMENTAL)
 6 COMPATIBILITY AUTHORIZING THE)
 MIDTOWN RELIABILITY PROJECT, WHICH)
 7 INCLUDES THE CONSTRUCTION OF A NEW)
 138 KV TRANSMISSION LINE)
 8 ORIGINATING AT THE EXISTING)
 DEMOSS-PETRIE SUBSTATION (SECTION)
 9 35, TOWNSHIP 13 SOUTH, RANGE 13)
 EAST), WITH AN INTERCONNECTION AT)
 10 THE PLANNED VINE SUBSTATION)
 (SECTION 06, TOWNSHIP 14 SOUTH,)
 11 RANGE 14 EAST), AND TERMINATING AT)
 THE EXISTING KINO SUBSTATION)
 12 (SECTION 30, TOWNSHIP 14 SOUTH,)
 RANGE 14 EAST), EACH LOCATED WITHIN)
 13 THE CITY OF TUCSON, PIMA COUNTY,)EVIDENTIARY HEARING
 ARIZONA.)
 14 _____)

15 At: Tucson, Arizona

16 Date: July 17, 2024

17 Filed: August 2, 2024

18

19 REPORTER'S TRANSCRIPT OF PROCEEDINGS

20 VOLUME VIII
 21 (Pages 1559 through 1864)

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25 By: Jennifer Honn, RPR
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1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on regularly to be heard before the
3 Arizona Power Plant and Transmission Line Siting
4 Committee at Tucson Reid Park Doubletree, 445 South
5 Alvernon Way, Tucson, Arizona, commencing at 9:08 a.m. on
6 July 17, 2024.

7

8 BEFORE: ADAM STAFFORD, Chairman

9 GABRIELA S. MERCER, Arizona Corporation Commission
10 LEONARD DRAGO, Department of Environmental Quality
11 NICOLE HILL, Governor's Office of Energy Policy
12 R. DAVID KRYDER, Agricultural Interests
13 SCOTT SOMERS, Incorporated Cities and Towns
14 (via videoconference)
15 MARGARET "TOBY" LITTLE, PE, General Public
16 (via videoconference)
17 DAVE RICHINS, General Public
18 JOHN Gold, General Public

19 APPEARANCES:

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1 CHMN STAFFORD: All right. Let's go back
2 on the record.

3 Where did we leave off yesterday? I think
4 we had -- we were preparing to have any kind of follow-up
5 questions from the members to the new panel.

6 MS. GRABEL: The cleanup panel.

7 CHMN STAFFORD: The cleanup panel.

8 MS. GRABEL: I think first, Mr. Chairman,
9 we were going to take TEP's rebuttal witness. However,
10 we were thinking about it last night. And the rebuttal
11 witness is going to speak about property values. And
12 there didn't seem to be that much interest in the
13 Committee to discuss property values.

14 And so although there is some evidence that
15 that Mr. Dempsey submitted into the record, we'd be fine
16 just not offering that witness if the parties would be
17 willing to stipulate to the admission of the report just
18 so we could get the information in the record to the
19 extent that ever does come up during the proceedings.

20 CHMN STAFFORD: And the report is TEP-19?

21 MS. GRABEL: Correct.

22 CHMN STAFFORD: Mr. Lusk, how does that
23 sound to you?

24 MR. LUSK: I think that's fine, Mr. Chair.

25 Can you repeat just briefly? I'm sorry. I

1 was a little distracted.

2 MS. GRABEL: Oh, no problem. So we were
3 just saying rather than take the time to talk through --

4 MR. LUSK: Oh, for the --

5 MS. GRABEL: -- the property value
6 testimony we won't offer a witness, we'll just stipulate
7 to the admission of her report.

8 MR. LUSK: Yeah, that's fine.

9 CHMN STAFFORD: Ms. De Blasi.

10 MS. DE BLASI: Banner doesn't have an issue
11 with that.

12 CHMN STAFFORD: Mr. Dempsey.

13 MR. DEMPSEY: No problem.

14 CHMN STAFFORD: Okay. With that Exhibit 19
15 is admitted.

16 (Exhibit TEP-19 was admitted.)

17 CHMN STAFFORD: Now, Ms. Grabel, did we --
18 I have a TEP-34, which is an excerpt from the SRP line
19 siting case 195.

20 I don't have that marked as admitted yet.

21 MS. GRABEL: I used that in my
22 cross-examination of Mr. Dempsey, but I would like it to
23 be admitted, if possible.

24 CHMN STAFFORD: Yes. If it wasn't already
25 admitted, it's admitted now.

1 (Exhibit TEP-34 was admitted.)

2 MS. GRABEL: Okay.

3 CHMN STAFFORD: And I believe the City has
4 a couple new exhibits.

5 MR. LUSK: That's correct, Chair. The two
6 exhibits that were passed out this morning and will be
7 filed today or were filed yesterday relate to I think
8 Member Gold's questions about what the leadership of the
9 City would prefer, and those speak directly to that.

10 CHMN STAFFORD: All right. Do the other
11 parties stipulate to the admission of the City of
12 Tucson's 9 and 10, or do they need to cross a witness on
13 them?

14 MS. GRABEL: Do you want to answer?

15 MS. HILL: Mr. Stafford, the applicant will
16 stipulate.

17 CHMN STAFFORD: Okay.

18 MS. HILL: I'm sorry, Chairman Stafford.

19 CHMN STAFFORD: All right. With that, the
20 City of Tucson's Exhibits 9 and 10 are admitted.

21 (Exhibits COT-9 and COT-10 were admitted.)

22 MEMBER LITTLE: Mr. Chairman.

23 CHMN STAFFORD: Yes, Member Little.

24 MEMBER LITTLE: I just looked at

25 Exhibit 19 -- TEP-19, and it's voluminous.

1 CHMN STAFFORD: Yes. By my count 216
2 pages.

3 MEMBER LITTLE: And I personally have not
4 had a chance to read it, having just gotten it last week,
5 and I'm wondering how the other Committee Members feel
6 about perhaps having the witness come and give us at
7 least a summary of what it says.

8 We have some pretty important decisions to
9 make in the next few days and I don't imagine that I'm
10 going to be able to read this whole thing during the
11 breaks.

12 CHMN STAFFORD: Good point.

13 Members, would you prefer to hear from the
14 witness?

15 MEMBER RICHINS: Chairman, I'm pretty
16 confident that I could give you the summary of that, that
17 given who submitted this report to the Committee, that
18 it's going to say that it doesn't have an effect on
19 property values. Pretty straightforward I'm sure. But,
20 you know, so I --

21 MEMBER LITTLE: That's good enough for me.

22 MEMBER RICHINS: I mean, I think I'm okay
23 without the witness because I'm pretty sure I know what
24 it is.

25 MS. GRABEL: That is what it says.

1 MEMBER RICHINS: Thank you, Meghan.

2 MS. GRABEL: You're welcome.

3 MEMBER LITTLE: I'm good with that.

4 CHMN STAFFORD: All right. Then so now on
5 to member questions.

6 They have the cleanup panel here, so if you
7 have questions you want to ask about specific routes or
8 specific portions of the route or specific problems with
9 different segments of the route, now is the time.

10 We have Mr. Lindsey, Mr. Bryner and
11 Mr. Jocham. They are all still oath. So they're
12 available for questioning now, aren't they, Ms. Grabel?

13 MS. GRABEL: Yes, Chairman Stafford, they
14 are.

15

16 CHRIS LINDSEY, CLARK BRYNER, AND JASON JOCHAM (recalled),
17 recalled as witnesses as a panel on behalf of Applicant,
18 having been previously affirmed or sworn by the Chairman
19 to speak the truth and nothing but the truth, were
20 examined and testified as follows:

21

22 MS. GRABEL: And if -- you know, if you
23 want me to introduce them again, I'm happy to do it, but
24 I know you guys have seen them for the past week and a
25 half, so I probably don't need to go there.

1 CHMN STAFFORD: I think we all remember who
2 they are.

3 MS. GRABEL: Okay.

4 MEMBER RICHINS: Chairman, we did have some
5 additional exhibits added to us. I know that you
6 acknowledged those, particularly City of Tucson 9.

7 CHMN STAFFORD: Yes. We just admitted
8 those.

9 MEMBER RICHINS: Yeah. I did have one
10 question on the exhibit page --

11 CHMN STAFFORD: 9 or 10?

12 MEMBER RICHINS: I don't see a page number,
13 so including the cover sheet -- well, actually including
14 the salutation page one, two, three pages in, second
15 bullet point.

16 CHMN STAFFORD: You're talking about COT-9;
17 correct?

18 MEMBER RICHINS: Yes. Yes, sir.

19 It starts, "The day before filing their
20 application..." The exhibit comes from the council
21 member who covers this -- whose ward is where this
22 project is, I believe.

23 Mr. Lusk, can you confirm that?

24 MR. LUSK: That's correct, Member.

25 MEMBER RICHINS: Okay. There's an

1 allegation in there that there's a little bit of bait and
2 switch for the council member where it says that they
3 reviewed their -- their preferred alternative being B-5
4 on the alternative, and then the application went in as
5 B-4, and she was kind of really shocked by that change.

6 I was just hoping somebody could address
7 what happened there because that's kind of a big deal to
8 go in and tell a council member that the route is going
9 to be B-5 and you submit B-4.

10 So what happened?

11 MS. GRABEL: Thank you, Mr. Chairman. Oh,
12 go ahead.

13 CHMN STAFFORD: That sounds like it would
14 be a question for Mr. Bryner.

15 MS. GRABEL: Yes.

16 MR. BRYNER: And, Member Richins, I'd be
17 happy to answer that. So there is a story there.

18 It was not an eleventh-hour change. It was
19 a miscommunication amongst our internal group. So our
20 government relations folks, they typically have a lot of
21 those briefings with our local elected officials -- well,
22 any of our elected official.

23 And so they held that briefing with the
24 council member who is a new council member. Now, there
25 was a change. Probably she was appointed two weeks --

1 roughly two weeks before we submitted or filed our
2 application.

3 MEMBER RICHINS: Councilwoman Uhlich is a
4 long veteran of the council.

5 MR. BRYNER: Sure.

6 MEMBER RICHINS: She was on before for a
7 long time, so she's very experienced.

8 MR. BRYNER: Yeah.

9 MEMBER RICHINS: So let's not chalk it up
10 to that.

11 MR. BRYNER: No, no. This was our fault.
12 We communicated the wrong route. As soon
13 as they were made aware, hey, it's not B-5, it's B-4,
14 they corrected the record with her.

15 MEMBER RICHINS: Perfect. That's what I
16 figured happened, that it was just a mistake like that.
17 So thank you for clearing that up.
18 Appreciate it.

19 MS. HILL: May I ask just one follow-up
20 question, Mr. Chair?

21 CHMN STAFFORD: Certainly.

22 MS. HILL: And so, Mr. Bryner, when you
23 were talking about Councilwoman Uhlich having just been
24 appointed a couple of weeks before, you were aware, of
25 course, that she had been she -- is a veteran of the

1 Tucson City Council; correct?

2 MR. BRYNER: Yes.

3 MS. HILL: And so when you were talking
4 about her just having been appointed a couple of weeks
5 before, were you referring to in terms of her involvement
6 with this phase of the project in terms of catching up?

7 MR. BRYNER: Yes. So the previous ward 6
8 council -- councilman, Councilman Kozachik, he had
9 resigned a little bit before this, and he had been very
10 engaged.

11 So we were anxiously awaiting the
12 appointment of his replacement so that we could bring her
13 up to speed. So that was the purpose of that meeting.

14 MS. HILL: And I should probably disclose
15 in all fairness -- I don't believe it's a conflict -- I
16 have known Councilwoman Uhlich in her -- in a personal
17 capacity for almost 20 years. And so I just want to
18 disclose that.

19 In all honesty, we've never spoken about
20 this project. We will never speak about this project. I
21 do not believe there is any conflict.

22 CHMN STAFFORD: Thank you.

23 All right. I believe Member Hill has some
24 questions.

25 MEMBER HILL: Thank you, Mr. Chair.

1 When we were concluding yesterday, pardon
2 me, I understood the applicant was working on a new draft
3 CEC. And it would -- I think it would be helpful before
4 we dismiss all of the witnesses to take a look at some of
5 the language that you might have added or proposed
6 that -- just to see how -- if any, questions come up
7 about the project related to that. So I think that would
8 be helpful.

9 MS. GRABEL: Certainly. I think
10 Mr. Ancharski is printing them out as we speak. So you
11 should have them momentarily.

12 MEMBER GOLD: Mr. Chairman.

13 CHMN STAFFORD: Yes, Member Gold.

14 MEMBER GOLD: I'm guessing now is the time
15 when I can ask questions that I was not able to ask
16 before.

17 So may I ask them now?

18 And whoever is appropriate to answer please
19 do so.

20 First question: Someone asked about the
21 Gause electromagnetic field on hospital equipment from
22 overhead lines.

23 Who can address that?

24 MR. BRYNER: I'll take that, Member Gold.

25 So I believe that came from -- that was a

1 concern that was brought up by Banner or -- in those
2 conversations.

3 So I guess the way I'd like to address that
4 is, first of all, I want to refer you to our application
5 Exhibit TEP-1 under Exhibit I.

6 MEMBER GOLD: Hang on a sec. TEP-1. Okay.
7 I don't see any exhibit there.

8 CHMN STAFFORD: It's about 400 pages deep,
9 isn't it?

10 MEMBER GOLD: I'm sorry. Where should I
11 look?

12 MR. BRYNER: Under Exhibit I of the
13 application.

14 MS. GRABEL: Can you help him with a page
15 number, Mr. Bryner?

16 MEMBER GOLD: It's TEP-1 is only one page.

17 MS. GRABEL: No. You need to go to
18 application. We didn't put it in the reprint of the
19 exhibits because it's 400 pages long.

20 So we'll get you a copy, Member Gold.

21 CHMN STAFFORD: Oh, I have got one right
22 here.

23 MR. BRYNER: Page 1,065.

24 MEMBER GOLD: Okay. Don't put it on my
25 lap. It'll break everything there.

1 MEMBER LITTLE: Mr. Chairman.

2 MEMBER GOLD: 1065?

3 CHMN STAFFORD: Yes, Member Little.

4 MEMBER LITTLE: Don't forget about us,
5 sending things to Tod so we can get them, please.

6 CHMN STAFFORD: You have the -- you should
7 have an electronic copy of the application.

8 MS. GRABEL: I think she means the CEC. We
9 will definitely --

10 CHMN STAFFORD: Oh, the CEC, yes,
11 absolutely.

12 MS. GRABEL: Yeah.

13 CHMN STAFFORD: As soon as we have it we'll
14 get it to Tod, and he'll get to it you.

15 MEMBER LITTLE: Thank you.

16 CHMN STAFFORD: Because I think the big
17 change we're looking for in that one is what specific
18 ordinance, plan, or regulation the applicant is seeking
19 a -- the specific finding of being unduly burdensome.

20 MEMBER GOLD: Okay. So looking at your
21 exhibit on page 1065. That's it.

22 MR. BRYNER: Okay.

23 MEMBER GOLD: Strength of the various
24 electric sources, the distances, and you make reference
25 to a microwave, a vacuum cleaner, a hair dryer, and an

1 electric shaver. Distance half a foot. But you're
2 talking very low voltage. So I want to know what those
3 are.

4 MR. BRYNER: So what I want to point you
5 out to is in that Table 26, the last line, which is a
6 138kV transmission line.

7 MEMBER GOLD: Okay.

8 MR. BRYNER: This is a study that the power
9 engineers conducted on one of our I'll call it a sister
10 line -- it's the same design -- so that we could
11 understand exactly what the EMF strength would be.

12 And so if you look at it's got distances,
13 it's got 0 feet, which is 16.4 B milliGauss.

14 MEMBER GOLD: Oh, I can read. I'm looking
15 at this.

16 MR. BRYNER: Okay. So --

17 MEMBER GOLD: This apparently says --
18 because now I'm reading it, this apparently says that
19 there is no effect or virtually no effect at the distance
20 that overhead transmission lines would be from the
21 hospital's equipment.

22 Am I reading that correctly?

23 MR. BRYNER: Yes, you are.

24 MEMBER GOLD: So now I ask for,
25 Ms. De Blasi, were you aware of this?

1 I know it was on page 1,065 of a document
2 that weighs about 30 pounds.

3 Did you see this?

4 MS. DE BLASI: Yes, I did.

5 And I believe my -- Banner's testimony was
6 not that there was or wasn't but that it had not been
7 tested in the proximity of where TEP is asking for the
8 line pretty much next to the hospital if they got their
9 400-foot corridor that they're asking for.

10 So it wasn't that there would be or would
11 not be an effect. It's that the hospital did not have --
12 has not had the chance to verify this information, look
13 within the hospital where that sensitive equipment be
14 with respect to this line so that they could mitigate it.
15 I think it was referenced in the council member's letter
16 as.

17 It's always an issue when a hospital is
18 near a power line. There are power lines near hospitals.
19 I think, you know, the witness -- my witness was not
20 saying that there would not be. It was they had not
21 looked at, and they would not want to know that in
22 realtime if it were to be sited.

23 MEMBER GOLD: Okay. So this is back to
24 Mr. Bryner.

25 That means that you're not going to put

1 your transmission -- if we wind up where you put your
2 transmission lines on this route near the hospital, how
3 far away from the hospital would you put them?

4 MR. BRYNER: So based off of what we were
5 looking at it --

6 MEMBER GOLD: Yes.

7 MR. BRYNER: -- our minimized corridors
8 from the 400-foot where we brought that down it would be
9 roughly 500-foot away from the hospital the nearest
10 location. So that last -- the number in that last field
11 on the table --

12 MEMBER GOLD: Okay.

13 MR. BRYNER: -- would be roughly what we
14 would estimate it to be.

15 MEMBER GOLD: So basically if you put that
16 power line 500 feet away compared to, you know, 50 feet
17 away, this was going to be a negligible, if any, effect
18 whatsoever. We were only concerned and nobody actually
19 tested it in the hospital.

20 Am I correct in that understanding?

21 MR. BRYNER: Correct. No tests were done
22 within the hospital.

23 MEMBER GOLD: Okay. So that's -- that
24 doesn't appear to be a real issue.

25 CHMN STAFFORD: And the revised corridor,

1 that's only for B-4; correct?

2 MR. BRYNER: So we only revised it for B-4,
3 but the same sort of that criteria that I talked about
4 for different residential streets, arterial streets, that
5 would apply on regardless. So it would be applicable on
6 D-1 or 6 or --

7 MEMBER GOLD: Gotcha.

8 MR. BRYNER: -- or any of the routes that
9 go along there.

10 MEMBER GOLD: So not a -- it's not
11 something I would consider as a danger to the hospital or
12 people working in the hospital?

13 MR. BRYNER: Correct.

14 MEMBER GOLD: Next question.

15 I asked if transmission towers in
16 commercial areas instead of residential areas were
17 preferable to the City of Tucson. So now I'm asking who
18 can answer that question?

19 We've got our personal opinion, but who
20 answers that question?

21 I saw the council member stuff, and they
22 said follow the laws.

23 MR. LUSK: And that is still our
24 preference, Member Gold.

25 MEMBER GOLD: So the preference is still

1 underground?

2 MR. LUSK: In the Gateway Corridor, yes.

3 MEMBER GOLD: What about near the hospital?

4 MR. LUSK: I don't believe that the street
5 Lester requires undergrounding in the GATEWAY because
6 it's not in the Gateway Corridor Zone.

7 MEMBER GOLD: So just Gateway Corridor.
8 How about residential areas?

9 MR. LUSK: Well, are you talking about
10 zoned residential or actual residential?

11 MEMBER GOLD: Historic districts. Because
12 some of your routes, your preferred route, does go
13 through historic districts.

14 MR. LUSK: It's their preferred route, just
15 to be clear.

16 MEMBER GOLD: "The" preferred route.

17 MR. LUSK: "The" preferred route. Yeah.

18 I think there was a discussion yesterday
19 and a question about whether the historic overlays
20 require undergrounding. We're researching that, but we
21 can't -- because there are so many historic overlay zones
22 it's hard to answer that question at this time with any
23 sort of certainty because each one has different
24 dimensional standards.

25 CHMN STAFFORD: Right. But I think it's

1 the City's position is still that if those plans require
2 undergrounding, then they should be undergrounded.

3 MR. LUSK: Correct.

4 An overlay route -- excuse me, an overlay
5 zone is a regulation through the UDC, which is our -- the
6 Tucson city code, and we'd ask that it be enforced.

7 MEMBER GOLD: Okay. So you would really
8 not want overhead lines in residential areas?

9 MR. LUSK: Well, the reason why I -- I have
10 a caveat for that, Member Gold, and I'm not trying to be
11 obtuse, but the -- when you say residential zone,
12 Campbell is a residential zone. It's zoned residential
13 all the way down.

14 MEMBER GOLD: Except in Campbell.

15 MR. LUSK: As long as it's not in the
16 Gateway Corridor, Member Gold, what we're looking for is
17 that as long as it's not required under the code, under
18 the UDC, then we're not concerned as much with whether
19 the over -- or, excuse me, where the code requires
20 undergrounding we would wish it to be enforced.

21 MEMBER GOLD: So residential areas require
22 undergrounding?

23 MR. LUSK: No, not all residential require
24 undergrounding.

25 MEMBER GOLD: Historic?

1 CHMN STAFFORD: Member Gold, I think what
2 the City's position is is that it speaks through the
3 code. And if the code requires undergrounding, then it
4 requires undergrounding. If it doesn't, then it doesn't.

5 So the City's -- the City's not taking the
6 position that anything should be undergrounded other than
7 what the code would require.

8 MEMBER GOLD: Understood.

9 But I'm trying -- I'm using terminology
10 that I'm not familiar with.

11 MR. LUSK: Sure.

12 MEMBER GOLD: So maybe I don't mean
13 residential areas. Maybe I mean historic districts.

14 MR. LUSK: Again, the historic districts in
15 the City of Tucson have different requirements for
16 different districts, so it's hard to answer for all of
17 them.

18 But if they require that within the code
19 under the zones, whether they're zoned as a historic
20 overlay zone, then we would ask that it be enforced.

21 MEMBER GOLD: So then here's my question to
22 you.

23 TEP's preferred Route B-4, does that go
24 through any of these historic zones?

25 MR. LUSK: I'm not aware that it goes

1 through any historic overlay zones but may touch -- may
2 touch them.

3 MS. GRABEL: Member Gold, Mr. Bryner can
4 answer that question for you.

5 MEMBER GOLD: Thank you.

6 MR. BRYNER: So Route B and -- well,
7 Route B goes through the neighborhood preservation zone
8 of Jefferson Park, and Route 4 goes through the west
9 university historic preservation zone.

10 Again, just referring to my testimony that
11 I gave on those, both of those -- the way those zones are
12 is they have design guidelines with respect to buildings
13 within those zones, but they don't have any language with
14 respect to utilities.

15 MEMBER GOLD: So there's no city
16 requirement to underground in those zones?

17 MR. LUSK: I would agree with Mr. Bryner.

18 MEMBER GOLD: Okay. That takes care of
19 that one.

20 Now, to underground Campbell in the
21 business area I think from Broadway to Speedway, what's
22 underneath the ground that would create obstacles?

23 MS. GRABEL: Mr. Bryner.

24 MEMBER GOLD: Sewer lines. I think we
25 heard there were sewer lines yesterday that they can't

1 move. You would have to go around and under them.

2 What else is under there?

3 MR. BRYNER: So we haven't done a full
4 study to find out what utilities are under there. We
5 haven't done a Blue Stake or anything like that.

6 But there are certainly city utilities,
7 water, sewer. There's going to be buried a number of
8 other utilities. And then there's the unknowns of what
9 happened before historically, prehistorically, those
10 types of things.

11 MEMBER GOLD: Okay. And the City of
12 Tucson --

13 MR. JOCHAM: Member Gold.

14 MEMBER GOLD: -- requires that area to be
15 undergrounded, though, correct, according to their rules?

16 MR. BRYNER: So according to their rules on
17 the gateway it would require that, yes.

18 MR. JOCHAM: Member Gold, may I chime in?

19 This is Mr. Jocham.

20 MEMBER GOLD: Yes, please.

21 MR. JOCHAM: So to give a concept,
22 Mr. Bryner mentioned we have no idea what's under
23 Campbell Road currently.

24 But from the City of Tucson's GIS
25 information, you know, we are aware at least along the

1 Campbell route based off of the GIS there are 22 water
2 pipelines and 19 sewer pipe crossings along that route
3 that at least we have some -- we have -- we have some
4 information on.

5 We don't know depth. We don't know how
6 they would interfere with the underground transmission
7 line, but we know that they're present.

8 So right off the bat, we know that there's
9 approximately 41 crossings that we would have to work
10 with down Campbell at a minimum, not knowing what else is
11 present.

12 MEMBER GOLD: Okay. Now this goes back to
13 Mr. Lusk or whoever you choose.

14 Knowing this, knowing this, the City of
15 Tucson still wants them to underground on this gateway
16 route if they choose it -- if this route is chosen?

17 MR. LUSK: Yes. That's the law.

18 MEMBER GOLD: Okay. Who pays for it?

19 MR. LUSK: Again, that's a question -- so
20 what our franchise says is the City doesn't pay for it.

21 MEMBER GOLD: The City does not?

22 MR. LUSK: So then it would be up to the
23 applicant to decide how that gets paid for.

24 MEMBER GOLD: I'm sure the applicant
25 doesn't want to pay for it.

1 MR. LUSK: I'm sure that's true.

2 MEMBER GOLD: And I'm sure the voters don't
3 want to pay for it with the rate increase because they've
4 already voted that down.

5 Am I correct in that assumption?

6 MR. LUSK: I don't speak for every voter,
7 no.

8 MEMBER GOLD: Well, was that proposition
9 passed or was it defeated?

10 MR. LUSK: It was defeated. The up and
11 down vote on the franchise was defeated, yes.

12 MEMBER GOLD: Gotcha.

13 Please, Ms. Hill.

14 MS. HILL: So, if I may, since this has
15 come up, I'm going to ask the -- I mean, we can have some
16 testimony about specific areas of the franchise agreement
17 that address undergrounding.

18 But we do agree that under the franchise
19 agreement there's really no -- really no solution about
20 how it gets paid for with the exception of a couple of
21 parts that in the franchise fee section that discuss that
22 a portion of the franchise fee that's paid to the City
23 could be used to pay for undergrounding.

24 But I want to caution that because it is
25 not the company's position that funds should be taken

1 from public safety or any other purposes that the City is
2 using that \$30 million or whatever it is a year that the
3 ratepayers are paying in utility taxes and franchise
4 fees. There are a lot of things that the City has to
5 spend that money on.

6 So I want to be very clear when I say that,
7 when I provide that information, the company is not
8 pointing a finger and saying this should be used for this
9 because that is not our position. It's just that I agree
10 with what Mr. Lusk is saying that there's no solution for
11 the payment.

12 MEMBER GOLD: Understood. Now the question
13 I have then, since you brought it up, because it was
14 going to be my next question would you please explain
15 this franchise agreement and the franchise fee in
16 layman's terms so I understand it?

17 MS. HILL: Do you want to start?

18 MR. LUSK: Is that for me, Member Gold?

19 MEMBER GOLD: Either of you.

20 MR. LUSK: Sure.

21 MEMBER GOLD: Whoever can explain it.

22 MR. LUSK: So I'll start.

23 MS. HILL: Could -- if you want to look at
24 it, it is UGAZ Exhibit 21, which I think was admitted.

25 MEMBER GOLD: I'm sorry?

1 MEMBER RICHINS: Chairman, can we confirm
2 we're talking about the current, in-place franchise
3 agreement expiring in 2026?

4 Is this the correct one?

5 CHMN STAFFORD: Yes. That's the correct
6 one.

7 MEMBER RICHINS: Because I just don't want
8 any confusion between what was proposed in 412 and the
9 current franchise because that's important. Thank you.

10 CHMN STAFFORD: Right. What was proposed
11 and was Prop 412, and that's Exhibit COT-4.

12 They're speaking of UGAZ -- what's the
13 number?

14 MR. LUSK: 21.

15 CHMN STAFFORD: 21. And that's the current
16 franchise that is -- current franchise, yes.

17 MEMBER GOLD: Okay. So thank you,
18 Mr. Richins.

19 Please deal with the current franchise
20 agreement.

21 MR. LUSK: Sure.

22 MEMBER GOLD: I wasn't aware there were
23 several.

24 MR. LUSK: Well, sure.

25 MEMBER GOLD: There's one in effect.

1 MR. LUSK: We're all in agreement there's
2 only one.

3 The franchise agreement surface the
4 franchise fee goes is under Arizona state law in order
5 to -- the municipalities have the option of requiring a
6 franchise to operate within the city limits of a public
7 service corporation.

8 MEMBER GOLD: Can I stop you for a second?

9 MR. LUSK: Sure.

10 MEMBER GOLD: Before you go into franchise
11 fee, please explain what the franchise is.

12 MR. LUSK: Oh, it's permission to operate
13 within the city limits of Tucson --

14 MEMBER GOLD: And what are the parameters?

15 MR. LUSK: -- and specifically within the
16 right-of-way.

17 I'm sorry?

18 MEMBER GOLD: The parameters of the
19 franchise agreement. It says TEP will do the electrical
20 stuff for the City -- I'm trying to simplify it --

21 MR. LUSK: Okay.

22 MEMBER GOLD: -- and obey the City's laws.

23 MR. LUSK: It does say that, yes.

24 MEMBER GOLD: Okay. Is there a limit on
25 cost?

1 MR. LUSK: No.

2 MS. HILL: No. So --

3 CHMN STAFFORD: And then one real quick
4 clarification, though, Member Gold, is that it's the -- I
5 think TEP has a certificate of convenience and necessity
6 which allows it the monopoly right to serve its
7 territory, which is separate -- which is issued by the
8 Corporation Commission.

9 That's separate and apart from the
10 franchise, which is permission from the incorporated city
11 to operate within the limits and to use their
12 rights-of-ways in the streets for the utility purposes.

13 Is that correct? That's my understanding?

14 MS. HILL: That is --

15 MR. LUSK: That is --

16 MS. HILL: That is -- I'm sorry.

17 MR. LUSK: No. I agree, Chair.

18 MEMBER GOLD: So this is --

19 MS. HILL: Mr. Lusk, so I do have one
20 clarification.

21 MEMBER GOLD: Please.

22 MS. HILL: Okay. So where -- and I can
23 point you I believe it is Section 26 of the franchise
24 agreement.

25 MEMBER GOLD: Where is the franchise

1 agreement here? Is that COT-4?

2 MS. HILL: It's UGAZ --

3 MR. LUSK: It's UAZ-21.

4 MS. HILL: Yeah, 21.

5 MEMBER GOLD: Wait, wait, wait.

6 CHMN STAFFORD: One at a time, everybody.

7 One at a time, please.

8 MS. HILL: Sorry, Chairman.

9 MEMBER GOLD: UAZ-21. Ordinances relating
10 to the franchise.

11 Okay. Where is the provisions of the
12 nonexclusive franchise agreement?

13 What does nonexclusive franchise agreement
14 mean?

15 What does nonexclusive mean?

16 MS. HILL: So -- so -- and I may be
17 stating the wrong -- my copy of it appears to have
18 disappeared. So I'll have pull it up here. Give me a
19 second.

20 But so when we talk about -- there is a
21 section there that says that the City is permitted to
22 make laws surrounding, you know, to protect the public
23 safety, ensure electrical service and everything.

24 However, that same paragraph also makes it
25 clear that the City can only enforce those to the extent

1 they are permitted by state law.

2 State law gives this Committee the
3 authority to make the finding that we are asking for that
4 says that the local ordinance is unduly restrictive and
5 not feasible in light of the technology available.

6 So that is the limitation on the City's
7 power to enforce that ordinance in this particular
8 setting.

9 MEMBER GOLD: Okay. So the franchise
10 agreement if I understand this --

11 MR. LUSK: If I may just briefly, Member
12 Gold. I think there might be a slight disagreement, and
13 that's something we can resolve in another venue.

14 But whether or not the finding that this
15 Committee makes curtails our ability to enforce our own
16 code is up for debate I would say.

17 CHMN STAFFORD: Yes. I believe that'll
18 have to ultimately be decided by a court, but --

19 MEMBER GOLD: Okay. So let's assume we
20 stop -- before we go fighting in court, we have a
21 franchise agreement that you delegated -- I mean, excuse
22 my verbiage if I get it wrong.

23 MR. LUSK: No problem.

24 MEMBER GOLD: Somehow you've delegated
25 Tucson Electric Power to maintain electricity for the

1 residents of Tucson so that we can live happily, safely,
2 and not have to worry about dying of heat or thirst or
3 anything else like that; is that correct?

4 That's the purpose of the franchise
5 agreement?

6 MR. LUSK: I wouldn't use the word
7 "delegated," but, yes, we permit them to do so. Yes.

8 MEMBER GOLD: So you permit them to do it?

9 MR. LUSK: Under the franchise agreement.

10 MEMBER GOLD: If you didn't permit them to
11 do it, who would do it?

12 MR. LUSK: I don't know. I'm sure somebody
13 else would --

14 CHMN STAFFORD: I think, Member Gold,
15 because the City has existing rights-of-ways on its
16 streets, and by -- through the franchise agreement it
17 allows TEP and other utilities -- that's why it's
18 nonexclusive franchise --

19 MEMBER GOLD: Oh, okay.

20 CHMN STAFFORD: -- to operate in those
21 rights-of-ways for their different infrastructure.

22 Without a franchise -- I don't -- this is
23 getting really hypothetical because I don't think any
24 utility operates anywhere in the state in a city without
25 a franchise. I think -- I'm pretty sure that's the case.

1 I haven't looked at everything, so I can't say that
2 100 percent because I haven't investigated it, but I'm
3 pretty sure that is the case.

4 If for some reason the City didn't have a
5 franchise with the electric utility, the electric utility
6 does have condemnation authority. So they would have to
7 potentially condemn all the territory they need to place
8 their infrastructure, which would be a horrible burden on
9 everyone involved. So I think that's just -- from a
10 practical standpoint that's not really an option. I
11 think without the franchise agreement this whole system
12 falls apart.

13 MEMBER GOLD: So basically the franchise
14 agreement gives them routes where they can run their
15 lines. It's called rights-of-way --

16 CHMN STAFFORD: Right.

17 MEMBER GOLD: -- or whatever is.

18 CHMN STAFFORD: It gives them the right to
19 occupy that space with their equipment.

20 MEMBER GOLD: So that is the franchise
21 agreement?

22 CHMN STAFFORD: That is the primary
23 function of it, I believe.

24 Wouldn't you agree, Ms. Grabel, Mr. Lusk,
25 Ms. Hill?

1 MR. LUSK: I agree, Chairman. Yes.

2 MS. HILL: That's agreed.

3 MS. GRABEL: That is correct. And --

4 MEMBER GOLD: So the discrepancy we're
5 having right now is with which of those rights-of-way we
6 want to take advantage of to get the power that's needed
7 to go from place to place, and the second thing is do we
8 want it aboveground or belowground.

9 And the City's position is that in areas
10 where it's required to go belowground you have to put it
11 belowground, but TEP says it's almost impossible to do it
12 belowground and still accomplish what the City is asking
13 you to accomplish without raising people's taxes or
14 bearing unbelievable financial burdens and time
15 constraints on not only TEP but the residents of the
16 City.

17 Am I getting that correctly?

18 MS. HILL: That is our position. I'll just
19 speak for our position, Mr. Lusk.

20 MR. LUSK: And just to clarify, so we -- I
21 don't want to get too far afield. But I think the
22 preferred route is not in a Gateway Corridor.

23 MEMBER KRYDER: Say that again.

24 MR. LUSK: The preferred route of TEP in
25 this line siting is not in a Gateway Corridor.

1 MEMBER GOLD: Understood. But they --

2 MS. GRABEL: Well, to clarify it does cross
3 perpendicularly through Gateway Corridor streets.

4 MEMBER GOLD: Several gateway corridors. I
5 know.

6 MR. LUSK: It does cross perpendicularly,
7 but --

8 MEMBER GOLD: But, I mean, this is
9 their preferred -- their preferred route, not your
10 preferred route, maybe not our preferred route.

11 This is simply their preferred route. It's
12 one route among many.

13 MS. HILL: That's correct.

14 And so just as a quick -- where it does
15 cross the Gateway Corridor, given what we've heard from
16 the City here, we are still asking for that finding for
17 the perpendicular crossings.

18 MEMBER GOLD: Which makes sense and is
19 logical, and I think the City would not disagree with you
20 on that.

21 But I'm talking about our alternate -- I'm
22 guessing. I'm guessing.

23 MR. LUSK: Well, we would disagree that the
24 finding is required for the perpendicular crossing
25 because there's specific relief allowed for that.

1 CHMN STAFFORD: Right. Which would be the
2 special exception. And then so -- but I think what the
3 utility's position is is that if they get the specific
4 finding, they wouldn't need to pursue a special
5 exception.

6 Am I correct?

7 MR. LUSK: I think we would disagree with
8 that as well. I understand.

9 MS. HILL: That's it. I mean, that's where
10 we are.

11 So essentially we intend to pursue the
12 special exception even if you give us the finding.

13 However, what I think this Committee has
14 heard is that the City can't commit to anything. And
15 because the City can't commit to anything and we need to
16 get a line built, we have to do something. And so we've
17 come to this Committee.

18 CHMN STAFFORD: Right. So you would say --
19 so you would say that time is of the essence for this
20 project?

21 MS. HILL: Yes. We -- to be just frank,
22 and this is, again, an understanding of the political and
23 logistical and open public processes the City has to go
24 through, this is not an indictment of those processes.

25 We have been doing this for years, and we

1 are out of time. We have been working with the City
2 since 2019. Here's where we are. We need the finding.

3 MEMBER GOLD: So now I would ask Mr. Lusk.
4 Do you think there will be any objections
5 to them crossing corridors perpendicularly?

6 MR. LUSK: From whom?

7 MEMBER GOLD: From the City. If TEP --

8 MR. LUSK: Well, the City specifically
9 created a process that allows that.

10 MEMBER GOLD: Okay. So that's not a
11 problem.

12 They can go under the assumption that they
13 can cross corridors perpendicularly to accomplish this
14 task.

15 MR. LUSK: Right. They can get a special
16 exception to do that. And there's a specific process for
17 that developed with TEP.

18 MEMBER GOLD: Yes. And you would ensure
19 that that happens at a quick pace so things could be done
20 letting them know that they can cross the perpendicular
21 lines. Yes or no?

22 MR. LUSK: Well, that would be my -- I
23 mean, I don't work -- I'm not the zoning examiner, so
24 that's not my position.

25 But I'm sure PDSO would do -- would do as

1 best they could, yes.

2 MEMBER GOLD: Why haven't they done this
3 already?

4 MR. LUSK: That would be the applicant's
5 question.

6 MEMBER GOLD: Well, I'm asking the City
7 because --

8 MR. LUSK: No, the City doesn't file the
9 application. The applicant does.

10 CHMN STAFFORD: Right. And the utility
11 needs a route to file the application.

12 MEMBER GOLD: Yes.

13 CHMN STAFFORD: So we're kind of in a
14 catch-22 here or a circular pattern, you know, because
15 they need a route so they can request a specific special
16 exception. They can't request a special exception until
17 they have a route. So they're here to get the route. So
18 that's -- I think it's --

19 MR. LUSK: Well, and if I could, Mr. Chair.

20 I think there was some discussion yesterday
21 about the Vine special exception process. That's a
22 different special exception process than the special
23 exception process that's allowed for the Gateway Corridor
24 Zone, which was developed with TEP.

25 So it's not necessarily so that a route

1 would be required, although the crossings would have to
2 be identified.

3 CHMN STAFFORD: Right. So the specific
4 crossings, which -- okay.

5 MR. LUSK: Correct.

6 CHMN STAFFORD: I guess so if they identify
7 the crossing specifically, they could get -- they could
8 get the special exception, and the rest of the line could
9 be nebulous as long as it didn't involve another crossing
10 of a Gateway Corridor Zone?

11 MR. LUSK: Sure.

12 CHMN STAFFORD: Okay.

13 MS. HILL: So I think, though, there's
14 still a disconnect in that Mr. Lusk is as an attorney and
15 he's stated on many occasions he can't make these
16 decisions.

17 I still from the fact witness that is here
18 and the evidence that is in the record, if you take a
19 look at UAZ I think it's 23, which was entered in, which
20 was the zoning examiner's decision about the special
21 exception for the Vine Substation that says we don't know
22 where the line's going to go, I don't --

23 CHMN STAFFORD: That's 22.

24 MS. HILL: 22. Thank you. I don't think
25 that Mr. Lusk here -- I don't -- and I don't -- what I

1 don't want to do is create a situation where we're trying
2 to hold Mr. Lusk in his position as attorney for the City
3 to a commitment that a fact witness couldn't make.

4 MEMBER GOLD: Understood. So --

5 MS. HILL: And I just don't think that's
6 appropriate or fair.

7 MEMBER GOLD: And I'm aware of that now.

8 So I would just make a generalized
9 statement that this should have been done between the
10 City whatever department is in that bureaucracy and TEP
11 long before today, and it wasn't done, to make the
12 project go smoother.

13 But we're not there now. We're here now.
14 So the situation is my understanding they're probably not
15 going to have an issue crossing perpendicularly on
16 whatever routes they choose and then present, and then it
17 will be approved.

18 My concern right now is the route. And the
19 route which is the shortest, which is the least
20 expensive, which is the fastest to do is on one side of
21 the equation.

22 On the other side of the equation is the
23 laws of the City of Tucson, the feelings of the residents
24 who live there, and the inconvenience that would be
25 caused by construction within the city limits for a

1 period of time. And all of that is aimed at a suspense
2 date of 2027.

3 Now is that an arbitrary suspense date?
4 Can that be changed, or is that a date when it has to be
5 accomplished?

6 MS. GRABEL: Member Gold, I think we should
7 address that to the fact panel.

8 MEMBER GOLD: Okay.

9 MS. GRABEL: So let's let Mr. Bryner or
10 Mr. Lindsey answer that question.

11 MR. LINDSEY: So, Member Gold, as we
12 testified earlier last week, any delay in the 2027 date
13 is going to require additional investment in our aging,
14 old system.

15 So if it does slide past '27, we're just
16 going to be spending additional capital on the 46kV
17 system potentially in the substations and the 4kV system,
18 all investment that would be better spent on this
19 project.

20 MEMBER GOLD: Understood.

21 And if I remember when we carried to it
22 extreme, people can die if we don't get power there and
23 an emergency happens.

24 Now, if you're going to spend -- now, let's
25 assume this project doesn't happen, and you're forced to

1 spend a ton of extra money, who pays for it? The
2 ratepayers? The taxpayers? TEP?

3 Who pays for it?

4 MR. LINDSEY: So it would go through our
5 normal system reinforcement-type process where we would
6 need to -- this scenario you're presenting, Member Gold,
7 is kind of a restart for us. So we would be back to the
8 beginning planning phases.

9 MS. GRABEL: Mr. Lindsey, I think the
10 question is if we were required to spend the money on
11 rebuilding our 46kV system, we would just pursue it
12 through a normal ratemaking process, wouldn't we?

13 MR. LINDSEY: That's correct. Yes.

14 MS. GRABEL: So ratepayers would pay for
15 it; correct?

16 MR. LINDSEY: Yes.

17 MEMBER GOLD: So the rate -- it would cost,
18 and it wouldn't cost TEP, it would cost ratepayers.

19 Okay. Pretty much you've answered the
20 first set of questions that I had.

21 Mr. Chairman, back to you.

22 CHMN STAFFORD: All right. I think Member
23 Richins has a question.

24 MEMBER SOMERS: Mr. Chairman.

25 CHMN STAFFORD: Member Somers.

1 MEMBER SOMERS: Just a short question.

2 We talked a little bit and heard testimony
3 about an exception process through the City.

4 Would that process be open to discussions
5 from the applicant on if -- if the transmission line went
6 through an area where it was supposed to be undergrounded
7 but the cost or technical reasons didn't really allow for
8 that, could the applicant make an approach to the City to
9 reach an exemption --

10 MS. GRABEL: Mr. Bryner.

11 MEMBER SOMERS: -- to be able to put them
12 overhead?

13 Thank you.

14 MS. GRABEL: Mr. Bryner.

15 CHMN STAFFORD: All right. Mr. Bryner, I
16 believe, can answer that question. I seem to recall a
17 slide that had the criteria for the special exceptions.

18 MR. BRYNER: That was one of the City's
19 exhibits.

20 I don't know, Mr. Lusk, if you recall what
21 that is.

22 MR. LUSK: I believe it's COT-8.

23 MR. BRYNER: So if we could go to COT-8.

24 I don't remember which slide number it is.

25 MR. LUSK: I apologize. It's about eight

1 or nine slides in, I think.

2 CHMN STAFFORD: That was the witness
3 presentation. Yeah.

4 MEMBER SOMERS: That is an excellent
5 memory. I have vague recollections of it. And you can
6 tell me it's eight or nine slides in, so you're winning.

7 MR. LUSK: That's right. That's it
8 exactly.

9 CHMN STAFFORD: Can you see that, Member
10 Somers?

11 MEMBER SOMERS: Yes, I can.

12 MR. BRYNER: Okay. So in trying to answer
13 your question -- actually, Member Somers, can you restate
14 your question for me one more time?

15 MEMBER SOMERS: So this process -- let
16 me -- let me paraphrase it.

17 If you find an economic or technical reason
18 where you couldn't do an undergrounding through an area
19 that would require it by the ordinance, is there a relief
20 process to go through the City to get a waiver for that?

21 MR. BRYNER: So, yes, I believe there are.

22 So we have the one, two, three, four, five
23 six, seven, eight -- sorry, eight different criteria that
24 are under this special exception. And the -- under F it
25 says, "The transmission lines are proposed in an area

1 where there is the existence of railroad, highway, or
2 bridge crossing or underground installation would
3 interfere with other existing underground facilities."

4 MEMBER SOMERS: Okay.

5 MR. BRYNER: So I think that might be
6 somewhere where you can seek an exception. But if you --
7 and that's one where you just need to meet one of the
8 criteria.

9 I know in drafting this with the City that
10 was intended for, like, along Kino Parkway where it
11 crosses over Aviation and a couple of bridges. I'm sure
12 that wasn't the only thought in mind, but that was the
13 specific thought because that presented challenges to
14 undergrounding.

15 CHMN STAFFORD: But I would note that cost
16 is not called out in this.

17 MEMBER SOMERS: That was my follow-up
18 question, is cost included in this?

19 Thank you, Chair.

20 CHMN STAFFORD: Yeah. No, specifically
21 cost is not a factor of this.

22 MR. LUSK: Can I follow up with that,
23 Mr. Bryner?

24 CHMN STAFFORD: Please, Mr. Lusk.

25 MR. LUSK: Or with Mr. Bryner. Sorry.

1 So as it relates to discussion earlier,
2 Mr. Bryner, about perpendicular crossings, is there
3 criteria associated with that?

4 MR. BRYNER: Yes, there is.

5 MR. LUSK: And what is that?

6 MR. BRYNER: It's criteria D. "The relief
7 is requested for a segment that perpendicularly crosses a
8 Gateway Corridor Zone."

9 MR. LUSK: And your understanding of these
10 criteria, these are criteria that allow the applicant to
11 apply for this special exception?

12 MR. BRYNER: So, yes, this doesn't list
13 everything.

14 MR. LUSK: Right.

15 And there are other concerns that can be
16 brought out during a public hearing?

17 MR. BRYNER: I assume during a public
18 hearing, but also just in applying one of our -- one of
19 our concerns as the company -- and I was really hoping
20 that we could get more definitive answers yesterday from
21 your witness, and I understand why -- why he couldn't
22 provide those.

23 But there's so many components of the
24 language -- both within this and references to other
25 portions of the code that you have to meet in order to be

1 granted a special exception, there's so many pieces of
2 language that are subject to interpretation, and we've
3 not been able to get a clear definition from the City on
4 the definition of those, nor from your witness.

5 And so it leaves us in a position where we
6 don't know how that will be interpreted. And so we don't
7 have great confidence that we would be granted a special
8 exception.

9 MR. LUSK: Well, that seems different from
10 your testimony earlier where you were confident that you
11 would be able to get a special exception for a
12 perpendicular crossing.

13 MS. GRABEL: Mr. Bryner, let me follow up
14 on that.

15 There's the one portion of the line --

16 MR. LUSK: Can you answer the question
17 first?

18 CHMN STAFFORD: What was the question?

19 MR. LUSK: The question is that his
20 testimony appears to have changed from being confident to
21 getting a perpendicular special exception to not being
22 confident now.

23 MR. BRYNER: So I'll agree that that may be
24 inconsistent with some of my testimony.

25 But can I qualify that?

1 MR. LUSK: Sure.

2 MR. BRYNER: So there's one place where I'm
3 a little worried about it, and that's on our preferred
4 Route 4 where it crosses Broadway. And that has to do
5 with where does the University Area Plan begin, where
6 does it end, because that's in the code under the special
7 exception, it sites 3.4.5 --

8 MR. LUSK: Correct.

9 MR. BRYNER: -- if I'm recollecting
10 correctly, which states that it needs to be consistent
11 with any specific plans.

12 MR. LUSK: So if you were able to get
13 clarification for that, you would be even more confident
14 in your earlier testimony?

15 MR. BRYNER: If we could get clarification
16 on that as well as clarification on the language within
17 the University Area Plan that states where possible.

18 MR. LUSK: Well --

19 MEMBER SOMERS: Mr. Chair.

20 CHMN STAFFORD: Yes, Member Somers.

21 MEMBER SOMERS: There's something else I
22 would like some clarity on as we're discussing this
23 because I apparently pulled a pin out of a grenade here,
24 Member Gold. Member Gold ought to like that analogy.

25 What I'm seeing on several of these items,

1 D, E, F, G, especially the ones -- F I think is the one
2 we're referring to, there are ellipses at the end of the
3 sentences, clearly a truncated report version on the
4 slide.

5 I would like to see in code or ordinance
6 from the City of Tucson before we begin our deliberations
7 whether cost is indeed a factor that can be brought to
8 whatever committee that would -- that would meet on
9 deciding a special exemption.

10 MR. LUSK: Thank you, Member Somers.

11 If I might answer, Mr. Chair.

12 CHMN STAFFORD: Yes. Certainly, Mr. Lusk.

13 And I guess what he's asking to see is if
14 you could provide --

15 MR. LUSK: The full code section?

16 CHMN STAFFORD: -- the full exception --
17 the full set of exceptions so that we can see the full
18 criteria.

19 And then we'll see if the word "cost" is in
20 there anywhere.

21 MR. LUSK: Sure. Member Somers, we can
22 provide that.

23 I can tell you at this point that the
24 ellipses don't remove any substantive provisions. It
25 was just to get it on the slide. I apologize about that.

1 But we can provide the full code section
2 for you.

3 MEMBER SOMERS: Yeah, I have no complaint
4 about that. You have to make the space. But I would
5 like to see what else is in there so we -- I agree with
6 the Chair if we could see that full code so we can have
7 that for our deliberation.

8 MR. LUSK: We can absolutely provide it.

9 MEMBER SOMERS: Also, could we get this
10 slide down so I can see faces?

11 MEMBER RICHINS: Chairman.

12 MEMBER LITTLE: Mr. Chairman.

13 MEMBER SOMERS: I always like to see
14 expressions.

15 CHMN STAFFORD: Wait one second. Okay.
16 There you go.

17 Is that better, Member Somers?

18 MEMBER SOMERS: Perfect. Thank you, sir.

19 CHMN STAFFORD: Now, so, Mr. Lusk, how big
20 is the section?

21 This is part of the UDC or is this for --
22 where -- this language here, the relief in the GCZ
23 underground requirement, what exactly is that from?

24 MR. LUSK: So that's in Section 4.9 of the
25 code section. It's related to the utility use group.

1 The special exception process was added in
2 there as the ability to grant -- grant relief
3 specifically for transmission lines as, of course,
4 written with TEP's input.

5 CHMN STAFFORD: Is that in the UDC?

6 MR. LUSK: It is in the UDC, correct.

7 CHMN STAFFORD: The UDC is, what, some
8 500 pages or something, isn't it?

9 MR. LUSK: I've never had a chance to --

10 CHMN STAFFORD: I believe it's --

11 MR. LUSK: I don't think it's 500 pages,
12 but it's pretty -- it's rather relatively lengthy, yes.

13 CHMN STAFFORD: Well, was the UDC already
14 admitted as an exhibit is my question?

15 MR. LUSK: The entire UDC has not been
16 admitted as an exhibit. I could provide an exhibit of
17 applicable -- what we believe are applicable UDC
18 provisions if that would --

19 CHMN STAFFORD: I'm just -- I thought a
20 good portion of it was already in the record. I'd have
21 to go back and look through the --

22 MR. LUSK: Whether it's in the record or
23 not you said?

24 CHMN STAFFORD: Yeah.

25 Didn't -- Mr. Dempsey, did you attach a

1 chunk of that?

2 Okay. Then I'm trying to recall. I
3 thought there was a portion of it in there already.

4 MR. DEMPSEY: I had read -- I just had the
5 Arizona Revised Statutes.

6 CHMN STAFFORD: Okay.

7 MS. HILL: So, Chairman Stafford, one of
8 the things that might help is that we could bring it up.
9 It's a publicly available document. It's an ordinance.
10 You could take administrative or judicial notice of it.
11 And then we could pull it up and discuss it.

12 CHMN STAFFORD: Then I will take
13 administrative/official notice of it, and we can pull
14 that section up for Member Somers right now, couldn't we?

15 MS. GRABEL: We can.

16 MS. HILL: I will allow Mr. Lusk to do
17 that.

18 CHMN STAFFORD: All right.

19 MS. GRABEL: I think Mr. Ancharski is doing
20 it.

21 CHMN STAFFORD: All right. As we'll
22 work -- so we'll work on that for now, Member Somers.

23 I believe other members have questions
24 while that's pending.

25 MEMBER HILL: Mr. Chair.

1 CHMN STAFFORD: Did you have -- unless you
2 had another question before you saw the code.

3 MEMBER SOMERS: I'm sorry, are you
4 referring to me, Chair?

5 CHMN STAFFORD: Yes. Yes. I want to make
6 sure you were done asking questions while -- so we can
7 move on to other member questions while they're pulling
8 the code up so you can see exactly what the wording is
9 that's missing.

10 MEMBER SOMERS: Yeah. I am -- yeah, that's
11 it for my question. Thank you.

12 CHMN STAFFORD: Okay. All right. Member
13 Hill.

14 MEMBER HILL: I just had a suggestion for
15 Member Little and Member Somers. If Grace could drop the
16 link into the chat so that particularly Member Somers
17 could review that. That might be helpful so that he --
18 they can take a closer look.

19 MEMBER LITTLE: Mr. Chairman.

20 CHMN STAFFORD: That maybe easier than
21 getting it on screen.

22 Member Little.

23 MEMBER LITTLE: I have a question that --
24 just kind of a follow-up question.

25 Did the recent superior court ruling

1 address any of the issues that are listed in that slide
2 that we were just looking at, that section of the UDC, or
3 did the ruling just talk about general compliance?

4 CHMN STAFFORD: I'll let Mr. Lusk and
5 Ms. Grabel address that unless Ms. Hill would prefer to
6 do it.

7 MS. HILL: I'll take it.

8 MS. GRABEL: We'll let Ms. Hill address
9 that.

10 MR. LUSK: So from the City's perspective,
11 what the superior court did was affirm our ability to
12 require undergrounding within the Gateway Corridor Zone
13 and affirm our zoning administrator's determination that
14 it is -- that it is required -- utilities are required to
15 underground within the Gateway Corridor Zone.

16 MS. HILL: And just as a caveat to that.
17 So while I will agree generally with Mr. Lusk's
18 assessment of it. So there are two things. The
19 appellant time line -- the time to file notice of appeal
20 is not yet at this point. The company does not concede
21 that that ruling is going to not go -- we're not ready to
22 say that's not going to go up on appeal, number one.

23 But, number two, one of the findings in
24 that appeal -- or in that specific action was certainly
25 that this is not an upgrade. That is what Judge Bryson

1 found that this was not, in fact, an upgrade, which I do
2 think is relevant to the special exceptions process.

3 There were some other issues too. There
4 were summary judgment issues on a couple of other things
5 that we're also considering very strongly.

6 And so but for the purposes of this -- we
7 have always maintained this. For the purposes of this
8 finding that we are asking for, this Committee had to
9 always assume that the gateway applied and that -- that
10 the Gateway Corridor Zone, that the UDC applied because
11 otherwise if it didn't apply there would be no reason for
12 us to ask for the finding.

13 And so I don't think that it changes this
14 Committee's analysis of that.

15 CHMN STAFFORD: Right. I think -- so
16 the -- basically the finding of fact that the ruling
17 relied on was that going from the 46kV to 138kV is not an
18 upgrade.

19 MS. HILL: Particularly, too, it is a
20 highly fact-specific finding. And the factual record
21 itself is, of course, something that we're considering.

22 But this was a very factual finding based
23 upon this particular project.

24 And so -- and we've always maintained that
25 this Committee for its purposes and its jurisdiction has

1 to assume it does apply.

2 MR. LUSK: And I would agree with that.

3 MEMBER LITTLE: Thank you.

4 MR. LUSK: Oh, go ahead, Member --

5 MEMBER LITTLE: That's very, very helpful.

6 CHMN STAFFORD: Okay. Thank you, Member
7 Little.

8 MR. LUSK: Mr. Chair, and I just want to
9 for the record there's no 46kV in the Gateway Corridor
10 Zone on Campbell.

11 CHMN STAFFORD: Right. Right.

12 MS. HILL: We agree.

13 CHMN STAFFORD: But what's -- what is --
14 what is on Campbell?

15 MS. HILL: It's distribution.

16 MR. LUSK: A distribution line.

17 MS. GRABEL: Let's let -- let's let the
18 fact witness answer the questions.

19 CHMN STAFFORD: Mr. -- yeah. Mr. Bryner,
20 because, like, I have several questions about different
21 sections of the route, and one of them is there are
22 utility poles along Campbell Avenue as we speak now.

23 What voltage are those lines?

24 Is that the 4kV? 14kV?

25 What is that?

1 MR. BRYNER: Yes, Chairman Stafford, happy
2 to answer that question.

3 So we do not have any 46kV in any portion
4 of Campbell Avenue within the Gateway Corridor today.

5 If you'll recall that little portion of
6 Campbell Avenue where we were -- where we visited the old
7 substation site, there is 46kV on that, but that's
8 outside of the Gateway Corridor Zone.

9 The remainder of the poles that you saw on
10 Campbell Avenue as we were on the tour, those are -- I
11 believe they're all 4kV.

12 Do you know?

13 MR. LINDSEY: Chairman Stafford, so we do
14 have a mix of distribution of 4 and 14kV in this area.

15 Further down south near the Kino area most
16 of that's been upgraded to 14.

17 The poles that were I have a feeling we're
18 talking about along Campbell I'll say north of Broadway,
19 that's our old 4kV system, but it is distribution.

20 CHMN STAFFORD: All right. Yeah. So,
21 yeah, I knew we'd seen poles between Broadway and -- was
22 it Ring Road or so, yeah.

23 MR. BRYNER: Correct.

24 CHMN STAFFORD: But those are the
25 distribution poles.

1 Okay. And so but the issue in the court
2 was -- was it going from 4kV to 138kV, not 46kV to 138kV?

3 MR. LUSK: I think the argument that TEP
4 made in the -- before the superior court is that
5 replacement of poles from a distribution to a
6 transmission line is an upgrade.

7 CHMN STAFFORD: Well, that's a heck of an
8 upgrade.

9 MS. HILL: I'm going to say that I think
10 that there are some nuances there.

11 You know, I'm not going to speak for what
12 the City argued in the superior court proceeding. And I
13 think our arguments speak for themselves. And there are
14 transcripts we can enter into the record.

15 But, you know, the argue -- it was not
16 specific to that. Our -- I think this Committee has
17 heard that what we are doing in our perspective is an
18 upgrade from a 46kV distribution -- or a 46kV system to a
19 138kV looped system and that the 46kV substation that is
20 immediately adjacent -- and it's actually smack in
21 between the University of Arizona's existing substation
22 that they own and the site for the Vine Substation -- is
23 going to be retired.

24 To us that's an upgrade. To the superior
25 court it was not.

1 CHMN STAFFORD: Right. Po-tay-to,
2 po-tah-to. But I think -- so let me just clarify,
3 Mr. Bryner.

4 So the existing substation on Vine that's
5 the university's substation, that is going to retire?

6 MR. BRYNER: So our -- our U of A medical
7 substation, that will be retired along with seven other
8 substations.

9 CHMN STAFFORD: Okay. All right. But I
10 seem to recall some testimony about the wall would be
11 made to match that -- the existing substation.

12 MR. BRYNER: Yeah. Chairman Stafford, so
13 the wall that's around -- again, there's two substations
14 there. The wall that's around the university-owned GIS
15 substation that's kind of a red brick wall, our proposal
16 was to match that wall for the wall around the Vine
17 Substation.

18 CHMN STAFFORD: Okay. But the university
19 substation will be retired, then?

20 MR. LINDSEY: Chairman Stafford, so what
21 we're looking at if you recall the tour, we stopped at
22 the proposed Vine Substation several times.

23 Due south of that is our U of A medical
24 substation. TEP owned and operated that. That will be
25 retired.

1 CHMN STAFFORD: Okay.

2 MR. LINDSEY: Then due south of that
3 substation is a substation owned and operated by the
4 University of Arizona. Parts of that substation will be
5 retired.

6 So today we serve the U of A at 46kV. Once
7 this project is complete, we'll serve the U of A at
8 13.8kV.

9 So the substation will remain in -- from a
10 perspective that that's how we'll connect to the
11 university, but their transformers will be removed from
12 that substation.

13 So I would consider it a partial
14 retirement, but the footprint of that facility will
15 remain.

16 CHMN STAFFORD: Okay. So it's getting
17 downsized.

18 I guess Member Richins has a question.

19 MEMBER RICHINS: For a long time. I've
20 been waiting so patient.

21 The finding of fact on this undergrounding
22 issue, what is the reason for that finding of fact?

23 Can you restate that, why you want us to
24 take that action?

25 MS. GRABEL: Certainly. I'm happy to, to

1 restate that.

2 If you recall, we could go down the special
3 exception process, but you remember the City's testimony
4 yesterday. We are not comfortable that we would be
5 granted a special exception. And there's a couple of
6 reasons for that.

7 The first is that one of the perpendicular
8 crossings, as Mr. Bryner mentioned, crosses through what
9 we believe is in the University Area Plan. The fact
10 finder, in granting a special exception, has to make an
11 additional finding before even being allowed to grant a
12 special exception that we're not in violation of any
13 applicable neighborhood or area plans.

14 When I asked the City's witness on the
15 stand yesterday whether that finding could be made, he
16 have unable to give us an answer.

17 And so if the UAP applies and the Gateway
18 Corridor applies, we're concerned that the City could
19 require us to underground all of the areas that run
20 through the preferred route that conflict or they believe
21 conflict with the University Area Plan.

22 I believe our concern was exacerbated
23 yesterday when we saw the City of Tucson's Exhibits 8 and
24 9 where they started raising other issues such as the
25 location of the Vine Substation and wanting to go back to

1 the drawing board.

2 And as you see, there's been ample
3 testimony, time is really of the essence here. And we've
4 exhausted the routes. We've exhausted the ability to
5 have that conversation. So that's why we need a finding.

6 MEMBER RICHINS: What I'm trying to get is
7 what is your reason for concern of not -- I mean, I get
8 that you're worried, the business risk, the uncertainty
9 around the process.

10 Why are you seeking it in the first place?

11 Why are you seeking that --

12 MS. GRABEL: Certain costs.

13 MEMBER RICHINS: Okay. Okay. So going
14 back to the franchise agreement -- this is what I'm
15 trying to reconcile.

16 The franchise agreement has been
17 established as the governing document of the relationship
18 between TEP and the City of Tucson. If you go to page 3,
19 Section 21 "Undergrounding," it says in there in Section
20 (a) that the City if they require that has to bear some
21 of that cost.

22 Am I missing -- "The City may require the
23 company to place lines underground if the city pays the
24 difference between the cost of placing such lines
25 underground and the cost of placing them aerially."

1 Section A -- Section 21(a) of your franchise agreement.

2 Mr. Lusk, please hold your question.

3 MR. LUSK: Sure.

4 MEMBER RICHINS: The other -- in Section
5 (c) "Exception to Undergrounding," "The company shall be
6 required to place new aerial transmission or distribution
7 lines" -- and I believe we've established these are new
8 lines, new construction -- "new aerial transmission or
9 distribution lines underground only when such placement
10 is feasible for technical or system reasons. Such
11 reasons cannot include the monetary cost of the proposed
12 undergrounding project."

13 I don't see how this Committee can
14 supercede a franchise agreement that's very clear that
15 costs cannot be the factor.

16 MS. GRABEL: So Ms. Hill is the queen of
17 the franchise agreement, so I will let her address your
18 question.

19 MS. HILL: Well, so actually I'm going to
20 let Mr. Lusk -- Mr. Lusk and I have actually spoken about
21 this. And so I'm going to let him start with the City's
22 discussion of that.

23 I believe in our conversations Mr. Lusk
24 believes that this Committee has the authority to make
25 the finding.

1 CHMN STAFFORD: Mr. Lusk.

2 MEMBER SOMERS: Mr. Chairman.

3 MS. HILL: Let me -- let me just -- I just
4 so --

5 CHMN STAFFORD: One second. There's a
6 question to Mr. Lusk. Mr. Lusk will answer. And then
7 we'll hear the next person. But for now Mr. Lusk is
8 going to answer the question.

9 MR. LUSK: As to the last question that
10 Ms. Hill posed, which is the members of this Committee do
11 have the authority under state law to make the finding
12 that we're discussing.

13 As to how that gets paid for and related to
14 costs going to your question, Member Richins, the first
15 part of that sentence in (a) says where -- "in any area
16 where the company is not already required pursuant to
17 federal, state, or local law." That's where Section 21
18 applies.

19 So in this case what the assumption is and
20 what the applicant has to and the members have to assume
21 is that they're already required by under local law to be
22 undergrounded. So that Section 21 doesn't necessarily
23 address where those costs lie, if that makes sense, other
24 than the fact they don't rely with the City.

25 MS. HILL: And if I may.

1 CHMN STAFFORD: So you're -- wait -- and
2 then -- wait -- let me get the City's perspective -- or,
3 I mean, the utility's perspective, and then you can ask
4 another question, right?

5 MS. HILL: And so what we -- what we
6 believe -- and these conversations have occurred -- like,
7 when we say we've been doing this since 2019, we're
8 really not kidding. We've been working through this.
9 And it's part of the reason that the franchise was
10 another possibility like additional fees.

11 We believe, and I think this is agreed
12 upon, that section (c) modifies only the portion of where
13 we are otherwise required -- it only -- it only modifies
14 that little section. It doesn't -- it doesn't speak to
15 this Committee's authority, because if you -- I'm having
16 a hard time explaining it here.

17 So --

18 MR. LUSK: If I --

19 MS. HILL: Go ahead.

20 MR. LUSK: If I may, I think what the
21 applicant and the City both agree on is that the
22 franchise and this Committee's authority are separate.
23 So they don't necessary -- one doesn't trump the other.

24 MS. HILL: Correct, in this situation.

25 MEMBER RICHINS: And I believe that makes

1 sense, which is why I'm struggling with this particular
2 finding.

3 It just doesn't seem to be sitting -- I
4 feel like you put the Line Siting Committee between the
5 relationship between TEP and the City of Tucson to
6 specifically have somebody to blame in court, and it
7 feels very uncomfortable. And I don't really want to be
8 in that position.

9 And I know I'm making an outlandish
10 accusation at you, I get it, but I'm doing that for
11 specific purposes. I want us to understand that your
12 relationship between the two of you so transcends what
13 we're doing here in this Committee and that your work on
14 the franchise agreement that you're going to have to
15 complete here very quickly is an opportunity, and you
16 know that. I know you both know that.

17 And I'm not going to save Tucson from
18 itself. And I'm not going to save TEP from making claims
19 about costs which I don't think have been fully proven
20 here. So the cost claims have been all over the place.

21 So I think what we really need to get down
22 to is -- is establishing what our route parameters are,
23 and then you guys will probably have to duke it out after
24 that, but I don't feel comfortable whatsoever providing a
25 finding in that instance.

1 But this is a very specific instance. This
2 isn't a broad authority that we would yield as the
3 Committee. It's very specific because Tucson has very
4 specific rules. You have a very specific franchise
5 agreement. This is a unique situation that we need to
6 govern through.

7 MS. HILL: So, if I may, Member Richins.
8 May I refer back to Section 21?

9 And I would note in response to your
10 concern look how long the applicant waited to get here,
11 to get to this Committee. Five years. Five years. We
12 spent five years working through this, and I just would
13 like -- I understand what you are saying. But this is
14 the forum afforded by Arizona state law.

15 MEMBER HILL: So you're asking us to
16 mediate between the City and TEP?

17 MS. HILL: What we are asking you to do is
18 exercise your authority under state law. It's -- the
19 City and TEP, I agree, there are going to always be
20 things that we have to work out. But this Committee has
21 the authority under state law, and we are asking you to
22 exercise that authority in a very specific circumstance.

23 And in those circumstances, our preferred
24 route is asking for a very, very limited section where
25 you would have to make a finding. Very limited.

1 Now, Member Richins, can I point you back
2 to Section 21? Because I would like to walk through that
3 with you, if I can.

4 Okay. So if you take a look at with
5 section (a), start with (a), it says, "Subject to
6 Subsection (c), in any area where this company is not
7 already required pursuant to federal, state, or local law
8 or agreement, to place its transmission or distribution
9 lines underground, in any new construction or relocation
10 of aerial transmission or distribution lines, the City
11 may require the company to place such lines underground
12 if the City pays the difference between the cost of
13 placing such lines underground and the cost of placing
14 them aerially."

15 If the City's position is that the UAP does
16 not require the undergrounding of these, which I keep
17 hearing may be the position, then I believe that
18 Section 21 requires the City to pay for that.

19 Now, if they want to?

20 MEMBER RICHINS: "Subject to Subsection
21 (c)."

22 MS. HILL: "Subject to Subsection (c)," but
23 I believe that the City is required to pay for that.

24 Now, if, however, the University Area Plan
25 is determined to be some sort of enforceable local law,

1 which I'm not sure it is, but the City has yet to take a
2 position on that, then --

3 MR. LUSK: I'd like to respond to that
4 specifically because it --

5 CHMN STAFFORD: Wait until she finishes her
6 answer, please.

7 MR. LUSK: Okay.

8 MS. HILL: -- then subsection (c) kicks in.
9 Because where the local -- if the City -- it says here,
10 the City may -- so (a) says that if there's no local law,
11 then the City -- and they want us to underground it, the
12 City has to pay the difference, right? That's what (a)
13 says.

14 What (c) says is that, "The company shall
15 be required to place new aerial transmission lines or
16 distributions underground only when such placement is
17 feasible for technical or system reasons. Such reasons
18 cannot include the monetary cost of the proposed
19 undergrounding project."

20 We believe that subsection (c) applies when
21 we are required under local law to do so.

22 And so as a result, Member Richins, I hear
23 what you're saying. You can apply it as you see fit.

24 MEMBER RICHINS: Yeah. I think we have a
25 different -- because I believe the UDC is the local law

1 that's in place to do that. So, yes, there is a local
2 law in place.

3 MS. HILL: Right. So let me then go a
4 little further down there and say that we're not arguing
5 that the UDC isn't a local law. We're not going to say
6 that, right? That would be --

7 MEMBER RICHINS: Yeah. And we're not
8 arguing that we don't have the authority to grant you a
9 finding.

10 MS. HILL: Correct.

11 MS. GRABEL: If I may add to the
12 application of subsection (c).

13 The way that I believe we interpret it is
14 that if (a) requires us to underground, we can do so
15 unless we believe it's not feasible. And for the limited
16 purpose of the franchise the exception only applies if
17 we're not -- we don't have to underground if it's not
18 feasible, and for that limited purpose it can include
19 cost.

20 That doesn't mean that cost can be a
21 consideration in the statutory interpretation that we're
22 asking this Committee to make. The franchise cannot
23 interpret a state law.

24 MS. HILL: That's correct. And it can --
25 and so just one other thing too.

1 To build on that, not only can the
2 franchise not interpret a state law, it cannot -- it
3 cannot define the meaning of feasible under state law.
4 This Committee can also determine on its own accord that
5 there are other issues of technical feasibility, which
6 may include timing.

7 MEMBER RICHINS: I understand that. And I
8 appreciate what you are saying. I don't think you've
9 established that there's a technological impossibility of
10 being able to underground and that it's infeasible. And
11 so it seems like we -- it knocks us down to that.

12 And I agree that the franchise isn't the
13 force of law like the UDC is or the University Area
14 Plans, whether they are or not, but it governs your
15 relationships on how you guys are going to handle these
16 kinds of transactions.

17 And now it feels like the parties are
18 warring over a 20-year-old franchise agreement that they
19 couldn't get the new one past the voters a couple years
20 ago. And I'm being asked to arbitrate that.

21 And it just -- it is a very unique
22 circumstance. And we will not yield our authority to
23 grant such a finding as you're requesting here. I just
24 am trying to find a reason to do that, and I haven't
25 received one yet. And so I'm just struggling through

1 that.

2 CHMN STAFFORD: Let's let -- I think Mr.
3 Lusk has been waiting patiently to give his response.
4 Please do so, Mr. Lusk.

5 MR. LUSK: Thank you, Mr. Chair.

6 Member Richins, I think the City would
7 ultimately agree with you on most of what you said.

8 And what we're asking for is only that we
9 be allowed to engage in that relationship as you
10 described it here locally with our already available
11 processes that we have actually worked cooperatively to
12 create.

13 So in making that finding -- and, again, we
14 don't know what -- and I agree with you we're not quite
15 sure exactly what that finding even means going forward
16 because, you know, it doesn't necessarily say that just
17 because you grant a route doesn't mean we can't regulate
18 how it goes there. So there's some nuance there.

19 The other thing that I think would be
20 helpful I think maybe for the Committee is to sort of
21 distinguish between the two -- because there's actually
22 two findings that have to be made here. One is the
23 finding for what Mr. Bryner discussed about the
24 University Area Plan, but there's also the finding as to
25 the Gateway Corridor Zone itself and its requirements.

1 And I don't know -- and I don't know that
2 that -- you know, I'm not going to tell you what the --
3 at this point make a closing argument as to what we think
4 the record shows about that, but those are two separate
5 things.

6 And the testimony yesterday was as it
7 relates to the area plans and the neighborhood plans
8 while it wasn't specific to any particular plan, it
9 was -- Mr. Castro did testify that there's a difference
10 between policy and regulation.

11 MEMBER RICHINS: Chairman, just -- just
12 quick. I mean, can a finding be related to the parties
13 in the franchise agreement to -- I mean, this goes to a
14 core issue with Tucson. You guys are very bad for
15 business. You're very difficult.

16 And I'm making an editorial comment. I
17 realize that. But Tucson is not a business-friendly
18 place, which is why TEP finds itself in this situation.

19 They don't have certainty, and they're
20 terrified of that. And I don't blame them one bit
21 because I've watched Tucson operate over the years. You
22 guys need to get your act together to be able to
23 negotiate this franchise agreement and solve this issue.

24 And I just -- so my question is -- final
25 question here -- and then I'll shut up -- is there a

1 possibility of a finding that talks about or refers to
2 the franchise agreement and the desire of the Committee
3 to see the parties work that out?

4 CHMN STAFFORD: Well, I mean, it's worth
5 noting that the finding does not apply to franchising.
6 In the first part of the statute it says that any
7 certificate the Committee grants has to be conditioned on
8 compliance with all applicable ordinances, master plans,
9 regulations, state -- yada, yada -- except that the
10 Committee may grant a certificate notwithstanding any
11 such ordinance, master plan, or regulation exclusive of
12 franchises if the Committee finds the fact that
13 compliance of such ordinance, master plan, or
14 regulation...

15 So we're talking about ordinance, master
16 plan, or regulation. If we find that one of those is
17 unreasonably restrictive and compliance is not feasible
18 due to technology available, we can issue the CEC not
19 mandating compliance with that.

20 And I think we need to be specific which
21 ordinance, master plan, or regulation we're talking
22 about. And there's a list of potential ones in the
23 application that I attempted to ask the City about
24 yesterday, but they didn't have a -- they couldn't give
25 an opinion on it whether it would require undergrounding

1 or not.

2 And I believe that was what the applicant
3 was going to address in their latest CEC -- updated
4 proposed CEC. I haven't had a chance to look at it yet.

5 Has it been filed?

6 MS. GRABEL: Yes. I believe it's been
7 filed. Mr. -- yes, it has been. And Mr. Ancharski can
8 pass out a copy.

9 I mean, I think what you'll see in the
10 findings that we propose is we're asking for the finding
11 to be made on Gateway Corridor Zone and the University
12 Area Plan.

13 If Mr. Lusk's research reveals that a
14 historic district overlay does require it, we'll ask for
15 it to be applied to that too.

16 And let me quickly address Member Richins's
17 question. We are not asking you to arbitrate. We've
18 been at the table with the City that has all of the
19 political power here for five years.

20 What your finding would do is give us some
21 leverage. As Ms. Hill already said, we intend to go
22 through the special exceptions process, but we're at the
23 burden of the City in this regard. And so that finding
24 would be very helpful as we go through that process.

25 We'll only have to use the finding if the

1 City proves to be unwilling to cooperate with us. I
2 think that that's our position at present.

3 CHMN STAFFORD: And that's going to -- I
4 think that's how I kind of perceive the situation is that
5 the City and the utility are at an impasse, and they're
6 looking for the Committee with this finding to tip the
7 scales to break that impasse.

8 MEMBER RICHINS: And, Chairman, you gave a
9 comment earlier about condemnation authority.

10 How is -- is condemnation authority for the
11 utility governed under state law, the franchise
12 agreement, local law?

13 I actually don't know.

14 CHMN STAFFORD: It's state law. I couldn't
15 cite the statute, but I'm 100 percent sure it's state
16 law.

17 MS. GRABEL: 12-1111.

18 MEMBER RICHINS: Okay. Thank you.

19 MEMBER SOMERS: Mr. Chair.

20 CHMN STAFFORD: Yes, Member Somers.

21 MEMBER SOMERS: I'm going to try to turn my
22 camera on, but every time I do I seem to lose you, so I
23 hope I don't.

24 Before we give the poor court reporter a
25 break, because I think she's been going at a 100 miles an

1 hour, I received a link for a utilities use group, which
2 is an ordinance for the City of Tucson, I believe.

3 So Section 4.9.11, under A, "Distribution
4 System," if you go to Item 13 on the third paragraph, I
5 think that it answers potentially a little bit of the
6 question I had earlier about whether cost of the system
7 could be included in asking for a special exception.

8 This starts with -- the paragraph starts
9 with "A special exception request to relieve the
10 requirement to underground transmission must meet the
11 required findings of UDC section 3.4.5."

12 CHMN STAFFORD: Member Somers -- Member
13 Somers, you're breaking up. We can't hear the words that
14 you're saying.

15 Maybe you should turn your camera off
16 because I think --

17 MEMBER SOMERS: Hold on a sec. Yep. Is
18 that any better, Mr. Chair?

19 CHMN STAFFORD: Yes. Yes. The court
20 reporter is nodding her head. She can understand what
21 you're saying now.

22 MEMBER SOMERS: -- I apologize for that.

23 CHMN STAFFORD: Okay.

24 MEMBER SOMERS: Okay. I'll try to speak up
25 too to make sure, but if we -- so the section is No.

1 11 -- I'm sorry, 13. So I'm going to go back. "4.9.11,
2 Utilities Use Group," Section "A, Distribution System."
3 Item No. 13. And it would go down to the third
4 paragraph. And the sentence starts, "A special exception
5 request to relieve the requirement to underground
6 transmission lines must meet the required findings of UDC
7 section 3.4.5."

8 You go down a little bit further a couple
9 more lines, it specifically calls out as an example "the
10 Gateway/Scenic route." And after the comma it says,
11 "unless it is technologically impossible and/or clearly
12 financially cost prohibitive."

13 So would I interpret it correctly to say
14 that if they hit a technological issue or if it is
15 clearly cost prohibitive, then a special exception could
16 be signed off by the City of Tucson?

17 CHMN STAFFORD: Thank you. That was
18 helpful.

19 Member Richins, did you have a question?

20 MEMBER SOMERS: Mr. Chair, does it -- this
21 is --

22 CHMN STAFFORD: And this is from what?

23 MEMBER SOMERS: Does this have to be
24 entered as an --

25 CHMN STAFFORD: You're reading from the

1 UDC?

2 MS. GRABEL: I believe Mr. --

3 MEMBER SOMERS: Yeah. The link that was
4 sent to me for --

5 CHMN STAFFORD: Right. And that is the
6 UDC.

7 We can take official administrative notice
8 with the UDC as --

9 MEMBER SOMERS: UDC. Yes. I do see that.

10 CHMN STAFFORD: All right. We do not need
11 to enter that as a specific exhibit.

12 Mr. Lusk: Mr. Chairman, I -- may I for --

13 MEMBER SOMERS: Okay. Thank you very much.

14 CHMN STAFFORD: Thank you, Member Somers.
15 All right. Mr. Lusk.

16 MR. LUSK: Sorry. For specificity it's UDC
17 4.9.11.A.13.

18 CHMN STAFFORD: Thank you for that
19 clarification.

20 MEMBER SOMERS: Thank you, Mr. Lusk.

21 Mr. Lusk: You're welcome.

22 CHMN STAFFORD: All right. Member Somers,
23 is there anything further?

24 Because I think we're -- as you mentioned,
25 we're at the close to 90-minute mark, and the court

1 reporter is ready for a break, as are we all.

2 MEMBER SOMERS: I think we should give our
3 court reporter a break.

4 MS. GRABEL: Mr. Chairman, before we
5 adjourn, I'd just like to ask this prior to adjourning.

6 CHMN STAFFORD: We're not going to adjourn.

7 MS. GRABEL: Oh, recessing, not adjourning.

8 I heard Member Richins say that he has not
9 been -- he does not believe there's sufficient evidence
10 in the record to make the finding that it's cost
11 prohibitive or something to that effect.

12 Perhaps I'm putting words in Member
13 Richins's mouth. But what I -- okay. I'll ask you to
14 clarify what you said.

15 And we have the fact panel here. And so if
16 you have any concerns with the testimony that's
17 presented, I'd ask that you ask those types of clarifying
18 questions now while you have the opportunity to do so.

19 MEMBER RICHINS: In response, thank you.

20 I don't think that sufficient evidence has
21 been presented by -- there's been a lot of evidence
22 presented by all of the parties that have really muddled
23 the waters on what the cost calculators are. It's gone
24 everywhere from the applicant saying 14 to 22 percent.
25 Others have presented evidence that have shown it at 14

1 to 22 times more expensive. Others have presented
2 evidence that has shown it to two, three, four, five
3 times more expensive.

4 So that's what I'm talking about is that
5 there's just a lot of -- I don't think a solid convincing
6 case has been presented on what that cost escalator
7 actually is.

8 CHMN STAFFORD: All right. I think -- so
9 there's a lot of conflicting evidence that needs to be
10 weighed.

11 But, I guess, what I'm hearing from Member
12 Richins is that in weighing it he hasn't found that the
13 applicant has met its burden to show that the cost is as
14 excessive as it claims.

15 Is that correct a summation?

16 Okay. All right. Well, when we come back,
17 we'll be -- I think we should talk to the fact witnesses
18 more and the lawyers less and, you know, talk about the
19 specific costs, the specific sections of the route, some
20 of the specific issues with different sections and try to
21 come up with a route that -- for this project.

22 Because I think it's clear that the need is
23 there. I don't think anybody disputes that there is a
24 need and that need is urgent, that they need to get
25 this -- their system improved to maintain reliability.

1 And so I think it's just a question of where we put it.

2 And then the undergrounding issue's going
3 to be does it have to go underground. If it does, who
4 pays. And at the end of the day who ends up paying for
5 it is really beyond the scope of what this Committee will
6 do.

7 Obviously, we'll have to take it into
8 account when we make our decision under the statute
9 because it says we have to look at the cost of what the
10 applicant has proposed compared to what we end up
11 ordering it to do.

12 And if we order them to follow the city
13 ordinances and it requires them to incur, say, an
14 additional -- and I'm just throwing a random number out
15 there -- an additional \$50 million cost that will be
16 borne by ratepayers, that's something we do need to
17 consider in making our decision, especially between
18 routes, if you have one route that doesn't require an
19 undergrounding and one that would, I think that, you
20 know, the cost is certainly a very relevant factor to
21 consider in making our decision of where that line should
22 go. I think we can all agree that that line needs to go
23 somewhere.

24 So with that let's take our recess. We'll
25 be back in about 15, 20 minutes.

1 (Recess from 10:34 a.m. to 11:02 a.m.)

2 CHMN STAFFORD: Let's go back on the
3 record.

4 We have the cleanup panel. I think the
5 members and I have questions about the routes.

6 MEMBER GOLD: Mr. Chairman.

7 CHMN STAFFORD: Yes, Member Gold.

8 MEMBER GOLD: Okay. I'm going to direct
9 this to the -- to all of you, but I'm going to say this
10 has been going on for approximately seven years. Am I
11 correct in that assumption?

12 MR. LUSK: I think it's five.

13 MS. GRABEL: Five.

14 MEMBER GOLD: Five years?

15 MR. LUSK: Yes.

16 MEMBER GOLD: Okay. So for five years
17 we've been trying to do this and we need the thing done
18 by 2027. I understand the reasons why we need it done.
19 I guess the reasoning may be more urgent now with the
20 weather changes that we're seeing.

21 I see TEP has done due diligence. You've
22 gone over and above with your routes and everything else.

23 Mr. Dempsey with the Underground Arizona,
24 you've gone above board with giving us a lot of examples
25 of what other communities have done.

1 Ms. De Blasi, I understand where you're
2 coming from. You're looking out for the best for Banner
3 Hospital. I don't see a university person present, but
4 I'm sure -- who's the university?

5 MS. GRABEL: Sorry. I was thinking Banner.
6 No one.

7 MEMBER GOLD: No, I don't see anybody at
8 U of A. We've got letters from representatives who
9 represent the public. We had a slew of people here
10 giving their opinions, mostly not in my backyard. And
11 you should underground things.

12 And we've seen a good deal of testimony
13 from that side over there that says undergrounding is a
14 bear in this area, it's something that has a whole bunch
15 of constraints including time constraints.

16 The bottom line is -- well, the one thing I
17 haven't picked on at the City of Tucson, and I don't know
18 why more of your people aren't here. But, you know, I
19 don't know the answer.

20 I will say that this should have been
21 resolved years ago and this should have been resolved
22 without all the bureaucracy but it wasn't. End result:
23 Dave Richins says, you know, you're throwing it to us and
24 the answer is the buck's got to stop somewhere.

25 So this Committee I would recommend would

1 make decisions where the buck stops from our perspective.
2 It's then going to go to the corporation council and then
3 it may go to the courts, you know, but it behooves
4 everybody involved to say if we got to get this done by
5 2027 let's take a look.

6 We just had a situation where I got a call
7 this morning, 14 power lines went down on Ina Road.
8 Roofs were blown off buildings. Air conditioning isn't
9 working. A whole bunch of stuff isn't working and we're
10 going to see people who are going to be suffering. If
11 you can multiply that in five years from now or ten years
12 from now, where we're going to have worse weather, more
13 population, inflation, god knows what else is going to go
14 on, this has to be done.

15 So I would say at this point in time, there
16 is a solution, and I believe before this Committee
17 adjourns that we will come up with a solution. It may
18 not be the best solution but we're going to give the
19 corporation council options.

20 And I want to thank you for all the work
21 you've done. And I want to chastise the bureaucrats who
22 you work for, Mr. Lusk, for not giving you the ammunition
23 and the wherewithal so you could have accomplished this
24 two years ago or three years ago. But at this point in
25 time, I just want to say thank you all, thanks for your

1 expertise. Thanks for your patience. Thanks for giving
2 us a ton of information, sometimes even your personal
3 opinions which I'm sure that's something that wouldn't
4 have been appreciated by the bureaucrats.

5 But I want to thank you and we're going to
6 persevere. We'll get this done. We will get this done.
7 Thank you, Mr. Chairman.

8 CHMN STAFFORD: Thank you.

9 MEMBER SOMERS: Mr. Chairman.

10 CHMN STAFFORD: Yes, Member Somers.

11 MEMBER SOMERS: Thank you. I can hear --
12 I'm reverberating in the background, I think. I'll try
13 to make this quick.

14 I'd be very careful with where the buck
15 stops because it's probably not going to be on this
16 Committee depending how we proceed with our
17 deliberations. Ultimately we have -- whether that's the
18 right --

19 MEMBER GOLD: You're breaking up too much.

20 MEMBER SOMERS: -- we're going to talk
21 about that in a little bit.

22 CHMN STAFFORD: Could you say that last
23 part again? You were breaking up.

24 MEMBER SOMERS: Thank you, Member Gold.
25 I'm not responsible for the tech.

1 CHMN STAFFORD: Could you make your comment
2 again, the last part of you comment again, Member Somers.

3 MEMBER SOMERS: It's probably interference
4 from the power lines.

5 MEMBER KRYDER: How many gauss out there?

6 MEMBER SOMERS: Can we hear me now?

7 CHMN STAFFORD: Yes.

8 MEMBER SOMERS: Okay. We'll try this.

9 Ultimately, this decision's going to be,
10 has to be, like Member Richins said, has to be hashed out
11 between the leadership of the City and TEC, you know, at
12 the end of the day it's not all one party's fault. There
13 is a bureaucratic process, and I understand those can be
14 hectic, but we've heard testimony that the City kept
15 asking for a route and that route wasn't provided because
16 the route wasn't decided by this Committee yet.

17 So some of this delay doesn't fall -- all
18 this delay doesn't fall on the City. And ultimately if
19 we make a ruling and it's not liked and this ends up in
20 court on whether we have the right to do that, we can
21 kiss that 2027 deadline goodbye. We're not going to fix
22 anything. The City and the electric company have to fix
23 this.

24 To -- I had a brief --

25 MR. LUSK: We lost him completely.

1 CHMN STAFFORD: All right. Member Little,
2 are you still there?

3 MEMBER SOMERS: I know my Internet works.
4 I'm here again. Thank you to the staffer who's been
5 sitting over the button to make sure he puts me back on
6 the meeting.

7 I have the CEC, the draft CEC, from the
8 applicant. I just received it in e-mail.

9 My question for the City is does the City
10 have its response to those items and requests? Have they
11 reviewed it, made comment, and filed that with this
12 Committee yet?

13 MR. LUSK: Member Somers, we received it
14 this morning so, no, we have not done that. We can do
15 that, of course.

16 MEMBER SOMERS: Yeah, if you would -- I
17 would like to review the City's position before making
18 decisions.

19 CHMN STAFFORD: Yes, the City could also
20 file its own proposed CEC. The applicant is required to
21 file one. Intervenors may. It seems like that would be
22 a good thing for the City to do, especially given Member
23 Somers' comments.

24 All right. Well, I have some specific
25 questions for the cleanup panel here about the routes in

1 question.

2 So let's start with Route A. And the first
3 portion of the route from the DeMoss Petrie Substation
4 till at least surface Stone, they all share the same
5 route, and that looks like the whole stretch of Grant
6 Road is not a problem with anybody, and there seems the
7 existing poles from an upgrade that was already done that
8 would accommodate the 138kV line? Yes? Correct,
9 Mr. Bryner?

10 MR. BRYNER: The poles that were done from
11 a previous upgrade are primarily from Stone to the east.
12 West of Stone there are existing poles; some of those
13 would be the 46kV poles on the north side of the road,
14 would be collocated -- sorry, the 46kV lines on the north
15 side of the road would be collocated on the same poles as
16 our 138kV line. The distribution that's currently on
17 that would be placed underground.

18 CHMN STAFFORD: Okay. And then the --
19 eventually the 46kV system would be taken off and
20 retired, because it's being replaced by the 138kV system;
21 correct?

22 MR. BRYNER: So that would be our long-term
23 goal. Some of those 46kV lines would not be affected by
24 this project because they still serve other 46kV
25 substations that would not be affected.

1 CHMN STAFFORD: And those are the ones that
2 I'm presuming would be north of Grant Road.

3 MR. BRYNER: Correct. North of Grant Road
4 and west of Stone, the lines, the 46kV lines east of
5 Stone and hopefully I'm getting my directions right here,
6 those are the ones that could be retired as part of this
7 project. And we'd try to make use of those structures.

8 CHMN STAFFORD: Okay. Now looking at
9 between routes A and B, they both go all the way to at
10 least Park. And then I recall from the tour that Park
11 Avenue already has significant poles for the 46kV system
12 along the entire length of Park from Grant to -- I
13 can't -- from the placement I can't see the other one. I
14 think it's --

15 MR. BRYNER: Adams.

16 CHMN STAFFORD: -- Adams. But then there,
17 I didn't see any poles on Adams between Park and Vine.
18 So you'd have to add those. Now, were you looking to add
19 those to the north or south side of the street? I'm
20 pretty sure you want to do one or the other, you wouldn't
21 want to go back and forth at least across that, like you
22 had talked about on Campbell potentially.

23 MR. BRYNER: That's correct.

24 MEMBER LITTLE: Mr. Chairman.

25 CHMN STAFFORD: Yes, Member Little.

1 MEMBER LITTLE: Are you talking about Route
2 A or Route B?

3 CHMN STAFFORD: Both, because they share --
4 they're exact -- they're the same corridor until you get
5 to Park Avenue.

6 MEMBER HILL: They don't -- they don't
7 share Park, though, so that's why I was asking the same
8 question.

9 CHMN STAFFORD: Right. Because Route B
10 goes south on Park whereas Route A proceeds west --
11 proceeds east until it gets to Vine.

12 Which seems to be the most direct approach
13 to the substation, but currently Vine doesn't -- well,
14 north of the substation doesn't have any poles running
15 along it. You see the distribution lines crossing it
16 through the alleys periodically, but there's no line
17 running down Vine itself.

18 MEMBER HILL: So your line of questioning
19 is really about comparing Route A and B. When you
20 started the line of questioning you said I want to talk
21 about Route A first, and so that was my point of
22 confusion. That's all.

23 CHMN STAFFORD: Okay. Yeah. Well, I'm
24 talking about A and B and then we'll get to C and D. But
25 I think I'm just going to have specific questions about,

1 you know, the physicality of the route. What's there,
2 what's the -- where the lines would go. I mean, they've
3 done a -- their Exhibit 32, they cleared up the corridor
4 to make it more narrow, and in line with what they're
5 actually going to build, because I remember when we
6 watched the virtual tour it was like 400 feet wide and
7 went into the neighboring streets, which is a little more
8 of a corridor than we wanted to give them.

9 So, but I'm just looking at -- so I'm going
10 to assume that B is preferred to A because you make use
11 of Park, which has a bunch of existing poles whereas Vine
12 does not.

13 MEMBER HILL: Are you asking the Committee?

14 CHMN STAFFORD: I'm asking Mr. Bryner.

15 MEMBER HILL: Okay.

16 MR. BRYNER: So, yes, that's one of the
17 primary factors why B is referred over A.

18 CHMN STAFFORD: Okay. And then with the
19 location of the substation that's -- it's being placed
20 next to an existing substation, so I'm assuming that
21 there was not -- I mean, we talk about routes but no
22 one's talked about putting the Vine Substation any other
23 location; correct?

24 MR. BRYNER: So that's where -- yes, that's
25 correct. But as I testified to I think it was day one,

1 maybe day two, you know, we looked at 22 different sites
2 to try to identify is there another location for this
3 substation that might be more compatible with existing
4 land uses, might be further away from residential areas?
5 And ultimately what we found was we really only had that
6 option.

7 CHMN STAFFORD: Right. So the substation,
8 the Vine Substation location, that's not really up for
9 debate for us. It's going to be -- that location is just
10 a question of where the lines come in and go out of it.

11 MR. BRYNER: That's correct.

12 CHMN STAFFORD: All right. And that's
13 because that's on the edge of the residential
14 neighborhood. I forget which one it is to the north.

15 MR. BRYNER: Jefferson Park is just to the
16 north. It's within North University.

17 CHMN STAFFORD: Right. Okay. And so --
18 and then B is the preferred route.

19 So I think on Adams, which side of the
20 street were you looking to put the poles on for Adams?

21 MR. BRYNER: So, again, our corridor would
22 allow for either side. Our preliminary engineering
23 located it on the south side. Again, that's because for
24 about half of that stretch on Adams you have parking lots
25 on the south side.

1 CHMN STAFFORD: Right. Okay. And I recall
2 that there's streetlights on that street as well. Would
3 they have -- would they be collocated with the poles?
4 Because I seem to see that you've had streetlights put on
5 distribution poles. Or that there would be additional
6 structures for the power line in addition to the
7 streetlights, they have to work around those. Those
8 remain where they are.

9 MR. BRYNER: That would be our typical
10 practice is not to attach streetlights to our
11 transmission lines to our transmission poles.

12 CHMN STAFFORD: Okay.

13 MR. BRYNER: So I would say we would work
14 around them.

15 CHMN STAFFORD: Yeah, but it's my
16 recollection of Adams is there's not a lot of room to
17 work on the other side of that street.

18 MR. BRYNER: That's a good recollection.

19 CHMN STAFFORD: Okay. And so the other
20 route is -- let's look at Route C.

21 MEMBER LITTLE: Mr. Chairman.

22 CHMN STAFFORD: Yes, Member Little.

23 MEMBER LITTLE: Could we, as long as we're
24 looking at A and B could we ask questions about A and B
25 before we move on to another route?

1 CHMN STAFFORD: Yeah, sure. I'm just -- I
2 have some concerns. I want to kind of ask questions
3 about, I was going to work through different sections of
4 the route. And if any member has a question that's
5 relevant to that portion, just ask the chair and I'll let
6 you ask your question. So Member Little, if you have a
7 question about --

8 MEMBER LITTLE: I do, Mr. Chairman. Thank
9 you.

10 CHMN STAFFORD: Please proceed.

11 MEMBER LITTLE: Was there any consideration
12 placed to underground smaller sections of any of the
13 routes, notably A is the one I'm thinking about, or
14 perhaps B along Adams through neighborhoods? Just in
15 short sections?

16 MR. BRYNER: So the problem with
17 undergrounding -- sorry, Member Little. The problem
18 with undergrounding any section of the line, short or
19 long, is how do you pay for that cost differential.

20 So Proposition 412 just looked at areas
21 that were required by the Gateway Corridor Zone that
22 would need to be undergrounded.

23 So within the neighborhood themselves, that
24 wasn't within a Gateway Corridor Zone, so it wasn't
25 looked at under that circumstance. And we didn't

1 consider it in any other circumstance undergrounding, you
2 know, even a short section.

3 MEMBER LITTLE: Okay. And what is the
4 width of Vine compared to the width of Park? I
5 understand Park has existing circuits on it, and Vine
6 does not. But how about the road width? Do you have any
7 idea?

8 MR. BRYNER: Give me a second, I can
9 measure it. I know what we were requesting for a
10 corridor was 120 on Park and 100 on Vine, but I would say
11 the actual right-of-way width and I'm just totally
12 guessing, if you want me to get a real number we can grab
13 that in just a minute. But I would say Park is probably
14 around 80 and Vine is probably around 60 or 70.

15 MEMBER LITTLE: Okay. I think those are my
16 only questions right now on A and B. Thank you,
17 Mr. Chairman.

18 MEMBER GOLD: Mr. Chairman.

19 CHMN STAFFORD: Yes, Member Gold.

20 MEMBER GOLD: Again to Mr. Bryner. Route A
21 and Route B differ between Park and Adams. Route B goes
22 south on Park. Route A goes south on, is that Adams or
23 Vine?

24 CHMN STAFFORD: Vine. Adams is east-west.

25 MEMBER GOLD: Gotcha. That seems to be,

1 the length seems to be the same. The difference is that
2 there are already power lines on Park but there are none
3 on Vine; is that correct?

4 MR. BRYNER: That's correct.

5 MEMBER GOLD: Okay. Thank you.

6 MEMBER LITTLE: Mr. Chairman, one more
7 question.

8 CHMN STAFFORD: Yes, Member Little.

9 MEMBER LITTLE: How about the road width of
10 Adams? I know that seemed really constrained.

11 MR. BRYNER: So let's see. We're working
12 on some numbers. It's probably 60 or 70, it's similar to
13 Vine. Those are residential streets. But I can get a
14 real number for you in just a minute.

15 CHMN STAFFORD: Right, with the parking
16 lots on the south side of Adams; right?

17 MR. BRYNER: Correct.

18 CHMN STAFFORD: Okay. All right. Let's,
19 looking at --

20 MEMBER HILL: Mr. Bryner?

21 CHMN STAFFORD: Yes, Member Hill.

22 MEMBER HILL: I apologize. I have a
23 question.

24 The length of overhead transmission in line
25 A and line B, are they the same length?

1 MR. BRYNER: They're very similar. The one
2 distinguishing factor is going to be that -- so Route B
3 technically overshoots the substation a little bit coming
4 south on Park, so then it has to cut back. So the
5 difference is that overshoot and the coming back. So
6 they're -- what are they on the place, 3 -- 3.2 and 3.5,
7 so there's .3 miles difference.

8 MEMBER HILL: And between -- between
9 alternative A and B, which one is less expensive?

10 MR. BRYNER: A is I would say substantially
11 less expensive. And it's primarily due to not the
12 construction of the transmission line. It's because of
13 the existing overhead utilities and what we would do to
14 relocate those underground.

15 MEMBER HILL: Okay. Thank you.

16 CHMN STAFFORD: Right. I guess that could
17 be seen as a disadvantage to the neighborhood of going
18 with A. In addition to adding poles to a street that
19 currently doesn't have any, the 46kV would remain on
20 Park.

21 So you'd have poles, I guess the new poles
22 would be slightly bigger, but you'd have poles on both
23 those residential streets as opposed to just one;
24 correct?

25 MR. BRYNER: That is partially correct. We

1 will remove the 46kV as part of this project, but you
2 would have distribution poles remaining on Park.

3 CHMN STAFFORD: Right. And the 46kV would
4 be there for -- you said it would all be gone by
5 10 years, I believe.

6 MR. BRYNER: Within 10 years is when we
7 expect all of our distribution work to be done. We
8 would -- that would be one of the places where we'd be
9 able to retire it quickest.

10 We're going to make the cut over from the
11 U of A medical substation. Well, that'll be one of the
12 first things that happens, and those 46kV lines source
13 that substation.

14 CHMN STAFFORD: Okay. So that -- so it
15 seems that there's -- so for that one it's kind of a --
16 it's one street benefits to the detriment of another
17 street.

18 MR. BRYNER: I think that's fair.

19 MEMBER HILL: Mr. Chair.

20 CHMN STAFFORD: Yes, Member Little.

21 MEMBER HILL: So perhaps the costs for the
22 Route A and B are actually more comparable. Because
23 you've put in costs on Park Avenue for retiring the 46kV
24 and undergrounding the distribution, but you're probably
25 going to retire the 46kV anyway?

1 MR. BRYNER: So the cost, we didn't
2 actually include the costs to retire the 46kV on any of
3 these.

4 MEMBER HILL: Okay. That's helpful. Thank
5 you.

6 MEMBER GOLD: Mr. Chairman.

7 CHMN STAFFORD: Yes, Member Gold.

8 MEMBER GOLD: For Mr. Bryner or Mr. Jocham,
9 you have 4kV, 14kV, 46kV, 131kV poles, some of which are
10 distribution, some of which are transmission. What's the
11 height of each of these poles?

12 MR. BRYNER: So we're talking 4kV, 14kV,
13 46kV, 138kV?

14 MEMBER GOLD: Yes. Did I leave anything
15 out?

16 MR. BRYNER: We could throw a few more in
17 there just for fun.

18 CHMN STAFFORD: Anything above 138 you left
19 out. But we don't need to go there.

20 MR. BRYNER: It varies, but I'll just share
21 a ballpark figure that I usually share with members of
22 public.

23 So our older 4kV wooden poles are going to
24 be between 30 and 35 feet tall.

25 Some of our newer 14kV poles are going to

1 be usually 35, 40 feet tall.

2 Our older 46kV poles are going to be
3 between 45 and 55 feet tall.

4 Our newer 46kV poles are built to the same
5 standard as our 138kV poles, and so they'll be identical.
6 And they're, you know, typically in that 75 to 85-foot
7 range. But they top out even higher if we've got to
8 cross over something.

9 MEMBER GOLD: Okay. So basically if we're
10 replacing 4kV with 14kV, would that be something you
11 would consider doing?

12 MR. BRYNER: 4kV to 14kV?

13 MEMBER GOLD: Yeah.

14 MR. BRYNER: That is part of our project.

15 MEMBER GOLD: Gotcha.

16 MR. BRYNER: To upgrade the 4kV.

17 MEMBER GOLD: And then you would raise 46kV
18 to 132kV?

19 MR. BRYNER: So, again we're saying that
20 we're upgrading our 46kV, this portion of our 46kV system
21 to 138kV.

22 MEMBER GOLD: 138. Okay.

23 MR. BRYNER: But it's not necessarily pole
24 for pole or location for location. We have much more
25 46kV in this area than we will have 138 once we're able

1 to retire that.

2 MEMBER GOLD: So the only ones we're really
3 losing are the 4kV poles which are the wood poles? Those
4 are the ones you're trying to get rid of?

5 MR. BRYNER: So the 4kV and the 14kV -- let
6 me -- Mr. Jocham is kind of correcting me a little bit
7 here.

8 But where we're planning to underground
9 distribution, that's 4kV or 14kV, whatever it is, it will
10 go underground if it's, you know, on our route that we're
11 proposing.

12 The remainder of the 4kV or -- and/or 14kV
13 that we plan to upgrade, so it will all be 14kV, that
14 would remain in whatever state it's in today. If it's
15 underground, it will be underground. If it's overhead,
16 it will be overhead.

17 MEMBER GOLD: So we're looking at a
18 situation where existing poles on Broadway -- on Campbell
19 are 46kV or 14kV?

20 MR. BRYNER: Mostly, I think in the area
21 you're talking about north of Broadway probably, those
22 are primarily 4kV. And for our purposes of your
23 discussion I would just call them distribution poles.
24 4kV and 14kV are virtually the same.

25 CHMN STAFFORD: Those are the 35-foot ones,

1 35 to 40?

2 MR. BRYNER: Correct. If we replace a 4kV
3 pole today it's going to be the 35 to 40-foot pole
4 because that's just our standard.

5 MEMBER GOLD: Gotcha. So that means on
6 Campbell just -- I'm jumping ahead, forgive me,
7 Mr. Chairman, I'm jumping ahead to Campbell.

8 The poles, if we use that route, would go
9 from 35 to 45-foot to 75 to 85-foot but they would be
10 spaced wider apart.

11 MR. BRYNER: That's basically -- I only
12 hesitate -- sorry -- because all our poles are different
13 heights and on that stretch of Broadway, I believe the
14 existing distribution poles are taller than that.

15 MEMBER GOLD: Well, how tall do you think
16 they are, or Mr. Jocham, if you know?

17 MR. JOCHAM: It's a standard.

18 MR. BRYNER: Okay. Probably about 40-foot.
19 So they're standard poles.

20 MEMBER GOLD: So they're 40 feet. And if
21 you choose the Campbell route, they'd go to 75 or
22 80 feet.

23 MR. BRYNER: Correct.

24 MEMBER GOLD: But they would be spaced
25 instead of every 200 feet they'd be spaced every

1 400 feet?

2 MR. BRYNER: Every probably 6 to 800
3 hundred feet.

4 MEMBER GOLD: 6 to 800 feet.

5 And how far apart from 14kV poles?

6 MR. BRYNER: Same as the 4kV, again it's
7 the same --

8 MEMBER GOLD: No, compared to the 46.

9 MR. BRYNER: The 46 poles are primarily the
10 same space as the 4kV and 14kV because they have those on
11 the underbuild. So the spacing is really dictated by
12 what the wire can support as well as, you know, we've got
13 services and other things coming off of those. And so
14 they're basically those 200ish-foot spans.

15 MEMBER GOLD: So the 14 is a 200ish?

16 MR. BRYNER: So 4kV, 14kV and 46kV I think
17 you could say they're all the same spans.

18 MEMBER GOLD: So they're 200ish. What's
19 the 600 to 800?

20 MR. BRYNER: Transmission. 138.

21 MEMBER GOLD: Ah, so that's 600 to 800.

22 So if you did Campbell Avenue north of
23 Broadway, you would be moving -- you would be changing
24 14kV poles about 40 feet in height, 200 feet apart to
25 138kV poles. That's 80 feet in height, 600 to 800 feet

1 apart.

2 MR. BRYNER: Correct.

3 MEMBER GOLD: Thank you.

4 MS. GRABEL: Mr. Bryner, Member Gold might
5 be interested in the data that we have about how many
6 poles would be relocated or lost for every one that's
7 constructed on a 138kV.

8 MR. BRYNER: Give me just a second.

9 CHMN STAFFORD: All right. If we could get
10 Exhibit TEP-31 up on the left screen, please. The first
11 slide, with all the segments on it -- there we go -- is
12 looking at the cost comparison between routes A and B.
13 We already covered that B is .3 miles longer because it
14 goes down, it goes south of Adams, south of the Vine
15 Substation to Adams, and comes back up.

16 You have -- there's no difference in cost
17 because it doesn't -- between overhead as proposed and
18 undergrounding, because of the Gateway Corridor, because
19 the Gateway Corridor is not implicated.

20 However, you have a significantly different
21 cost for the University Area Plan. Which section of the
22 route under the University -- or potentially I guess
23 under the University Area Plan because we haven't
24 established whether that requires undergrounding.

25 MS. GRABEL: I think the asterisk is

1 important here, Chairman Stafford, and I'll let
2 Mr. Bryner address that.

3 MR. BRYNER: So, yeah. So within the
4 University Area Plan, I'm going to point up to the map on
5 Slide 43, so we made the assumption, and I think in this
6 case it's a good assumption, that along Grant Road, so
7 the University Area Plan goes from Stone over to Country
8 Club, Grant down to Broadway.

9 So we made the assumption that it would not
10 apply along Grant in between Stone and Park, and again we
11 have those existing poles there that we'd be able to
12 reuse, so I think we're safe there.

13 But then we did assume from Park, Adams and
14 into Vine for Route B that those would all be within the
15 University Area Plan and under that scenario would
16 require the underground.

17 CHMN STAFFORD: So along Park and Adams,
18 then.

19 MR. BRYNER: Basically, yep.

20 CHMN STAFFORD: Okay. That's what I want
21 to get. So those are the main -- the main -- that's
22 where the potential implication for the University Area
23 Plan is for Park and Adams.

24 And then what about Vine Road? Is that
25 considered part -- that would also be considered part of

1 the University Area Plan? That's why the A route jumps
2 up by approximately eight -- 12 million bucks?

3 MR. BRYNER: That's correct.

4 CHMN STAFFORD: Okay. And then let's see.
5 So now C, that comes down, again goes along Grant Road.

6 Now, is it the existing poles between that
7 are west of Stone, along Grant? Or is that between Stone
8 and Vine where the new poles are up on Grant that you'd
9 use?

10 MR. BRYNER: The new poles are between
11 Stone and Park.

12 CHMN STAFFORD: Okay. So then for that
13 one, again, it's not in a Gateway Corridor, but the cost
14 for that one increased significantly because I'm assuming
15 in addition to Park Avenue you have to -- you'd have to
16 put them underground on Park, Speedway and Stone Avenue?

17 MR. BRYNER: Let me just look at my data
18 here really fast. So that was -- that was not for
19 undergrounding on Stone. We assumed that Stone was
20 outside of the University Area Plan.

21 CHMN STAFFORD: Okay.

22 MR. BRYNER: But we did -- we did assume
23 that on Speedway, up Park, down Adams and into Vine was
24 all in the University Area Plan.

25 CHMN STAFFORD: Okay. Now, Ring Road,

1 where does Ring begin and Elm begin, because I couldn't
2 tell by looking at it exactly what was what.

3 MR. BRYNER: I'm not exact, but I call it
4 at Campbell. It's Elm to the east. It's Ring Road to
5 the west.

6 CHMN STAFFORD: Of Campbell?

7 MR. BRYNER: Of Campbell.

8 CHMN STAFFORD: Because I'd swear I saw a
9 street sign that had a crossroad between Ring and Elm
10 that was east of Campbell.

11 MR. BRYNER: East -- oh, well, so there
12 is -- so east of Campbell when we were on Tucson --
13 actually no, we weren't -- we never drove there. So Elm
14 does exist.

15 CHMN STAFFORD: West of Campbell, excuse
16 me, no, it's --

17 MR. BRYNER: And Elm exists -- I'm talking
18 over you.

19 CHMN STAFFORD: Because if you look -- if
20 you look at the -- I'm looking at Slide 9 of Banner's
21 Exhibit 2, if you look -- can you pull that up on the
22 right real quick? I guess either one, I guess the left
23 would be fine because we're not going to talk about
24 numbers while we're looking at --

25 MR. BRYNER: I'd definitely defer to

1 Banner's knowledge of the roads around the hospital.

2 MS. DE BLASI: Mr. Chairman, I can answer
3 that if you'd like me to.

4 CHMN STAFFORD: Great. If they can pull
5 the slide up so we can point to it. I think it's Slide 9
6 of Banner 2.

7 MS. DE BLASI: Correct.

8 CHMN STAFFORD: It's the presentation.

9 MEMBER SOMERS: Mr. Chairman.

10 CHMN STAFFORD: Yes, Member Somers.

11 MEMBER SOMERS: Okay. I just wanted to
12 make sure, I'm seeing a map and I'm hearing some
13 whispering.

14 CHMN STAFFORD: Yeah, we're getting the
15 slide queued up so we can talk about it.

16 MEMBER SOMERS: So, okay. I just wanted to
17 make sure -- thank you, sir.

18 CHMN STAFFORD: Certainly. All right.
19 Now, you see the where it says "Storm water detention,"
20 the red arrow that points to that area. That
21 intersection to the left of that, I seem to recall
22 there's a sign that says that's an intersection of Elm
23 and Ring Road. So I'm --

24 MS. DE BLASI: Mr. Chairman, I can clarify
25 if that helps.

1 CHMN STAFFORD: Yes.

2 MS. DE BLASI: I don't have the pointer so
3 Mr. Bryner, if you can maybe ventriloquist for me.

4 So you see to the right, and Mr. Barkenbush
5 testified to this during his direct, just sort of
6 orienting the Committee. But to the right running along
7 parallel to the picture is Campbell Road.

8 CHMN STAFFORD: Right.

9 MS. DE BLASI: And to the other side of
10 that road my understanding is that is where the Elm
11 alignment is. To the west, where the pointer is, where
12 Mr. Bryner's pointer is right now, that is Ring Road
13 because it's a Ring that goes around the campus. And it
14 is a privately owned road by Banner.

15 CHMN STAFFORD: So where does Ring Road end
16 and Elm begin?

17 MS. DE BLASI: I believe the Ring picks up
18 right there to the west of Campbell, and I believe Elm is
19 on the other side of Campbell to the east. And to the
20 west of the medical center.

21 CHMN STAFFORD: So, okay. So there's
22 actually no Elm to the east -- to the west of Campbell?

23 MS. DE BLASI: That's my understanding.
24 And what you see on that photograph there is a private
25 road called Ring Road that is on the Banner campus.

1 CHMN STAFFORD: Okay. All right. And now,
2 so the City doesn't have any franchise or rights to
3 occupy space along that road; correct, Mr. Bryner?

4 MR. BRYNER: That's correct.

5 CHMN STAFFORD: All right. I believe it
6 was testified that if the line were to go on that route,
7 then it would have to be condemned.

8 MR. BRYNER: I think that's the position of
9 Banner, but I can let them speak for themselves.

10 CHMN STAFFORD: Right. That's what they
11 said. I specifically recall that. Confirming that's
12 your recollection as well.

13 MR. BRYNER: That's correct.

14 CHMN STAFFORD: Okay. And so those costs
15 are not reflected in the costs here for routes 1 or D;
16 correct? Or Route 6.

17 MR. BRYNER: Are you asking if condemnation
18 costs --

19 CHMN STAFFORD: I'm confirming that they're
20 not, because my assumption is they are not. I'm just
21 making sure that my understanding is correct.

22 MR. BRYNER: That's correct. And the same
23 holds true throughout, we just placed in the fair market
24 value to secure that right-of-way. No legal fees to go
25 through condemnation.

1 CHMN STAFFORD: Right. Okay.

2 MEMBER KRYDER: Mr. Chairman.

3 CHMN STAFFORD: Yes, Member Kryder.

4 MEMBER KRYDER: Was not the proposed route
5 for D where it comes from -- from Campbell going west,
6 not on Ring Road but on the city street to the north
7 whose name I don't remember?

8 CHMN STAFFORD: Lester. That is Lester
9 Street. That was -- you're kind of segueing to my next
10 set of questions, Member Kryder.

11 MEMBER KRYDER: Okay. I'll stop, then.
12 And you go ahead, Mr. Chairman.

13 CHMN STAFFORD: Thank you. Thank you.

14 So I recall that the original right-of-way,
15 the corridor request was quite broad and it actually did
16 include Lester to the north.

17 MR. BRYNER: Yes, that's correct.

18 CHMN STAFFORD: Okay. So for Route 1 or
19 Route D, Lester would be a potential route; correct?

20 MR. BRYNER: So if Route 1 or D or 6 were
21 on the table, then we would focus our 100-foot-wide
22 corridor width that we'd request on Lester as opposed to
23 Ring based on the testimony we've heard.

24 CHMN STAFFORD: I seem to recall that
25 between Lester and somewhere west of Campbell, and there

1 is -- there's like a retention area there. It's not
2 the -- it's not that storm water detention area. It's
3 north of that. It doesn't look like it's reflected in
4 this picture. Because I can't even see Lester Street
5 here.

6 MR. BRYNER: It's in this area right here.
7 And Lester Street is just north of it.

8 CHMN STAFFORD: Right. Right. Let's go
9 back, let's get rid of the -- I think we don't need the
10 aerial map of the Banner Health anymore. Let's go back
11 to the other map.

12 So Lester is just above that, and that's a
13 residential street and that's -- my recollection it's
14 pretty narrow.

15 MR. BRYNER: That's correct. It would be a
16 similar width to the other residential streets in the
17 area.

18 CHMN STAFFORD: Now, the corridor I think
19 you originally proposed was broad enough to -- there's
20 that space area between Campbell, and then it goes, I
21 forget how many hundred yards, maybe. And then you have
22 another -- then you have houses and then you have a --
23 and in between Ring and Lester there's another Park area,
24 it's a water retention place that has a path going
25 through it.

1 Is -- are those potential sites for a line
2 as well? I mean, there's -- there's kind of two areas,
3 there's an area to the west, another one to the east. I
4 think it's a house somewhere in the middle. Is there --
5 are those potential sites for the poles for the line?

6 MR. BRYNER: So as, again, as the utility,
7 not the property owner, our thoughts were asking for that
8 corridor between Lester and Ring, so that we could place
9 them, again, on either road or potentially in that green
10 space. I believe Banner calls it the North Green.

11 Through that area, because you're only
12 going to have a couple of poles between that area and the
13 substation, and so you could -- you could put those
14 poles, you know, either in some -- the retention basin
15 isn't continuous throughout there. There are some upland
16 areas, placing those poles on those areas.

17 CHMN STAFFORD: But you've have to
18 eventually put some on Lester Street or Avenue, whatever
19 it is, Lester, to get all the way up to Vine.

20 MR. BRYNER: So eventually you'd have to go
21 to work your way down to Ring because the entryway into
22 Vine would be on the Ring Road alignment as opposed to
23 the Lester Road -- Lester Street alignment. But you
24 could locate on either one of them and cut over.

25 CHMN STAFFORD: Okay. And then, again, any

1 location on Ring Road is going to have additional costs.

2 MR. BRYNER: Correct.

3 CHMN STAFFORD: Not reflected in the
4 estimates in Exhibit TEP-31.

5 MEMBER KRYDER: Specifically what --
6 Mr. Chairman, what extras are you talking about?

7 CHMN STAFFORD: Condemnation. Because if
8 any of the routes that would have to traverse Ring Road,
9 that Banner Health has indicated that it is -- would not
10 cooperate with putting the line there, the utility would
11 be forced to seek condemnation to put -- to locate the
12 line there which would result in additional costs and
13 delays.

14 MEMBER KRYDER: Okay.

15 CHMN STAFFORD: And those costs are not
16 reflected on slide -- I guess it's the first slide -- or
17 the -- yeah, second slide. The second slide of TEP-31.
18 And these are the numbers that include -- this is the
19 apples-to-apples comparison, Slide 31, that has the costs
20 of what you proposed including the undergrounding of the
21 relevant distribution systems with the placement of the
22 transmission line. Correct?

23 MR. BRYNER: Yes.

24 CHMN STAFFORD: Okay.

25 MEMBER LITTLE: Mr. Chairman.

1 CHMN STAFFORD: Yes, Member Little.

2 MEMBER LITTLE: Do we have any KOPs that
3 show that particular area? I was looking through what I
4 have and you guys know the KOPs better than I do, along
5 Ring or Lester?

6 MR. BRYNER: Yes, we've got two. Let me
7 tell you what those numbers are.

8 MS. DE BLASI: Mr. Chair.

9 CHMN STAFFORD: Yes, Ms. De Blasi.

10 MS. DE BLASI: Can I just add also a
11 suggestion, there's a -- we didn't use it because we were
12 trying to limit the number of things that TEP had to put
13 up on the screen, but there is a shot that TEP
14 includes -- it's -- I believe, Mr. Bryner, it's a page
15 before your KOP number 29 that shows the actual viewshed
16 from an overhead of the KOP 29. I think it's like a page
17 before that in the application. I think it was 757.

18 MR. BRYNER: Showing the location of the
19 key observation point.

20 MS. DE BLASI: Exactly. That might be
21 helpful to the Committee if you're asking about that,
22 Member Little.

23 MEMBER LITTLE: Thank you.

24 MR. BRYNER: And we do have three KOPs in
25 that vicinity, 27, 28, and 29. And they also have

1 that -- roughly that same index map. If anybody wanted
2 to see them, we could pull them up on the screen.

3 MEMBER KRYDER: Yes, would you, please?

4 MR. BRYNER: I think 28's probably the --
5 hold on. Let me look at it before I say something I
6 shouldn't.

7 MEMBER LITTLE: As an aside, you guys
8 should see my office. I've got stuff spread out all over
9 the place.

10 MS. HILL: Member Little, you should see
11 ours.

12 MEMBER HILL: And the Chairman's, he's got
13 three seats behind him with binders posted on them, so.

14 MR. BRYNER: Grace, could we go to page 753
15 of the application. And if you could make the bottom
16 part of the page as large as you can.

17 So this is going to be a key observation
18 point 28, which is looking across the North Green between
19 Ring Roads -- Ring and Lester.

20 CHMN STAFFORD: So Lester is to the right
21 in this picture?

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

23 CHMN STAFFORD: And this looks like this
24 line is a line off of -- looks it's between Ring and --
25 it sits between Ring and Lester. Is that --

1 MR. BRYNER: So we actually put the line in
2 the simulation within the road right-of-way of Lester, so
3 it's fully on that road.

4 CHMN STAFFORD: Okay. And then what you're
5 probably seeing in the -- at the pole -- let's see if --
6 maybe this doesn't work on PDFs.

7 The farthest left pole you're seeing,
8 that's sort of that cut over from Lester down to Ring so
9 that we can drop into the substation. Okay.

10 MEMBER KRYDER: And would there be land
11 that needed to be condemned or right-of-way that needed
12 to be condemned there, Clark?

13 MR. BRYNER: I can't speak for Banner, but
14 I think that's past the area of their concern.

15 MEMBER KRYDER: Okay. I was trying to
16 address the comment that the Chairman made a moment ago
17 of additional potential cost here, using alternative D
18 coming down Lester Road off Campbell, and then swinging
19 down through, I believe this is called north retaining
20 pool or whatever that's called.

21 Is there going to be, using this potential
22 path, land that TEP would have to condemn or would have
23 to get agreement with Banner?

24 MR. BRYNER: We would certainly need to get
25 agreement with Banner.

1 As to the question of condemnation, I don't
2 know. We could even face that -- we could face that on
3 any route where we need to get private easement.

4 MEMBER KRYDER: Okay. Thank you.

5 CHMN STAFFORD: All right. Are we done
6 looking at the KOPs?

7 MEMBER LITTLE: Yes. Thank you.

8 CHMN STAFFORD: Okay. Wasn't there -- was
9 there an aerial shot that I believe Ms. De Blasi
10 mentioned?

11 MR. BRYNER: Can you go to the page before,
12 Grace. If you can zoom in on the -- maybe it's the -- if
13 you can zoom in on that lower map. I don't know if
14 Ms. De Blasi wanted to explain something here.

15 MS. DE BLASI: I was going to say there's
16 an additional one that's from 29. I don't know,
17 Mr. Bryner, if you're planning to go through all three,
18 but it might be helpful to the Committee.

19 MR. BRYNER: If you all would like -- I
20 think actually Member Kryder had wanted to ask a question
21 about 29.

22 MEMBER KRYDER: Yes. That is correct.
23 Could we get to that one, please?

24 MR. BRYNER: Grace, can you go to -- I
25 think it is going to be page 757 for our weathering steel

1 simulation.

2 MS. DE BLASI: And, Chairman, if I might
3 just for a point of clarification since it's being asked,
4 Banner's testimony was that any siting along Ring Road on
5 the private property would go through a condemnation,
6 because any of these routes impacting that north viewshed
7 would have a significant impact, and so we would -- we
8 would be forced into that condemnation regardless of
9 where it was. And that's litigation.

10 CHMN STAFFORD: Okay. Fair enough.

11 MEMBER KRYDER: Thank you very much,
12 Mr. Chairman. Speaking of the screen in front of us
13 there, I think we all saw this and the testimony that
14 Ms. De Blasi gave a couple of days ago of the pole
15 standing right in view of the cafeteria and some of the
16 high-volume windows in the Banner building.

17 And my question was to you, Clark, would it
18 be possible in this simulation to imagine that pole moved
19 to the right, and it runs left to right, moved clear to
20 the right of that picture, and then an additional pole
21 perhaps put clear to the left of the picture, so that
22 essentially what this view would give us would be
23 pictures of wires rather than of poles.

24 Do I make myself clear as to the question?

25 MR. BRYNER: Yes, Member Kryder. I

1 understand your question. And the simple answer is yes,
2 we can move the poles one way or the other. But the more
3 complex question is then that's going to change the view
4 and perspective from somewhere else, so if you have a
5 very specific view you're trying somebody, somebodies, is
6 trying to protect, then we can move the poles around to
7 ensure that view is protected.

8 But one way or another there will be a view
9 that is changed.

10 MEMBER KRYDER: Could you tell me
11 approximate distance from that pole as simulated there
12 over to Campbell? Is this -- I understood the poles were
13 going to be somewhere in the six to 800 feet. Did I have
14 that right?

15 MR. BRYNER: That's correct.

16 MEMBER KRYDER: Okay. So if we went to the
17 right from that pole that's there six to 800 feet, would
18 that take us out to Campbell?

19 MR. BRYNER: Just making a rough guess, but
20 I would say probably. It looks -- it looks like it might
21 be a little shorter span there, and I'm not sure what's
22 going into that.

23 MEMBER KRYDER: Okay. So if it could be
24 moved over close to -- I'm not sure -- adjacent to
25 Campbell and come across Lester, and then as you said

1 somebody's view gets to see a pole.

2 But if this is the view, it's a magnificent
3 one of the mountains there, from the second, third or
4 fourth floor of the Banner facility, this came off of the
5 parking lot as I recall the testimony, but from the
6 facility, what -- nobody is going to be on the parking
7 lot and get cranky about this, I hope. It would be more
8 the people on the second, third and fourth floor of the
9 facility.

10 What would that look like? Do we have any
11 idea? Would they still be seeing -- perhaps,
12 Ms. De Blasi, you can help me with this.

13 MS. DE BLASI: Mr. Chair, if we might see
14 applicant page 756, I think that will help Member
15 Kryder's question. Because that's -- yeah. So that's
16 showing -- well, I'll let Mr. Bryner explain what it's
17 showing.

18 MEMBER KRYDER: Looking at this, then, if
19 that pole on the right-hand vector from the observation
20 point was moved clear to the right on Campbell virtually,
21 and I don't know what 600 feet from there would be, but
22 does that clear out the view of the poles from the
23 second, third, or fourth floor of the Banner facility?
24 Or does it not?

25 MR. BRYNER: I think we would have a hard

1 time avoiding any pole being in that viewscape. We could
2 move things a bit, but I think we would have a hard time
3 removing anything.

4 MEMBER KRYDER: Okay. Thank you.

5 That's -- so the short version is you can move it one
6 way, you can move it the other way, but somebody gets to
7 look at it.

8 MR. BRYNER: I think that's about it.

9 MEMBER KRYDER: Okay. Thank you very much.

10 CHMN STAFFORD: We can go back to the map
11 on the left screen.

12 And Mr. Bryner, looking back at TEP-31, it
13 says, "Assumes the City of Tucson will grant special
14 exception for building overhead and crossing a Gateway
15 Corridor that overlaps with the University Area Plan."

16 So for that one if you're looking at --
17 there's no -- for routes A, B, and C, they don't -- they
18 don't cross -- they don't run along a Gateway Corridor;
19 correct?

20 MR. BRYNER: That's correct.

21 CHMN STAFFORD: Okay. All right.

22 MEMBER RICHINS: Chairman?

23 CHMN STAFFORD: Hang on a second.

24 But then the next column over it says,
25 Total cost to undergrounding Gateway Corridor in

1 University Area Plan. That's the marginal cost there
2 between, say, looking, for example, A, the 7603817
3 compared to the 19826068. That cost difference is the
4 undergrounding costs related to the University Area Plan
5 alone; correct?

6 MR. BRYNER: That's correct.

7 CHMN STAFFORD: Because that number assumes
8 that you -- is it the same thing as in the prior column
9 that you're getting a special exception for any Gateway
10 Corridor crossing; right?

11 MR. BRYNER: Correct.

12 CHMN STAFFORD: They don't have a Gateway
13 Corridor crossing.

14 MR. BRYNER: A, B and C do all have a
15 Gateway Corridor crossing at Oracle.

16 CHMN STAFFORD: Oracle. Okay. And where's
17 Oracle?

18 MR. BRYNER: It's --

19 CHMN STAFFORD: Can you pull up the map
20 that has the Gateway Corridors on it? I think that would
21 be the most helpful.

22 MEMBER RICHINS: Chairman, I just wanted to
23 confirm that the A and 4 in the last column, and the 1
24 are correlated with each other, because it says, the
25 footnote is 1, assumes the City of Tucson. The only

1 other place I see a footnote is the A next to the 52
2 million number. Is that supposed to be referring to each
3 other?

4 MR. BRYNER: So, yes. So the one area as
5 we're having the conversation earlier, the real concern
6 that we have on our perpendicular crossings is on the
7 preferred route on Euclid where it crosses Broadway.
8 Which Broadway is a Gateway Corridor and so that's
9 assuming that we would be granted that special exception.

10 MEMBER RICHINS: No, that's fine. I just
11 wanted to have footnote correlation, the A and the 1 were
12 referring to the same thing in that spreadsheet, because
13 I don't see an A as a footnote and I don't see a 1 as a
14 notation.

15 MR. BRYNER: Member Richins, if you go to
16 the prior sheet it actually has it correct. I think on
17 this sheet it's a typo.

18 MEMBER RICHINS: Okay. I just need, I just
19 want to make sure we're all on the same --

20 MR. JOCHAM: Confirmed.

21 CHMN STAFFORD: If you look at the prior
22 page, it has the A there, but on this page it has 1 for
23 some reason.

24 MR. BRYNER: Initially I used a 1, and then
25 I was like, that 1 doesn't really fit in well with the

1 number, I should use an alphabetical denoter, so thanks
2 for pointing that out.

3 CHMN STAFFORD: Okay. All right. There
4 you go. So we're at the Gateway Corridor Zones now.

5 So it looks like the big cost driver,
6 because you're assuming that you'll be able to get the
7 special exception to cross the Gateway Corridor, but the
8 big cost driver for the undergrounding is the University
9 Area Plan; correct?

10 MR. BRYNER: Sorry. Which route are we
11 talking about right now?

12 CHMN STAFFORD: A, B and C.

13 MR. BRYNER: Yes.

14 CHMN STAFFORD: Because you're assuming
15 you'll get the special exception. That's what the
16 footnote tells us for all those routes; correct?

17 MR. BRYNER: Correct.

18 MS. GRABEL: Well, Mr. Bryner, if I may
19 step in, Mr. Chairman, this is where that's not
20 necessarily true, because of the finding of fact that I
21 mentioned earlier that would need to be made, and
22 that's -- is this for B?

23 MR. BRYNER: A, B and C.

24 MS. GRABEL: Okay. Sorry. I'll step in --
25 that's actually for 4 that I'm talking about, so

1 continue, Mr. Bryner.

2 CHMN STAFFORD: You almost got me confused.

3 MS. GRABEL: Sorry about that. Yeah.

4 CHMN STAFFORD: Right. So I'm just -- one
5 of the things that I'm looking at too, I think, let me
6 see, which D is -- now, D you also have -- you have
7 additional cost for the Gateway Corridor because it would
8 run parallel to Campbell Road.

9 MR. BRYNER: Yes, that is correct.

10 CHMN STAFFORD: Okay. So that's why
11 that -- but it has, I guess it's implicated less by the
12 University Area Plan.

13 MR. BRYNER: So it's -- I'd say it's about
14 the same. It's about a half a mile that's Gateway and
15 University Area Plan, and about a half a mile that's just
16 University Area Plan.

17 CHMN STAFFORD: Okay. Because I'm looking
18 at the numbers, the biggest cost difference I'm looking
19 is between, you know, if they have to underground due to
20 the University Area Plan is between C and D. It's a
21 significant -- well, I guess it's between A and C.

22 MR. BRYNER: Correct. So it's less than A,
23 B and C due to just the University Area Plan. Those ones
24 travel a greater distance.

25 CHMN STAFFORD: Okay. And C because it's

1 got the -- because you've got -- wait. Right. Because C
2 has got, because Stone -- no, Stone wouldn't be -- but it
3 would be, because you have Speedway, Adams, and Park for
4 C. Correct? That's why it's got the most cost.

5 MR. BRYNER: Correct, yeah. We have, for C
6 it has 1.8 miles that would be underground, whereas D has
7 .8 miles. And that's assuming University Area Plan and
8 gateway.

9 CHMN STAFFORD: Okay. And then so -- and
10 then turning our attention now to I think it's Route 2.

11 MEMBER HILL: Mr. Chair, before we leave
12 the numbered routes.

13 CHMN STAFFORD: The lettered routes?

14 MEMBER HILL: Or the lettered routes.
15 Before we go to the numbered routes, that's what I meant
16 to say.

17 So in terms of routes A through D, A and B
18 are the most direct and least expensive routes; is that
19 correct?

20 MR. BRYNER: Correct.

21 MEMBER HILL: Thank you.

22 CHMN STAFFORD: Unless you have to
23 underground pursuant to the University Area Plan.

24 MR. BRYNER: Hold on. Yeah. Sorry. I'm
25 looking at the numbers. B is the second most expensive.

1 A and D are the least expensive.

2 CHMN STAFFORD: If you have to underground
3 due to the University Area Plan. Without, if you get --
4 if, say, the Committee gives you the finding that the
5 University Area Plan is unduly restrictive, and then --
6 and I guess they could do the same thing for the Gateway
7 Corridor for you get the special exception for it, A is
8 the cheapest route and then B is the second cheapest. Or
9 not, A --

10 MR. BRYNER: B would be the cheapest.

11 CHMN STAFFORD: D is -- okay. And then D
12 is, okay. Yes, but then D has a problem because you have
13 to go to the -- you'd have to have the Gateway Corridor
14 also because that one travels along Campbell and you have
15 to go down Ring Road, so D has its own challenges.

16 MR. BRYNER: Sure, and their possible
17 condemnation, or likely.

18 CHMN STAFFORD: All right. Does any other
19 members have questions about the lettered section?

20 Member Little?

21 MEMBER LITTLE: I don't believe so.

22 CHMN STAFFORD: Member Somers?

23 (No response.)

24 CHMN STAFFORD: All right. Looking at the
25 numbered routes. 5 and 6, they have the challenge of

1 having to get permissions from the railroad to run
2 parallel to the tracks; is that correct? Is my
3 recollection of that accurate?

4 MR. BRYNER: Sorry, Chairman. Could you
5 repeat yourself?

6 CHMN STAFFORD: Routes 5 and 6, they
7 present the unique challenge of having to get special
8 permissions from the railroad because of the proximity
9 they run parallel to the tracks. Is my recollection
10 correct?

11 MR. BRYNER: Yes, you're correct.

12 CHMN STAFFORD: Okay. And I seem to recall
13 that they kind of ghosted you. You've been calling and
14 leaving messages and haven't got a response. Is that
15 also accurate?

16 MR. BRYNER: I don't know if they've said
17 ghosted. They said it's going to take a couple years
18 once you submit your application to get a response from
19 us.

20 CHMN STAFFORD: Okay. Well, couple years.
21 I mean, I guess some people consider that ghosting, but I
22 guess if you actually ever respond it's technically not.

23 Two years to wait for a response from the
24 railroad. If you submitted the request today would that
25 allow you to complete the line and energize it in '27

1 which you anticipate needing to have it energized?

2 MR. BRYNER: So we would have to take on
3 the risk to do all the engineering, procure the poles, so
4 that we could hope we would be granted it as we had
5 designed it and everything. So then we could then build
6 them once they granted that. So there would be
7 substantial risk and no guarantee.

8 CHMN STAFFORD: Right. And I guess you
9 wouldn't begin construction at any part of 5 or 6 until
10 you got that permission. Otherwise you could be really
11 wasting money and time then; correct?

12 MR. BRYNER: I don't see why we would, no.
13 Or yes.

14 CHMN STAFFORD: But, however, you could say
15 you could begin construction on the lettered portion
16 because that's going to be -- that would be, I guess it
17 depends which one it is, would be independent of what the
18 numbered section would be; correct?

19 MR. BRYNER: Yes, that's correct.

20 CHMN STAFFORD: Okay. All right.

21 MS. GRABEL: And Mr. Chairman, if I may
22 jump in. Mr. Bryner, isn't it the case we're asking the
23 Committee if they do choose 5 or 6 to also grant an
24 alternative, just in case?

25 MR. BRYNER: That's correct. We don't want

1 to have to come back here and ask you for a different
2 route.

3 CHMN STAFFORD: Right. That whole approach
4 seems problematic, and so the members can make their own
5 decision, but for me, I think routes 5 and 6 are out of
6 consideration, really, just for that fact.

7 I mean, if we're going to -- I think you'll
8 want to pick the route that has the highest chance of
9 success is the primary one, and an alternate one to
10 address some specific issue with the first one.

11 But, yeah, I think I'm inclined to not
12 consider 5 or 6.

13 MEMBER KRYDER: Mr. Chairman.

14 CHMN STAFFORD: Yes, Member Kryder.

15 MEMBER KRYDER: I concur with your
16 analysis.

17 CHMN STAFFORD: All right. And then so
18 it's back to the numbered ones.

19 We have number 1, which is the most direct
20 route. But it also has additional costs imposed by
21 undergrounding for both the Gateway Corridor because it
22 runs along Campbell, and for the University Area Plan.
23 Correct?

24 MR. BRYNER: Correct.

25 CHMN STAFFORD: But absent those

1 requirements, is the cheapest alternative; correct?

2 MR. BRYNER: Correct.

3 CHMN STAFFORD: All right. Now looking at
4 Route 2. Where it exits the Vine Substation, it seems to
5 present a better route because it wouldn't have to deal
6 with Ring Road or the hospital.

7 But I'm assuming that it's the gateway area
8 plan that would require that to be undergrounded for that
9 stretch between Vine Substation and Speedway.

10 MR. BRYNER: The University Area Plan.

11 CHMN STAFFORD: What did I say?

12 MR. BRYNER: Gateway.

13 CHMN STAFFORD: Oh, yeah, yeah. The
14 Gateway Corridor Zone. It's the University Area Plan.

15 All right. I seem to recall there's
16 existing distribution poles in that section.

17 MR. BRYNER: There are existing
18 distribution poles for a section just south of the Vine
19 Substation.

20 CHMN STAFFORD: Are there any other
21 physical constraints that would prohibit using
22 aboveground transmission lines along that section of
23 Route 2 other than the University Area Plan?

24 For example, I know we talked about how APS
25 has a significant amount of lines undergrounded downtown,

1 because there's no place to put an aboveground line
2 because of the height of the buildings and the length of
3 setback from the street, so they're undergrounded.

4 Are those physical requirements present for
5 that section of line 2? Or is the driving force for
6 undergrounding the University Area Plan?

7 MR. BRYNER: The driving force is the
8 University Area Plan.

9 CHMN STAFFORD: So there's no physical
10 reason why they could not be placed aboveground?

11 MR. BRYNER: Based on the buildings that
12 exist today, there is no problem. I'm not sure what the
13 university's future plans are in that area.

14 MEMBER HILL: Mr. Chair.

15 CHMN STAFFORD: Yes, Member Hill.

16 MEMBER HILL: I just have a comment. I
17 think that route -- it's related to Route 1 and 2.
18 Route 1 is definitely the most direct, but based on the
19 superior court finding, I think there's more concern that
20 that would require undergrounding along Campbell.

21 I do think that if we're considering
22 Route 1 that it would be also perhaps prudent to consider
23 adding in the first portion of Route 2 to reduce the
24 frontage on Campbell, is just what I want to suggest.

25 I'm suggesting kind of a hybrid of Route 1

1 and 2 as a possible corridor for consideration. Because
2 we might have more flexibility with the University Area
3 Plan.

4 And it also feels more direct than going
5 back through some of the neighborhoods. So I like trying
6 to stick to kind of more commercial corridors. So I just
7 want to offer that as an opinion.

8 CHMN STAFFORD: Thank you. And then --

9 MS. GRABEL: Chairman Stafford. Member
10 Hill, can you clarify what exactly you mean would be the
11 hybrid portion?

12 MR. BRYNER: I can trace it. I'm following
13 you. Yeah. So we'd go from Kino, follow Route 1 all the
14 way down Campbell. Instead of following past Speedway,
15 we'd turn on Speedway and go up Cherry, Mabel, and then
16 Vine into the Vine Substation.

17 MEMBER HILL: I like avoiding Banner. I
18 like reducing frontage on Campbell. But it still feels
19 more direct than going back through the neighborhoods in
20 that area.

21 CHMN STAFFORD: And it wouldn't have -- you
22 wouldn't have -- and assuming you wouldn't have a
23 collocated 138kV to Vine Substation.

24 MEMBER HILL: On residential neighborhood
25 roads.

1 CHMN STAFFORD: Residential neighborhoods.
2 Or down the middle of Ring Road either.

3 MR. BRYNER: That's correct.

4 CHMN STAFFORD: Okay.

5 MEMBER HILL: It's Cherry Avenue, what --
6 my colleague just asked what street it is. It's Cherry
7 Avenue; correct?

8 MR. BRYNER: Cherry is where we would turn.
9 I lost my pointer. Cherry is where we would turn north
10 off of Speedway.

11 CHMN STAFFORD: Then you take Mabel over to
12 Vine.

13 MR. BRYNER: Correct. Mabel. For just
14 like a couple hundred feet, yeah.

15 CHMN STAFFORD: Right. All right. Thank
16 you.

17 And then, let's see -- yeah, and then
18 Campbell, that's where the distribution lines that are
19 already on Campbell, that's between Broadway and
20 Speedway; correct?

21 MR. BRYNER: Correct.

22 CHMN STAFFORD: All right. But they're not
23 north of Speedway.

24 MR. BRYNER: There are some north of
25 Speedway, but for the most part the entire stretch

1 between Speedway and Broadway has lines.

2 CHMN STAFFORD: I remember seeing at least
3 a dozen of them, I think. So. All right.

4 I haven't had a chance to look at the
5 amended CEC. But I'm going to assume that both the
6 Gateway Corridor and the University Area Plan are the
7 primary regulations, ordinances that you would be asking
8 for the Committee to find that they are unduly
9 burdensome.

10 MS. GRABEL: As well as depending on
11 Mr. Lusk's findings with respect to historic overlay zone
12 if the City takes a position that also requires
13 undergrounding, we'd want a finding to be applied there
14 as well.

15 CHMN STAFFORD: Okay. Because it's in the
16 application, I have it behind me here. But there's a
17 number, I think there's at least four or five different
18 potential neighborhood plans that could be implicated for
19 requiring undergrounding.

20 MS. GRABEL: I think the Sam Hughes
21 Neighborhood Plan is the one that's most at issue with
22 the routes that we have here.

23 Mr. Bryner can clarify that for me. And if
24 there's a specific historic overlay zone, I suppose
25 Mr. Bryner can clarify that as well.

1 CHMN STAFFORD: Before you do, Mr. Bryner,
2 the Sam Hughes neighborhood is east of Campbell; correct?

3 MR. BRYNER: Correct.

4 CHMN STAFFORD: So if we don't take Route 2
5 which goes east of Campbell and down to Tucson, would you
6 even implicate the Sam Hughes neighborhood at all?

7 MR. BRYNER: We would not.

8 MS. GRABEL: That's why we didn't ask for a
9 finding for that neighborhood.

10 CHMN STAFFORD: Okay. Because I think,
11 frankly, Route 2 with going way out of the way over to
12 Tucson and back up just to avoid that stretch of
13 Campbell, I mean, that seems -- seems kind of wasteful to
14 me.

15 So other than that chunk of line 2 from the
16 Vine Substation to Speedway, I'm inclined to not consider
17 the rest of Route 2 either.

18 Just letting the members know where I'm
19 coming from.

20 All right. And then, now, the preferred
21 route. The Gateway Corridor Zone is the biggest, you
22 have to deal with that crossing Broadway. That's the
23 only implication for the Gateway Corridor Zone. Oh, yes,
24 and Kino Parkway into the Kino Substation. There's two
25 crossing of Gateway Corridors; correct?

1 MR. BRYNER: Correct.

2 CHMN STAFFORD: Okay. And so let me look
3 at the numbers here. That's right. You assume that they
4 would be able to get those granted, but then the big
5 implication is the, wow, really, an extra \$40 million.
6 And that is for undergrounding all along Euclid; correct?

7 MR. BRYNER: Yeah, all along Euclid,
8 Speedway, Park, Adams, and Vine.

9 CHMN STAFFORD: Okay. Due to the
10 University Area Plan.

11 MR. BRYNER: Correct.

12 CHMN STAFFORD: Okay.

13 MEMBER RICHINS: Chairman, confirming that
14 that Route 1 idea that my colleague just advanced does
15 not have a railroad negotiation issue associated with it.

16 MR. BRYNER: No railroad negotiation on
17 that.

18 MEMBER RICHINS: Thank you.

19 CHMN STAFFORD: That's just 5 and 6. And 6
20 is the one that goes -- that's got a whole lot of extra
21 length in it, too, to get to -- get to Vine. So that one
22 seems overly long. Yeah, seven -- six miles.

23 Okay. I think my questions are all pretty
24 much based on the assumption of the accuracy in the
25 numbers provided in TEP-31.

1 Member Richins, you had expressed doubts as
2 to the actual cost figures. Now is the time to grill the
3 panel to find out, to drill down on the numbers to see if
4 you -- what your perception of their accuracy is.

5 MEMBER RICHINS: Thank you.

6 MEMBER LITTLE: Mr. Chairman.

7 CHMN STAFFORD: Oh, one second. Member
8 Little.

9 MEMBER LITTLE: Yes, before you go on, I
10 did not hear you address Route 3. Did I just miss it?

11 CHMN STAFFORD: Yeah, I think so. I
12 didn't -- Route 3. Which one is -- let's see. Yeah,
13 that -- I didn't really have any questions about Route 3.
14 You're more than welcome to ask it if you have them.

15 MEMBER LITTLE: No.

16 MR. BRYNER: And Chairman Stafford, one
17 other question that Member Little asked before was about
18 right-of-way, where -- road right-of-way widths, and I
19 actually do have those, so I can give the real numbers.

20 So Park is variable between 58-foot on the
21 low end to 85-foot on the high end.

22 Adams, also variable between 52-foot on the
23 lower end, 55-foot on the high end.

24 And Vine, variable too. 57-foot on the low
25 end, 60-foot on the high end. So those are the -- the

1 real numbers so you can strike my old numbers.

2 MEMBER LITTLE: Thank you.

3 MEMBER HILL: Mr. Bryner, so Vine actually
4 has a wider right-of-way than Adams Street. It doesn't
5 feel like that when you're on those streets, but Vine has
6 more right-of-way?

7 MR. BRYNER: That's correct. I know some
8 roads can be deceiving because you don't know how much of
9 the setback is due to the road and how much is just
10 setback.

11 MEMBER HILL: Okay.

12 CHMN STAFFORD: Okay. All right. Any
13 other questions? Member Richins, did you want to start
14 your line of questioning on the costs, the undergrounding
15 costs?

16 MEMBER RICHINS: No, I just needed to
17 reconcile some of the numbers that Underground Arizona
18 presented in testimony, and then some of the -- because
19 they were in dispute with each other.

20 CHMN STAFFORD: Right.

21 MEMBER RICHINS: And it didn't feel like it
22 ever got fully settled. I mean, I know that outside
23 counsel, you worked to discredit his credibility on any
24 of those issue.

25 He presented some compelling studies and

1 papers that are very interesting and then some other
2 calculated numbers given his experience as a business
3 analyst.

4 I thought his -- his relevant experience
5 was fairly credible and so it just seemed like there was
6 a huge disparity. It wasn't a small, it was like two or
7 three, four times versus 14 to 22. And so could we get
8 closer? You know, is there something that really, you
9 know --

10 MS. GRABEL: And Chairman Stafford, Member
11 Richins, one thing that I talked about with doing with
12 this panel, and I don't know if you want to do it now or
13 after lunch, is kind of ignoring the multipliers, because
14 I agree that that kind of does muddy the waters.

15 And just sticking to hard figures that
16 demonstrate why it costs more to underground transmission
17 versus distribution. And then allowing Mr. Bryner to
18 talk about the length of the -- basically the cost
19 figures in Exhibit 31.

20 CHMN STAFFORD: That's why I focused on 31,
21 because the percentage is -- I didn't consider that to be
22 really meaningful to my analysis. I was looking at
23 bottom line, out-of-pocket expense to get the project
24 installed. And that's what -- that's the number that's
25 going to end up going into the rate base for the -- for

1 the cost of construction new or that's going to get added
2 to the rates at some point.

3 MEMBER RICHINS: Chairman --

4 CHMN STAFFORD: Once you get -- did you
5 guys get a -- one of those adjusters that let you put
6 projects in before, outside of a rate case, or do you
7 still have to do the -- not yet?

8 MS. HILL: Not for TEP. We have one for
9 generation projects for UNS Electric, but we are -- we do
10 not have one for TEP.

11 CHMN STAFFORD: I don't think anyone has
12 one for transmission projects yet, do they? It's all
13 generation, or is APS' more nebulous?

14 MS. HILL: I'm not sure what APS'
15 encompasses. I think it's just generation, but I don't
16 know.

17 CHMN STAFFORD: So transmission has to get
18 rate based the hard way, then.

19 MEMBER RICHINS: So is that -- Chairman, is
20 that then done at the conclusion of the project with
21 actual costs, or is that done with -- okay. Thank you.
22 Thanks for confirming that.

23 MS. HILL: It has to be used and useful.

24 MEMBER KRYDER: Into your microphone a
25 little more.

1 MS. HILL: Oh, I'm sorry. It has to be
2 used and useful before we can put it into rate base. And
3 there are sometimes some arguments if it actually goes
4 into service outside of the test year, there are
5 sometimes some arguments from intervenors about whether
6 we can go ahead and put it into rate base, even though
7 it's outside of the test year, which means we have to
8 wait another three years or two years to put it -- I
9 mean, it's a complicated process, but it has to be in
10 service and actual cost before we can rate base it.

11 MEMBER RICHINS: Understood.

12 CHMN STAFFORD: They'll let -- typically I
13 think they've been doing 12 months, sometimes I think six
14 months, but typically it's 12 months of post test year
15 plant they'll allow into rate base, as long as it's in
16 use by the time the rate case is done.

17 MS. GRABEL: And deemed prudent.

18 CHMN STAFFORD: Right. I remember it came
19 up with your -- with your RICE units in a couple rate
20 cases ago, that the first batch had been constructed and
21 the second one still wasn't done, and they -- I think
22 this is right when COVID happened, and they had to have
23 Staff, they continued the hearing for several months
24 until Staff could go out and confirm that all ten units
25 were up and functional. And they were allowed a post

1 test year plant into rate base.

2 MEMBER RICHINS: Chairman, Ms. Grabel. I
3 think we can narrow that discussion a little bit. I
4 don't think there's any dispute that undergrounding costs
5 more, so I don't think we need to do anything to
6 establish an increased cost.

7 I think it would be helpful to, if probably
8 after we've had a discussion on which line, look at the
9 costs of your estimate and then maybe go to Mr. Dempsey
10 and see, he had some -- some numbers he was throwing out
11 there and so we can compare those, that route, so I don't
12 think we need to belabor whether or not it costs more. I
13 think that's well established. Let's just go right to
14 what's your number, what's your number, and see what we
15 could do to reconcile those.

16 Obviously, TEP has vastly more experience
17 in estimating these costs, although it's been stated in
18 testimony by Mr. Robinson that TEP has not ever
19 undergrounded the 138kV lines. So that's part of the
20 problem here is that I'm getting estimates and you have a
21 company, and I mean, I know you have a reliable
22 consultant, but you've never done it before, so it's like
23 we're really kind of shooting in the dark here.

24 MS. GRABEL: Certainly. So TEP has never
25 done it, but Sargent & Lundy certainly has. And Sargent

1 & Lundy is the entity that was providing cost estimates
2 with real vendor quotes.

3 MEMBER RICHINS: Understood.

4 MS. GRABEL: Okay.

5 CHMN STAFFORD: And I seem to recall that
6 Sargent & Lundy had actual engineering and project
7 supervision experience for undergrounding high-voltage
8 transmission, even though they're not the construction
9 company, they do oversee the engineering and the
10 procurement of materials or something like that.

11 MR. JOCHAM: Correct.

12 CHMN STAFFORD: Okay. Just making sure my
13 recollection's okay. This seems like a great
14 conversation to have after lunch.

15 MR. DEMPSEY: May I make a quick comment?

16 CHMN STAFFORD: Oh, yes, sure, Mr. Dempsey.

17 MR. DEMPSEY: So that's actually why I used
18 actual cost from actual projects.

19 MR. LUSK: Mr. Chair, just briefly, and I
20 don't know if it would be helpful for Member Richins,
21 would the -- once we get to a line would it be helpful to
22 sort of disentangle the undergrounding for the Gateway
23 Corridor versus the University Area Plan?

24 CHMN STAFFORD: It may, but I think the
25 Exhibit 31 that I'm looking at doesn't -- it assumes

1 additional -- zero marginal cost for the Gateway Corridor
2 for most of the routes except -- obviously except for D
3 because it would run parallel, but the ones that just
4 merely cross it, it assumes that they'll get a special
5 exception.

6 MS. GRABEL: With the exception,
7 Mr. Chairman, of Route 4, because there is that finding
8 of fact that has to be paid that the crossing complies
9 with all area plans, which is why the fourth -- fifth
10 column bringing in the cost of the University Area Plan
11 might be sucked into the cost of the Gateway Corridor.

12 CHMN STAFFORD: Okay. Because I'm confused
13 because 4, the total cost of overhead as proposed is the
14 same number as the total cost underground in Gateway
15 Corridor.

16 MS. GRABEL: And then you see the asterisk,
17 and it says, "Assumes City of Tucson will grant special
18 exception for building overhead when crossing a Gateway
19 Corridor that overlaps with the University Area Plan."

20 If it doesn't, because a finding of fact
21 needs to be made on that crossing down Euclid, which
22 overlaps with the University Area Plan, if the fact
23 finder determines that the crossing doesn't comply with
24 the University Area Plan because it's not undergrounded,
25 that could bring in the University Area Plan to the

1 entirety of the route. That's our concern and why we're
2 asking for a finding to be made.

3 CHMN STAFFORD: Okay.

4 MR. LUSK: So, and in response that,
5 Chairman, that might be the spot where it might be
6 helpful to talk about what the additional undergrounding
7 cost is for if the special exception wasn't granted.

8 CHMN STAFFORD: Okay. Excellent. Well,
9 that sounds like where we should take up after the lunch
10 break. It has been going for almost 90 minutes, and it's
11 12:25. I know I'm getting hungry, I'm sure everyone else
12 is, so let's take our lunch break and come back around
13 1:30. We stand in recess.

14 (Recess from 12:25 p.m. to 1:33 p.m.)

15 CHMN STAFFORD: All right. Let's go back
16 on the record.

17 I believe the applicant's witness has the
18 answers to Member Mercer's questions about the
19 differences in what it takes to underground distribution
20 compared to transmission.

21 MS. HILL: Yes. Thank you, Chairman
22 Stafford, Member Mercer.

23 So I've asked Mr. Lindsey to describe that
24 for you. And, of course, feel free to just break in
25 during his presentation and ask him additional things.

1 But so I'll just start with a basic
2 question and then try to move it along as quickly as we
3 can. And let us know when you've had it.

4 MEMBER MERCER: I just want to understand
5 the difference between the two.

6 MS. HILL: All right. So, Mr. Lindsey,
7 then, knowing that, could you first describe the basic
8 size differences between what is required for a trench or
9 an opening for distribution versus transmission.

10 MR. LINDSEY: Sure. So starting with
11 distribution, our standard trench for a distribution line
12 is one foot wide. So pretty skinny from that
13 perspective. And bottom of trench we say or the depth of
14 that would be four feet. So the conduit would be placed
15 above that four foot. So we're talking one foot wide,
16 four feet deep.

17 And I kind of want to stand up and do this,
18 but, you know, stepping away from the microphone. So
19 that's a distribution trench. So typically that's what
20 we're looking at installing for this project and standard
21 for within the system, within the field that we -- that
22 we toured.

23 MS. HILL: And, Mr. Lindsey, let me just
24 break in for a second. I have two questions.

25 So, number one, just to clarify, the

1 distribution doesn't require PVC pipe or anything the way
2 the transmission does; correct?

3 MR. LINDSEY: Ms. Hill, it does. So for
4 distribution circuits, we -- our standard is a six-inch
5 conduit. But in the field we're not typically looking at
6 any special backfill or concrete within that trench. So
7 from a construction time frame it's a pretty quick thing
8 to do. It's a small trench to dig, not a lot of special
9 backfill.

10 So as Mr. Jocham has spoken about, when you
11 start to compare that to transmission, there's a bunch of
12 different factors that we start taking into account.

13 So to do that comparison from a dimensional
14 perspective, again, distribution is one foot minimum.
15 What we're talking about for this transmission project is
16 five and a half. So I'm not that big of a person, right?
17 I'm not that big of a guy.

18 So roughly this width is minimum. We could
19 run into some instances where it gets wider for certain
20 reasons. But that's a good comparison going one foot to
21 five and a half for this transmission project.

22 From a depth perspective, again, four foot
23 down to five for the transmission line, there's a couple
24 things that Mr. Jocham talked about that would increase
25 the depth. One, it's additional conduits. So we're

1 going from one conduit to 10. And we're also -- we're
2 also using concrete backfill, engineered backfill.

3 The other big difference I think that's
4 worth noting in this comparison, not just the size of the
5 trench, there's -- when you talk about constructing
6 distribution, there's a lot of flexibility that we have
7 when it comes to placing distribution underground.

8 What I mean by that is when you run into
9 constraints underground that we're concerned about here,
10 we just don't know all the details. We may be able to
11 modify the distribution system pretty easily. Whether
12 that's an easy enough turn to miss, say, sewer or water
13 and other underground utility, or we have the capability
14 to install equipment to make turns or junction cabinets
15 we call them at the surface, we could even look at
16 placing that distribution circuit somewhere else. It
17 just has such a small impact from a footprint perspective
18 when we compare it to the transmission.

19 So when we look at -- and, you know, this
20 comparison we're talking about, when we look at and
21 compare that to transmission, all of these utilities that
22 are underground that we know of in this area are likely
23 going to create some conflict for us, right?

24 So there aren't easy ways to intercept or
25 turn the transmission line underground, so what we'll be

1 looking at is likely moving the other utilities.

2 So two big things to compare, one, just the
3 footprint is much smaller for distribution, and it's also
4 a lot -- we have a lot more flexibility in how we install
5 it, where we put it, how we can connect it. The
6 transmission is point A to point B, and it's big. And so
7 whatever is in its way is probably easier to move, is
8 just a general comparison.

9 MS. HILL: And, Mr. Lindsey, one of the
10 Committee members -- I'm sorry, I can't remember which
11 one -- at one point asked a question about does that
12 distribution trench get bigger or cause problems if the
13 other utilities like the underbuild, like the
14 communications underbuild, or that sort of thing join you
15 in the trench? Could you explain that.

16 MR. LINDSEY: So the answer is yes. I
17 mean, it's going to get bigger to some extent to
18 accommodate additional conduits. But to compare the two,
19 again, which is what we're trying to do here, is the
20 transmission is looking at 10 eight-inch conduits, so a
21 huge footprint compared to our one six-inch for
22 distribution.

23 When you start looking at communications or
24 gas lines or water lines in this area, they're going to
25 be in the same scale of what we're talking about for our

1 distribution system. And it's pretty commonplace for us
2 to collocate those utilities. And so if we are looking
3 at any relocations from an overhead perspective or even
4 conflicts underground, there's a long history of that
5 collocation work that we have with other underground
6 utilities even.

7 From a transmission perspective, this would
8 be such a critical piece of our system and infrastructure
9 that that collocation I don't think is part of our
10 thought process right now. It would need to be its own
11 trench, its own facility.

12 If communications or other utilities are
13 looking at undergrounding in the area for some reason,
14 it's going to be another trench, where it's pretty common
15 for us to collocate like I'm talking about for
16 distribution. It's just a very typical thing that's done
17 compared to -- I mean, it's -- clear, atypical for
18 transmission. We've never buried 138kV. And, again,
19 it's really critical infrastructure.

20 MS. HILL: And, Mr. Lindsey, in fact, would
21 TEP as a matter of course if we had a 138kV underground
22 line allow other utilities in their same trench while the
23 line was energized?

24 Like, so say somebody had to make a repair
25 on their communications line, would we allow somebody to

1 do that while the 138kV was energized for safety reasons?

2 MR. LINDSEY: So, Ms. Hill, I think that's
3 one of the reasons why we'd want those utilities located
4 elsewhere.

5 MS. HILL: Okay. Thank you.

6 And then just as a point, I mean, if you
7 encountered a major issue with the transmission line
8 route -- and we're asking for a fairly narrow corridor
9 here now -- we would have to return to the ACC or this
10 Committee to have a significant adjustment in the route
11 to avoid things; isn't that correct?

12 MR. LINDSEY: So, Ms. Hill, for underground
13 or for overhead?

14 MS. HILL: For, you know, anything really
15 when we're dealing with transmission lines.

16 MR. LINDSEY: That's my understanding,
17 yeah, from an overhead perspective.

18 MS. HILL: From an overhead perspective,
19 right.

20 And then so when it comes to distribution
21 lines, then, our service -- when I -- sorry, I used the
22 first person and it threw me off -- TEP can do the work
23 on the distribution lines; is that correct?

24 MR. LINDSEY: Ms. Hill, that's correct.

25 We typically -- well, almost always will

1 subcontract out what we call the civil work, so the
2 installation of the duct. So the trenching, the
3 installation of the duct, the PVC conduit we're talking
4 about here, that would be subcontracted out.

5 But the design work for the installation
6 would be done in-house. The installation of the
7 distribution network, so the cables, the switches, any
8 sort of junction cabinets, that's all done in-house with
9 standard equipment we have in the warehouse today.

10 So it's nothing special for us. It's
11 really just equipment that we stock and that we design on
12 a regular basis.

13 MS. HILL: Okay. Thank you.

14 Member Mercer, does that answer your
15 questions?

16 MEMBER MERCER: Yes. Thank you.

17 MEMBER GOLD: Mr. Chairman.

18 CHMN STAFFORD: Yes, Member Gold.

19 MEMBER GOLD: I have a question for
20 Mr. Lindsey.

21 I see overhead transmission lines, and when
22 they go to distribution lines, you have transformers.

23 When you do underground transmission lines,
24 where do you put the transformers?

25 MR. LINDSEY: Member Gold, underground

1 distribution lines?

2 MEMBER GOLD: No. Underground transmission
3 lines.

4 If you were to have to go with underground
5 transmission lines, you would have to use transformers to
6 go to the distribution side of it, so where do they go?

7 MR. LINDSEY: So, Member Gold, in that
8 scenario, the transformers would be located in the
9 substations we're talking about here, so Kino Sub, Vine
10 Substation, DeMoss Petrie because that's where we would
11 transform from the transmission voltage, the 138kV we're
12 talking about, to 13.8kV.

13 So along the route you wouldn't have any
14 transformers from a transmission perspective. It's
15 really located at the substations.

16 MEMBER GOLD: Okay. So if you underground
17 transmission lines, none of the quote/unquote power lines
18 or telephone poles are going to have those big barrels
19 that are our transformers?

20 MR. LINDSEY: So, Member Gold,
21 clarification.

22 The distribution that's along these routes
23 would stay overhead, and you're talking about the white
24 we call them pots transformers that's a distribution
25 piece of equipment that would remain.

1 To do a quick comparison, if we were to
2 underground the distribution, not transmission,
3 distribution, we have what we call pad-mounted
4 transformers. So all the green boxes you see around
5 town, when they're new they're green, those are new.

6 MEMBER GOLD: Oh, those --

7 MR. LINDSEY: Yeah. That's -- some of
8 those are transformers and serve the same purpose to
9 transform from the 13.8kV down to whatever typical houses
10 120, 240, so that's the smaller transformers.

11 MEMBER GOLD: So those are the ones that
12 hum?

13 Wait a second. Are they supposed to hum?

14 MR. LINDSEY: There's a -- if -- Member
15 Gold, yeah, there's going to be some noise made from a
16 transformer.

17 The things we're talking about in the field
18 are very small, and you may hear them if you're standing
19 up right next to something, but the sound dissipates very
20 quickly.

21 Within a substation, much larger piece of
22 equipment from a transformer perspective, it's going to
23 make more noise. But, again, a big reason why we build
24 these big fancy block walls around them that helps
25 dissipate the sound. It's going to hum, but we do try to

1 mitigate that.

2 MEMBER GOLD: Okay. Thank you.

3 MEMBER HILL: I have a question.

4 CHMN STAFFORD: Member Hill.

5 MEMBER HILL: Just to follow up on Member
6 Mercer's set of questions.

7 We didn't talk about it in detail
8 yesterday, but I speculated a little bit about some
9 right-of-way things, so I thought maybe this would be
10 time to talk about it because we're talking about the
11 width and depth of underground distribution versus
12 transmission.

13 With the underground of distribution, are
14 you more likely to see that kind of construction in the
15 roadbed along a sidewalk, in a front yard?

16 And then kind of similar question for
17 transmission. Especially in those residential areas
18 where you really maybe only have 80 or 90 feet of road
19 right-of-way how do you engineer that and plan for that
20 and what are kind of your sideboards on how you approach
21 that?

22 MR. LINDSEY: Sure, Member Hill.

23 So it kind of goes back to from a
24 high-level perspective why undergrounding distribution
25 isn't that big of a challenge or concern for us.

1 The footprint, the impact is much smaller,
2 and so the flexibility that we have to make that
3 installation underground is much greater. So just
4 because of the size -- and, like I mentioned earlier,
5 flexibility of where we put it.

6 So on some of these routes we're talking
7 about undergrounding distribution. That doesn't mean we
8 have to put it right below where it's at. It could mean
9 we underground it on the other side of the street, we
10 underground it in another location and make the same
11 distribution connection.

12 So the distribution network is much more
13 vast than the transmission. A lot of different places to
14 make the connections. So from that perspective there's a
15 lot of flexibility where we can put it.

16 I think in this case we would strive to --
17 and I'm going to look at Mr. Bryner, but from a
18 conceptual perspective, we would be putting that
19 distribution in road right-of-way, right? We would not
20 want to be acquiring easement or private land for such a
21 small facility.

22 From a transmission perspective, I know
23 you've got more -- you've spent more time looking at
24 this, but that's another concern. It's huge, right? I'm
25 not exaggerating when I do this, because that's five and

1 a half feet. We say five feet deep, which, you know, if
2 I stood up, I'm just a little bit taller than that. But
3 it could be up to 15 to miss other things, that's the
4 height of this roof, right, or the ceiling.

5 So that is a significant footprint wherever
6 we're talking about, even if it's not in the neighborhood
7 street.

8 So that's another factor in -- or another
9 concern we have of just actually getting this thing done.

10 So I know cost is talked a lot about.
11 Feasibility. We can buy the cable; we can do these
12 things. But when you think about just the concept of
13 putting this type of facility underground, it's
14 tremendous.

15 And so that's a big unknown. I don't think
16 we can give you a clear answer. Our goal is to put it in
17 right-of-way, but that doesn't mean that will happen,
18 right? There could be some private easements that we're
19 going to need to purchase. Because we can't turn on a
20 dime, we can't -- we just don't have much to work with.
21 It's huge, and it's got to go from point A to point B.
22 There's really no breaking that path.

23 MEMBER HILL: Thank you.

24 CHMN STAFFORD: I have a follow-up
25 question.

1 Looking at the routes, it looks like you're
2 going to have to make some 90-degree turns. How do you
3 do that underground?

4 MR. JOCHAM: Yeah, so I'll take that
5 question. This is Mr. Jocham.

6 So you can turn 90 degrees with an
7 underground transmission line, but you're going to do
8 that over a wide radius. These cables can only bend so
9 much, so you're looking at, you know, 30, 50, 60, 70-foot
10 radiuses.

11 So you may start on the far side of an
12 intersection to make a 90-degree turn and end at the
13 outside of the road that you're turning onto. You're not
14 going to be able to -- like Mr. Lindsey stated, you're
15 not going to be able to turn on a dime.

16 So you're going to have to thoughtfully
17 kind of guide that -- that curve. And so you may start
18 in an outside lane and end in an outside lane to
19 accommodate that 90-degree bend.

20 CHMN STAFFORD: All right. Because I'm
21 just looking at the map here. And if you look at Route
22 C, I think you got -- you get several 90-degree turns.
23 For example, the one from Park onto Adams, neither of
24 those streets are particularly wide.

25 Is it even physically capable of making

1 that 90-degree turn --

2 MR. JOCHAM: Yes.

3 CHMN STAFFORD: -- for that street to the
4 other street?

5 MR. JOCHAM: Sorry. Yeah. So you could
6 make that turn. The tighter that you make the radius the
7 more pressure it puts on the sidewall of the cable and
8 the more tension it requires to pull that cable in. And
9 so that would more than likely increase the amount of
10 vaults that you have to put in to make sure that you
11 could effectively install that cable.

12 CHMN STAFFORD: Do you ever have to install
13 a vault to make a turn if it's too tight of a radius you
14 can't --

15 MR. JOCHAM: That is a really good
16 question. At the transmission-line level, I would say I
17 haven't seen that yet. But I have seen us increase the
18 vault -- or narrow the vault distances due to sidewall
19 pressures on cable.

20 CHMN STAFFORD: Okay. All right. Thank
21 you.

22 MEMBER GOLD: Mr. Chairman.

23 CHMN STAFFORD: Yes, Member Gold.

24 MEMBER GOLD: Mr. Jocham, transmission
25 lines that are undergrounded, I have seen them being put

1 in on major streets. I've never seen them being put in
2 on small residential streets, have you?

3 MR. JOCHAM: So S & L has been involved in
4 projects where we've gone down side streets in major
5 urban environments. It just increases the complexity in
6 the sense that you're probably not just restricting
7 access in those areas, but you're probably closing them
8 down entirely.

9 MEMBER GOLD: I was referring to going down
10 a side street and then making a right angle bend. Of
11 course, it's not a sharp right angle. It's a radius as
12 you were saying. I don't think some of those streets are
13 wide enough. There's a reason trucks don't make turns on
14 tiny residential streets.

15 MR. JOCHAM: Down like such as Vine is a
16 good example.

17 MEMBER GOLD: Exactly.

18 MR. JOCHAM: Yeah, it would -- it would add
19 a large amount of complication. That definitely is a
20 detailed engineering problem.

21 I'm not saying that it's completely
22 impossible, but it would definitely add to the
23 complication during the engineering phase to try to limit
24 the amount of disturbance and disruption to the community
25 and not entirely shut down that road. I can't promise

1 that you wouldn't be able to do it.

2 MEMBER GOLD: What I'm saying is I know
3 there's ways to do it.

4 Instead of going horizontal at say a
5 45-degree curve, you could go down vertically as well. I
6 mean, that would mean tremendous of excavation, but it's
7 less expensive than condemning property.

8 MR. JOCHAM: True.

9 MEMBER GOLD: Thank you.

10 MR. DEMPSEY: I have some information if
11 I'm allowed.

12 CHMN STAFFORD: Yes. Mr. Dempsey, please.

13 MR. DEMPSEY: So Mr. Jocham might be able
14 to confirm this, but the Chandler project, the Intel HIP
15 project, goes through neighborhood -- goes through some
16 neighborhoods. And I believe they go some neighborhoods
17 with two duct banks, not just one.

18 MR. JOCHAM: Yeah, that is true. They do
19 go down.

20 But those are honestly larger streets.
21 They have two -- a lane in each direction and a true
22 center turn lane versus something like Vine. But there
23 are --

24 MR. DEMPSEY: There are two, right, two
25 duct banks?

1 MR. JOCHAM: There are -- there's a duct
2 bank for the current design from my understanding and a
3 future, yes.

4 MR. DEMPSEY: Right.

5 MEMBER GOLD: Mr. Chairman.

6 CHMN STAFFORD: Yes.

7 MEMBER GOLD: And in Chandler the streets
8 are much wider --

9 MR. DEMPSEY: Yeah.

10 MEMBER GOLD: -- than they are on Vine.

11 And on Chandler you mentioned two duct
12 banks. Are they vertical one on top of the other or are
13 they side by side?

14 MR. DEMPSEY: I think they're side by side.

15 MEMBER GOLD: Now, why would they put them
16 side by side instead of vertical to take up less space?

17 MR. DEMPSEY: I don't know.

18 Maybe it's harder to go deeper. I don't
19 know.

20 MEMBER GOLD: Would that be heat
21 dissipation?

22 MR. DEMPSEY: Oh, maybe.

23 MR. JOCHAM: I don't know configuration as
24 built. I apologize.

25 MEMBER GOLD: I would just say the

1 footprint of putting them side by side, which Chandler
2 chose, is a much wider footprint than doing it vertically
3 like someone proposed earlier. And if they didn't do it,
4 there's got to be a reason why they didn't do it. I'm
5 just guessing there's a good reason.

6 MR. JOCHAM: Yeah. I'm not sure the final
7 configuration that it is truly side by side, but there
8 are positives and negatives to both options.

9 CHMN STAFFORD: Member Richins, I believe
10 you had some questions to ask about the undergrounding
11 costs.

12 MEMBER RICHINS: I do. So just trying to
13 get -- if we could pull up I think it was 31, Slide 31 of
14 the presentation.

15 And then, Mr. Dempsey, let's use your
16 UAZ-62.

17 MS. GRABEL: Chairman Stafford, Member
18 Richins, I actually do have kind of a direct examination
19 that guides my team through Mr. Dempsey's presentation.
20 I wonder if we could do that, and then you could ask any
21 follow-up questions?

22 CHMN STAFFORD: What's your preference,
23 Member Richins? Did you want to ask --

24 MEMBER RICHINS: She just wants to do all
25 the talking. I have all this great stuff to say.

1 Let's do that. That's okay.

2 MS. GRABEL: I appreciate it. Thank you.

3 So if we could please pull up first, and
4 then we'll get to our Exhibit 31 as well and obviously
5 interrupt at any time.

6 So first we're going to pull up UAZ
7 Exhibit 62, which is Underground Arizona's presentation.
8 And if we could begin on Slide 16.

9 Thank you very much.

10 So, Mr. Jocham, I'm going to direct these
11 initial questions at you.

12 So were you here yesterday during
13 Mr. Dempsey's testimony regarding this slide?

14 MR. JOCHAM: I was.

15 MS. GRABEL: And Mr. Dempsey testified
16 regarding the cost of construction per mile using
17 Route 1, correct, which is the numbers highlighted in
18 green?

19 MR. JOCHAM: Correct.

20 MS. GRABEL: Now, that is not our preferred
21 route; correct?

22 MR. JOCHAM: Correct.

23 MS. GRABEL: But we'll look at that route
24 because it's the analysis that Mr. Dempsey performed.

25 So he estimated total cost of \$11.8 million

1 to construct the line aboveground; is that correct?

2 MR. JOCHAM: Correct. That matches the
3 place.

4 MS. GRABEL: Okay. So that's where he got
5 that figure is the place number?

6 MR. JOCHAM: Correct.

7 MS. GRABEL: And what was included?

8 What costs were included in the figure on
9 the place to reach that \$11.8 million?

10 MR. JOCHAM: Yeah. So that \$11.8 million
11 includes the installation of the new overhead
12 transmission line at 138kV, the relocation of
13 distribution underground where applicable, and the
14 right-of-way costs.

15 MS. GRABEL: Okay. Thank you.

16 And he then includes a route length of
17 2.9 miles; is that correct?

18 MR. JOCHAM: That is correct.

19 MS. GRABEL: Is that the correct distance
20 for Route 1?

21 MR. JOCHAM: That is not. It is a typo.

22 MS. GRABEL: Okay. And if you look at your
23 placemats, the correct distance is 4.1 miles; is that
24 correct?

25 MR. JOCHAM: Correct. I'll refer to

1 Mr. Bryner to clarify that, but I believe that's correct.

2 MR. BRYNER: If I could just explain --
3 sorry.

4 MEMBER RICHINS: Yeah. I just -- my
5 understanding in testimony was that was the underground
6 portion of that route from Campbell north.

7 MS. GRABEL: This is the TEP overhead cost.

8 MEMBER RICHINS: Okay.

9 MR. BRYNER: Yeah. So Mr. -- oh, sorry.
10 So Mr. Dempsey clearly he took these costs,
11 these estimates from our presentation TEP Exhibit 8 from
12 page -- or Slide 201 on that where we did reflect a route
13 length of 2.9 miles for Route 1. But that was -- as
14 Mr. Jocham pointed out, that was a typo on our part. The
15 place has it correct at 4.1 miles, the application has it
16 correct at 4.1 miles. It's physically impossible to --
17 if you draw a straight line between Kino and Vine, it's
18 going to be further than 2.9.

19 4.1 miles is the correct distance, and we
20 just -- we made a mistake -- I made a mistake on that
21 slide.

22 MS. GRABEL: So what is the correct cost
23 per mile for Route 1 when the right-of-ways and
24 undergrounding existing distribution facilities is used
25 with the 4.1-mile route length?

1 MR. JOCHAM: It's approximately
2 \$2.9 million per mile.

3 MS. GRABEL: Okay. And if you can turn to
4 the next slide, slide 17.

5 So here we're talking about the underground
6 cost estimates that Mr. Dempsey used in his analysis;
7 correct?

8 MR. JOCHAM: Yes. Columns do have the
9 underground cost estimate.

10 MS. GRABEL: Okay. And he begins with the
11 base cost per mile in revision zero of Sargent & Lundy's
12 report that was published in February 2020.

13 Is that figure an accurate figure to use to
14 determine the costs today?

15 MR. JOCHAM: No. It is not.

16 MS. GRABEL: And why not?

17 MR. JOCHAM: There's multiple reasons.

18 I think the largest reason is, as I
19 identified in my previous testimony, this original rev 0
20 was -- no CYMCAP runs were performed, so it was using an
21 idealized cable ampacity, which is not capable for this
22 project.

23 So that's a single 6,000-kcmil cable per
24 phase based off of the ideal cable capacity provided by
25 the vendor. After running CYMCAP models and doing some

1 preliminary engineering that's when we determined that
2 two cables per phase were needed.

3 In addition, as I previously testified, the
4 copper costs and subsequently the cable cost for
5 underground transmission has done -- the copper cost has
6 gone from 2.2 million -- or \$2.2 per foot to over \$4.2
7 per foot increasing the cable costs from \$120 a foot to
8 \$245 a foot.

9 And then in addition to that as prior also
10 general inflation costs of 21 percent since that date.

11 MS. GRABEL: Thank you. And to get the
12 next plot on Mr. Dempsey's linear trend line, he goes to
13 a different figure. If you'll advance to Slide 18, he
14 looks at --

15 MEMBER LITTLE: Mr. Chairman.

16 CHMN STAFFORD: Yes, Member Little.

17 MEMBER LITTLE: I'm sorry to interrupt you.

18 But I'm curious if you go down to the
19 revision of Sargent & Lundy estimates for June of '24,
20 the base cost is \$16.85 million per mile and the
21 underground total cost is that -- oh, I see that's times
22 the number of miles. I get it. Never mind.

23 MS. GRABEL: Well, actually, Member Little,
24 you're going to exactly where we're about to get.

25 So we're walking through the figures that

1 Mr. Dempsey used in his analysis. And the second one was
2 a September of 2020 report which resulted in a base cost
3 per mile of \$8.24.

4 Why is that figure appropriate to use for
5 today's purposes?

6 MR. JOCHAM: So it utilizes the same math
7 as rev 0. The difference between rev 0 and rev 1 was to
8 remove the jack and bore costs or the trenchless
9 installation costs through the intersections to show at
10 the time what would have been the Committee for Kino to
11 DMP the lowest installed cost possible.

12 MS. GRABEL: Okay. And all of the same
13 factors with respect to increased cost of the copper, the
14 bigger cables, and inflation, those all apply to rev 1;
15 correct?

16 MR. JOCHAM: Absolutely.

17 MS. GRABEL: Okay. And then he has a line
18 called 8, which is the date of the current Sargent
19 & Lundy report -- if we could advance to Slide 19, Grace,
20 that would be great -- with a base cost per mile of
21 \$17.85.

22 Is that figure contained anywhere in the
23 Sargent & Lundy report?

24 MR. JOCHAM: It is not.

25 MS. GRABEL: Okay. What figure is

1 contained in the Sargent & Lundy report?

2 MR. JOCHAM: The figures identified in 8-1
3 and 8-3 are contained in the Sargent & Lundy report.

4 MS. GRABEL: Okay. So let's take the 16.85
5 base cost per mile.

6 Do you agree that the underground total
7 cost in the Sargent & Lundy report is the \$30.33
8 estimated on the slide?

9 MR. JOCHAM: 30 million --

10 MS. GRABEL: Sorry.

11 MR. JOCHAM: Yeah, yeah. \$30.33 million
12 per mile. Yes. That is accurate to S & L's report.

13 MS. GRABEL: Okay. Thank you.

14 And what costs are included to get to that
15 30 million -- \$30.33 million total project cost?

16 MR. JOCHAM: That is just engineering,
17 procurement of materials and construction costs.

18 MS. GRABEL: All right. Thank you.

19 So do you --

20 MEMBER LITTLE: Mr. Chairman.

21 CHMN STAFFORD: Yes, Member Little.

22 I'm assuming that means the right-of-way
23 costs are not included?

24 MR. JOCHAM: Correct. Right-of-way costs
25 or -- or burying of any existing distribution are not

1 included in that underground cost.

2 CHMN STAFFORD: Okay. Member Little.

3 MEMBER LITTLE: Then what is base cost?

4 MR. JOCHAM: The base cost in Sargent & --
5 or the base cost in this table?

6 MEMBER LITTLE: Uh-huh. What does it not
7 include that the \$30.33 million does include?

8 MR. JOCHAM: So the base cost at
9 16.85 million is a per mile cost. And then if you
10 multiply that by the 1.8 that is where you get
11 30.33 million.

12 MEMBER LITTLE: Okay. So the 30.33 is not
13 million dollars per mile, it's million dollars for the --

14 MR. JOCHAM: Project.

15 MEMBER LITTLE: -- 1.8 miles?

16 MR. JOCHAM: Yes. For the undergrounding.
17 Yes. I apologize if I misspoke.

18 MEMBER LITTLE: Thank you.

19 MS. GRABEL: Thank you. And if you wanted
20 to do an apples-to-apples comparison of what the
21 aboveground construction per mile would be compared to
22 the undergrounding contained in the Sargent & Lundy
23 report, what is the right, excuse me, overhead figure to
24 use?

25 So that is the overhead figure not

1 including right-of-way and the burying the
2 distribution -- existing distribution lines belowground?

3 MR. JOCHAM: Yeah. As TEP has prior
4 testified, that number is \$1.2 million per mile.

5 MS. GRABEL: Okay. So maybe it would
6 help -- do you have the ability to kind of do the math
7 for the Committee so that they can see it to see what the
8 corrections to Mr. Dempsey's exhibit are?

9 MR. JOCHAM: I do.

10 MS. GRABEL: Okay. If you could please do
11 that math for us.

12 Okay. So taking the overhead route -- oh,
13 go ahead.

14 MR. JOCHAM: Okay.

15 MS. GRABEL: Sorry.

16 MR. JOCHAM: All right. So we got it up.

17 I rewrote in Route 1. The 1.8 miles is
18 representative of the Gateway Corridor for Route 1.

19 So if we take -- sorry. I'm kind of
20 stretching myself here. If we take that 1.8 miles and
21 multiply it by the 2 point -- or 1.2 million per mile,
22 we're going to get a total cost of 2.16 million for that
23 1.8 mile section for just the overhead 138kV transmission
24 line, not including -- it does not include right-of-way,
25 it does not include the distribution underground costs.

1 MS. GRABEL: Okay. Thank you.

2 And now if you could please compare that to
3 the underground cost so that we can kind of figure out,
4 kind of reconcile the multiplier differences between
5 Mr. Dempsey's analysis as corrected today versus the
6 Sargent & Lundy analysis.

7 MR. JOCHAM: Sure. So if you take that
8 total cost of the 1.8 miles, which is 30.33 million, and
9 you divide it by the overhead cost, you're going to come
10 out with an approximate 14 times more expensive, a
11 multiplier of 14 which matches the Sargent & Lundy
12 report.

13 MEMBER LITTLE: Mr. Chairman.

14 CHMN STAFFORD: Yes, Member Little.

15 MEMBER LITTLE: I think I would prefer to
16 see a comparison including the underground distribution
17 when -- for the overhead cost of this 1.8 miles because
18 what I -- you know what we've been talking about is what
19 it's going to cost the utility to get from point A to
20 point B, 1.8 miles.

21 And I -- you know, yes, we need to
22 eliminate the right-of-way to be consistent with the --
23 or the right-of-way acquisition costs to be consistent
24 with the underground. But the utility TEP has committed
25 to putting that distribution underground, and so that

1 is -- but in the overhead version but not in the
2 underground version.

3 So in order to compare apples-to-apples, in
4 my opinion, we need to include the underground
5 distribution in that cost.

6 MS. GRABEL: Certainly.

7 CHMN STAFFORD: And, Member Little, I
8 believe that that comparison is what I asked for and what
9 the company provided in TEP-31.

10 MS. GRABEL: And we are just about to turn
11 here.

12 So, Member Little, what we were doing here
13 was reconciling the multiplier differences in response to
14 Member Richins's question.

15 I don't know if Member Richins has any
16 additional questions here before we turn to Exhibit 31.

17 MEMBER RICHINS: This was not where I was
18 headed.

19 So the cost estimates are the cost
20 estimates. I don't think we're disputing the cost
21 estimates.

22 What is most curious is Slide 21 of
23 Underground Arizona where it gives three examples of
24 230kV underground lines in three projects within the last
25 half decade, and it has their actual costs on there.

1 MS. GRABEL: Okay. Let's turn to --

2 MEMBER RICHINS: And the multipliers aren't
3 that, but they're also -- this is a unique project in
4 Tucson, and these are unique projects in their
5 jurisdiction.

6 MS. GRABEL: Certainly.

7 MEMBER RICHINS: So this here when you look
8 at the bottom three, which I'm going to use as probably
9 the most corollary to 69kV. 69kV is distribution.
10 Mr. Lindsey already talked about how distribution is
11 undergrounded much different than transmission, right?

12 So we all know that, you know, Sargent
13 & Lundy's estimates should be consistent in this
14 proceeding and in their report, of course. So I don't
15 think that's -- their estimates are in dispute.

16 But when you look at these numbers, these
17 are what I would like Mr. Dempsey or anybody else to kind
18 of reconcile through because when we look at the -- let's
19 look at the HPFF mitigation phase one.

20 Is that a completed project by APS or not?

21 MR. JOCHAM: May I?

22 MS. GRABEL: It's by SRP. And we'll let
23 Mr. Jocham.

24 MR. JOCHAM: May I?

25 So the APS project I don't think is

1 applicable here. That is definitely not an
2 apples-to-apples.

3 That project is a conductor replacement of
4 an already installed underground transmission line that
5 is over 40 years old.

6 MEMBER RICHINS: Okay.

7 MR. JOCHAM: So it is just a conductor
8 reconductor. They are -- the costs here are to
9 reconductor the line and assess the pipe that it's in,
10 not any pipe replacement if it's determined.

11 MEMBER RICHINS: Okay.

12 MR. DEMPSEY: May I?

13 MEMBER RICHINS: Yeah, I mean --

14 CHMN STAFFORD: Mr. Dempsey.

15 MR. DEMPSEY: This is Mr. Dempsey.

16 So I did not use the -- that's why there's
17 an X. The HPPF mitigation is just there to show it's
18 illustrative. I did not use it in an average.

19 But I would correct Mr. Jocham in that I do
20 not believe the mitigation phase includes the new
21 conductor. I assume we'll see that in the next FERC
22 filing. I think the conductors were only recently
23 installed. So this was -- this -- that line item X is
24 purely mitigation, and it is work that was done in 2023.

25 MEMBER RICHINS: Okay. So then let's look

1 at Intel and Price Road. Again, very unique
2 circumstances compared to what we're doing here.

3 But just trying to get an idea about their
4 costs appear to be, you know, 10 to 13 million.

5 Is that just wildly inaccurate because you
6 have huge rights-of-way down to Intel and not a lot of
7 built infrastructure?

8 MR. JOCHAM: Yeah.

9 MEMBER RICHINS: I'm just trying to get my
10 head around why the numbers are so disparate.

11 MR. JOCHAM: Sure. Yeah. Let me take a
12 crack at what you're looking for.

13 So, I guess, S & L has really no way of
14 validating SRP's numbers. I have no insight to what
15 those numbers are, where they came from other than the
16 final number provided.

17 But the projects aren't apples-to-apples.
18 They're different voltages. They have different cable
19 sizes. There's different quantities of duct. There's
20 different landscape, different terrain, different
21 obstructions.

22 There's -- in these scenarios because they
23 are 230 they're both nonstandard materials, so there is
24 that correlation.

25 But -- and then generally, you know, 2018

1 and 2021 there are some inflation costs to consider in
2 there.

3 MS. GRABEL: And, Mr. Jocham, if I may
4 interject momentarily.

5 This is -- these are figures compiled from
6 the FERC Form 1; correct?

7 MR. JOCHAM: Correct.

8 MS. GRABEL: And the numbers pictured here
9 actually differ from what SRP testified during the
10 hearing was the actual total cost of the project;
11 correct?

12 MR. JOCHAM: Absolutely.

13 MS. GRABEL: And we're looking for the
14 testimony that I believe is TEP Exhibit 34 where Zack
15 Heim walks through the total costs, which was something
16 like \$54 million that SRP contributed, \$30 million that
17 Intel contributed and another 30-some million dollars
18 that the City contributed; is that correct?

19 MR. JOCHAM: Correct.

20 The total project cost identified in those
21 slide decks was \$123 million.

22 CHMN STAFFORD: And what is reported on the
23 FERC form?

24 Is that merely the company's expenditures,
25 or is it total cost of the project?

1 Mr. Dempsey?

2 MR. DEMPSEY: It's the total cost of the
3 project.

4 CHMN STAFFORD: So FERC Form 1 is the total
5 cost?

6 MR. DEMPSEY: These are not from FERC Form
7 1. These are actually built from that testimony that
8 they're apparently going to refer to.

9 And I actually have slides that will walk
10 you through every step when we get there.

11 MEMBER RICHINS: So state again where these
12 numbers came from.

13 MR. DEMPSEY: They came from SRP's
14 testimony before the Line Siting Committee.

15 MEMBER RICHINS: Oh, okay.

16 MR. DEMPSEY: From their presentation as
17 well as their testimony.

18 MEMBER RICHINS: But were those estimates
19 at the time?

20 MR. DEMPSEY: They're the numbers that --

21 CHMN STAFFORD: Well, I would assume so.

22 MEMBER RICHINS: Oh, these are from the
23 line siting proceeding?

24 CHMN STAFFORD: They would have to be
25 estimates because they wouldn't have built the line yet.

1 MR. RICHINS: Yeah.

2 CHMN STAFFORD: Like, if they were numbers
3 before the Line Siting Committee, they would have to be
4 estimates because the line wouldn't exist unless it was
5 an amendment to an existing CEC.

6 MEMBER RICHINS: Yeah, you know, that's
7 exactly right.

8 And that's what I'm trying to find
9 somewhere here where we have a done, completed, built
10 project that is anywhere representative to the estimates
11 that you're providing.

12 And I'll go back. When I was on council,
13 we would do estimates on Park projects or acquiring
14 whatever. And I would ask my staff to go back and review
15 estimates versus, you know, final costs, and usually they
16 were off by a pretty good factor. Sometimes more
17 expensive, not always.

18 So that's just what we're trying to get
19 here is let's find a built project that has gone anywhere
20 close to similar conditions so we can get an
21 understanding of what that might look like.

22 CHMN STAFFORD: Now, the FERC Form 1, those
23 are actual costs, aren't they?

24 MR. DEMPSEY: Yes. The FERC Form 1s, they
25 don't get included unless the project's complete.

1 MS. HILL: May I? I'm sorry. So the --

2 CHMN STAFFORD: Yes, member -- not Member
3 Hill, but Ms. Hill.

4 MS. HILL: So I just want to verify before
5 we take it as the gospel about the numbers that are
6 included into the FERC Form 1 that are paid by third
7 parties. And so if you can -- if we can table that piece
8 of that until I can verify that, hopefully it will take
9 me no more than 10 minutes. I just would like to caution
10 that because FERC Form 1 is kind of a little tricky.

11 CHMN STAFFORD: That's fair enough.

12 MS. HILL: Okay. Thank you.

13 CHMN STAFFORD: Yeah. You can do your own
14 assessment and come back and let us know what you found,
15 but that seems fair.

16 MR. DEMPSEY: May I comment?

17 CHMN STAFFORD: Sure. Mr. Dempsey.

18 MR. DEMPSEY: So this table is not about
19 who paid or didn't pay. It's just about compiling best
20 cost based on publicly available data. So this isn't
21 about who paid.

22 CHMN STAFFORD: Well, I think -- I think
23 the point of contention here is that FERC Form 1, does it
24 reflect to entire cost of the project --

25 MR. DEMPSEY: Yes.

1 CHMN STAFFORD: -- or just the costs
2 incurred by filer of the form?

3 And that's --

4 MR. DEMPSEY: So --

5 CHMN STAFFORD: And we've heard you said
6 includes the whole cost of the project. And now the
7 applicant would like to do its own checking to confirm
8 that that is indeed the case.

9 MR. DEMPSEY: I can prove that as well if
10 we need to.

11 CHMN STAFFORD: And, Member Richins, did
12 you have further questions or are they still or --

13 MR. JOCHAM: May I?

14 CHMN STAFFORD: -- is Mr. Jocham going to
15 provide another answer?

16 MR. JOCHAM: Yeah. May I add?

17 So let's take Price Road for an example
18 here. So Price Road is two circuits, but it is a single
19 cable per phase. So you can consider that.

20 MR. DEMPSEY: That's not correct.

21 MR. JOCHAM: I'm looking at the riser
22 structures currently, and there's only one cable.

23 Now, Intel is two cables per phase.

24 MR. DEMPSEY: Oh, I thought you were
25 talking about Intel. Sorry.

1 MR. JOCHAM: So Price Road is a double
2 circuit line, but it is one cable per phase. So cable
3 quantity-wise the same as our project because we have two
4 cables per phase. So they installed six cables. We're
5 installing six cables.

6 So if you take \$15.8 million and divide it
7 by 1.6 to make it a million dollars per mile, you get
8 \$26 million per mile.

9 CHMN STAFFORD: Which is in line with what
10 your numbers are on TEP-30?

11 MR. JOCHAM: So our numbers in TEP-17
12 are -- are less than that.

13 CHMN STAFFORD: Okay.

14 MR. JOCHAM: We're coming in at -- even
15 with the adders, the spare cable, our numbers per mile
16 for Route 1 as a mile-plus section of line, approximately
17 21.3 or 21.4 million dollars per mile with an installed
18 spare.

19 MR. DEMPSEY: May I comment?

20 CHMN STAFFORD: Yes, Mr. Dempsey.

21 MR. DEMPSEY: So unless you're going to
22 walk through that project, because, I mean, I could do
23 that if you want, I believe you're mistaken.

24 And I don't know what it physically looks
25 like to you in person, but I believe it was a double

1 circuit or whatever we have there.

2 If it's not, then what Zack Heim said in
3 his testimony of 10 to \$15 million per mile was way off,
4 and that doesn't make sense either.

5 So I think you're mistaken. I can look at
6 it again. I have no problem doing that. But --

7 MR. JOCHAM: I'm not disputing that it's a
8 double circuit line. I -- I agree with you it is.

9 MR. DEMPSEY: Okay.

10 MR. JOCHAM: But what you have represented
11 here is correct. It is a double circuit line.

12 MR. DEMPSEY: Okay.

13 MR. JOCHAM: My statement is that double
14 circuit line is using one cable per phase. We are using
15 two cables per phase. Therefore, the cable quantity is
16 approximately the same or it is the same.

17 MR. DEMPSEY: And the Intel project there
18 was a two-cables-per-phase project; right?

19 MR. JOCHAM: Yes. But I --

20 MR. DEMPSEY: Okay.

21 MR. JOCHAM: Again, the numbers -- I can't
22 validate those numbers. I have -- I have not been -- I
23 have -- I am not privy to those numbers.

24 MEMBER GOLD: Mr. Chairman.

25 CHMN STAFFORD: Yes, Member Gold.

1 MEMBER GOLD: I don't know who to address
2 this to. It's either Mr. Jocham or Mr. Dempsey.

3 Can you explain to us laymen the difference
4 with circuits, cables per line, you know, in simple
5 terms?

6 MR. JOCHAM: Sure.

7 MEMBER GOLD: In apples-to-apples just
8 stick to the same what are we doing.

9 MR. JOCHAM: Yeah. Absolutely.

10 So a circuit is three phases of AC current,
11 so an A, a B, and a C phase.

12 So typical overhead lines you see three
13 conductors and a shield wire, right?

14 So the Price Road Corridor project or PRC
15 as SRP calls it is a double circuit line that runs from
16 Knox to Henshaw.

17 MEMBER GOLD: How many wires?

18 MR. JOCHAM: So that totals out to six
19 conductors total.

20 MEMBER GOLD: Okay.

21 MR. JOCHAM: But they are separate
22 circuits.

23 MEMBER GOLD: Okay. What does that mean?

24 MR. JOCHAM: So --

25 MEMBER GOLD: A circuit you said is three

1 lines?

2 MR. JOCHAM: Is three phases.

3 MEMBER GOLD: Are they three lines?

4 MR. JOCHAM: So in this situation, yes.

5 But a phase can have multiple conductors
6 per phase, which is what we're doing due to ampacity
7 reasons.

8 So to get the amount of current to flow
9 down the line that we need, we're running multiple
10 conductors in parallel to get the amount of power to flow
11 down.

12 MEMBER GOLD: Okay. So within the cable
13 you have two lines?

14 MR. JOCHAM: So we -- electrically what
15 happens is at the riser structure you will have a
16 connection to two terminations, and those cables will run
17 in parallel, not -- not twice the size, but in parallel
18 next to each other.

19 Power flows path of least resistance. So
20 it generally flows equal between the two conductors. And
21 then on the other side as it comes back up it will
22 reconnect aboveground.

23 MEMBER GOLD: All the cables that we saw
24 earlier in this presentation had one line in the middle
25 of the underground cable.

1 Are you saying that there are cables that
2 have two lines in them, or are you going to put two
3 cables side by side?

4 MR. JOCHAM: Can you bring up TEP-17,
5 please? And page 23 of TEP-17. Oh, sorry, 24 of the
6 PDF. Thank you. This works. Yep. Perfect. So what
7 I'm -- right is red; right?

8 Okay. So you have three cables, which are
9 let's say A, B, and C. And then you have another three
10 cables, which are A, B, and C. We're asking for two
11 cables per phase to meet the ampacity requirements of
12 this project.

13 And so this cable as A and this cable as A
14 are the same. They run in parallel next to each other.
15 And the same thing with B and B and C and C.

16 And then this would be an installed spare
17 also two cables per phase. So if we ever needed -- if
18 there was ever a reliability or a fault on the line, you
19 could switch to those grayed out positions and utilize
20 that in either -- for any position, A, B or C, once it's
21 energized.

22 MEMBER GOLD: So if I were looking at this
23 at an overhead transmission line, there would be six
24 wires plus a spare on each side?

25 MR. JOCHAM: On the overhead we wouldn't

1 need the spare, but there would be six cables on the
2 structure.

3 MEMBER GOLD: Gotcha.

4 MR. JOCHAM: But they --

5 MEMBER GOLD: Gotcha.

6 MR. JOCHAM: -- on an overhead transmission
7 line they're much closer together. So we would basically
8 combine them on the same insulator, and they would be
9 inches apart from each other.

10 MEMBER GOLD: Gotcha.

11 MR. JOCHAM: So very common on higher
12 voltages. If you see a 345 line -- a good example is
13 TEP's 345 lines I think have three cables per phase -- or
14 just two, sorry, just two cables per phase. 500 lines
15 typically have three to four cables per phase.

16 MEMBER GOLD: Okay. So looking at this, we
17 have three lines, three wires for the three different
18 phases. Plus a spare because it's underground, and if it
19 was on a transmission pole, you would just have the three
20 lines for the three phases?

21 MR. JOCHAM: Correct.

22 MEMBER GOLD: And when they said a double
23 circuit, they mean the same three phases but on six lines
24 with two spares underground?

25 MR. JOCHAM: Correct. Because the circuits

1 don't go to the same transformer.

2 MEMBER GOLD: Gotcha. Okay. I understand
3 now. Thank you.

4 CHMN STAFFORD: Did you have more
5 questions, Member Richins?

6 MEMBER RICHINS: No. I think we're making
7 some good progress seeing, like, projects that actually
8 were, you know, paid for.

9 So I'm feeling a lot more comfortable with
10 the estimates. Thank you.

11 CHMN STAFFORD: All right.

12 MEMBER LITTLE: Mr. Chairman.

13 CHMN STAFFORD: Yes, Member Little.

14 MEMBER LITTLE: It could be that we're
15 headed -- or people that are sitting in the room there
16 are headed in this direction, but I think that a more
17 meaningful ratio comparison would be to use the numbers
18 that are given in TEP-31 for the total cost of the
19 circuits under the three different scenarios: Overhead,
20 underground, assuming that you go underground in the
21 Gateway Corridors, and the third scenario is the total --
22 is the undergrounding Gateway Corridor and University
23 Area Plan.

24 Those ratios I believe are much more
25 meaningful than the cost of undergrounding a mile of --

1 of transmission for our purposes here today.

2 CHMN STAFFORD: Right.

3 And I think 31 doesn't have ratios. It
4 just has total costs for the --

5 MEMBER LITTLE: I know.

6 CHMN STAFFORD: -- circuits or line.

7 MEMBER LITTLE: I can get you those ratios
8 if you want them.

9 CHMN STAFFORD: Yeah. I didn't do the
10 math, but, yeah.

11 Okay. So is that what you want?

12 Do you want to give us those ratios so we
13 have a --

14 MEMBER LITTLE: Well, I would be glad to.

15 And assuming I did my math right, for A,
16 total cost as proposed for overhead to total cost
17 underground in gateway is 1 to 1. The same for B going
18 down the column. And the same for C.

19 For D, the ratio of total cost, assuming
20 you underground in the Gateway Corridor, compared to the
21 total cost of overhead is 2.44 times.

22 MS. GRABEL: So, Mr. Chairman, Member
23 Little, if I may interject momentarily.

24 MEMBER LITTLE: Yes.

25 MS. GRABEL: So the total cost of the

1 project is not undergrounding the entire project. It's
2 only undergrounding the portion of the line that runs
3 through the Gateway Corridor and the University Area
4 Plan.

5 And so, for example, if you look at our
6 preferred route, the delta -- the delta between
7 \$9.5 million constructed belowground -- I mean,
8 aboveground versus \$33.2 million belowground is due to
9 1.19 miles of underground installation.

10 MEMBER LITTLE: I'm aware of that.

11 MS. GRABEL: Okay.

12 MEMBER LITTLE: And that's why I believe
13 that this is a much more reasonable comparison.

14 If you go to the next column where we're
15 comparing the total cost to underground in both the
16 Gateway Corridors and the University Area Plan areas
17 compared to the total cost of overhead, it is 2.6 times.

18 For B, it's 3.5 times.

19 For C it's 4.5 times.

20 And for D, it's 3.1 times.

21 Going down to the numbered routes. And now
22 I was looking at the total cost for undergrounding in
23 both the Gateway and the University Area Plan. It is 4.5
24 times as much as overhead.

25 For 2, it's 4.1 times as much.

1 For 3, it's 4.3 times as much.

2 For 4, it's 4.1 times as much.

3 For 5, it's 4.6 times as much.

4 And for 6, it's 3.1 times as much.

5 And I didn't do the other ones yet.

6 So it kind of gives you a feel for we're
7 not talking about 14 times as much to construct Route A,
8 for example. It's because as Meghan explained, it is --
9 only part of it is undergrounded.

10 CHMN STAFFORD: Right. And the other
11 factors that the total cost as proposed includes the
12 undergrounding of the distribution lines that are
13 present.

14 MEMBER LITTLE: Right. And I believe that
15 from what I understand these are total estimated costs --

16 CHMN STAFFORD: Exactly.

17 MEMBER LITTLE: -- under the three
18 different scenarios of constructing each route.

19 CHMN STAFFORD: Right.

20 And I believe in the line siting statutes
21 that's the most appropriate basis of comparison.

22 MEMBER RICHINS: Mr. Chairman.

23 MEMBER LITTLE: Yes.

24 MEMBER RICHINS: I have a question --

25 CHMN STAFFORD: Certainly.

1 MEMBER RICHINS: -- for Mr. Lusk.

2 Can you confirm that there are portions of
3 this proposal that you will not be requiring to be
4 undergrounded nor require a variance to keep overhead?

5 Sorry. You have somebody. Yeah.

6 I'm going to redo that question. Sorry.

7 MR. LUSK: That's okay. Thank you.

8 MEMBER RICHINS: They were distracting me
9 too.

10 MR. LUSK: Sorry, Member Richins.

11 MEMBER RICHINS: Sure.

12 MR. LUSK: Go ahead.

13 MEMBER RICHINS: I just wanted you to
14 confirm that -- and pick any route, so I think it was the
15 southernmost. Hold on -- I don't know where the actual
16 lines that we draw between is it a speedway?

17 MR. LUSK: For the Gateway Corridor?

18 MEMBER RICHINS: Yeah, the Gateway Corridor
19 and the --

20 MR. LUSK: Sure. So the Gateway Corridor
21 includes there's a crossing at Oracle, at Broadway, and
22 then the Gateway Corridor is Campbell.

23 MEMBER RICHINS: So south of there will you
24 be requiring the applicant to underground power lines, or
25 are they okay doing overhead?

1 MR. LUSK: South of?

2 MEMBER RICHINS: The beginning of the
3 Gateway Corridor.

4 MR. LUSK: So the beginning of the Gateway
5 Corridor on Campbell is down right around where the -- if
6 you see where the railroad lines are.

7 CHMN STAFFORD: There we go.

8 MR. LUSK: Yeah, there you go.

9 CHMN STAFFORD: We've got the map up now.

10 MR. LUSK: Sorry. It's a little bit
11 farther.

12 So the Arroyo Chico is the beginning of the
13 Gateway Corridor on Campbell. It's also on Kino. But
14 the route doesn't go that way.

15 MEMBER RICHINS: So are there -- are any of
16 the routes south of Broadway required to be underground?

17 MR. LUSK: South of Broadway, so only that
18 smallish portion of Route 1. And I guess I don't think 2
19 hits that. Between the Broadway and Arroyo Chico. And
20 then the other routes just cross over at Broadway except
21 for Route 2, which runs along Broadway for a portion.

22 MEMBER RICHINS: Okay. Very good. I had
23 one more question. Oh, I remember. Sorry.

24 The estimates for undergrounding, then, are
25 for everything north of Broadway, right?

1 MR. JOCHAM: So the cost estimate for
2 Route 1 starts at basically 14th and Kino Parkway. So
3 right as we enter this corridor.

4 MEMBER RICHINS: Okay.

5 MR. JOCHAM: So it does include the
6 underground in that section.

7 MEMBER RICHINS: Okay. And then any of the
8 other routes it's north of Broadway?

9 MR. JOCHAM: Correct.

10 MEMBER RICHINS: Okay. With the -- yeah,
11 except for, yeah, 1. Okay. Thanks.

12 MR. JOCHAM: Yeah. 2 includes the
13 underground along Broadway.

14 CHMN STAFFORD: All right. Are there any
15 other questions from members?

16 (No response.)

17 CHMN STAFFORD: I believe we have one more
18 factual issue to resolve. I believe that is the
19 applicant wanted --

20 MEMBER LITTLE: Mr. Chairman.

21 CHMN STAFFORD: Yes, Member Little.

22 MEMBER LITTLE: I'm sorry. I do have some
23 general questions that don't have specifically to do with
24 routes.

25 CHMN STAFFORD: Be my guest.

1 MEMBER LITTLE: Okay.

2 CHMN STAFFORD: Because once we finish the
3 questions here, we're going to move on to closing
4 arguments from the parties. And so --

5 MS. GRABEL: I also have a little bit more
6 testimony I would like to elicit.

7 CHMN STAFFORD: Okay. All right. So we
8 have a little bit more. We're almost to closing
9 arguments.

10 So ask your questions, Member Little,
11 please.

12 MEMBER LITTLE: Okay. We did not talk much
13 about the environmental study, but on page 329 of the
14 application, there's a letter, I believe, from Arizona
15 Game & Fish that says, "Analysis indicates that your
16 project is located in the vicinity of an identified
17 wildlife habitat connectivity feature," which surprises
18 me immensely. I don't know, maybe coyotes.

19 But I'm just wondering -- they make some
20 recommendations or, I guess, they say that the project
21 evaluation program should be consulted for a specific
22 project recommendation.

23 Has anything been done about that, or is
24 it -- I mean, driving through that area, I wouldn't
25 consider anything would necessarily need to be done, but

1 just curious.

2 CHMN STAFFORD: That sounds like a
3 Mr. Bryner question.

4 And I would venture to guess it has
5 something to do with the Arroyo Chico Wash.

6 MR. BRYNER: It's fun to break out the
7 application once in a while.

8 So I -- just to be completely honest, I
9 don't remember reading that before. So I know it wasn't
10 in our biological evaluation anything about that, so I
11 need to research that a little bit.

12 I would surmise as did the Chair it's
13 Arroyo Chico Wash because it's the only possible wildlife
14 connective corridor in the area. But I would like to
15 maybe take a look at it on our break.

16 CHMN STAFFORD: Okay.

17 MEMBER LITTLE: Thank you.

18 CHMN STAFFORD: All right. Then --

19 MEMBER LITTLE: I don't consider it's
20 particularly important, but it was there, so --

21 CHMN STAFFORD: Yes. Thank you. Thank you
22 for bringing our attention to that, Member Little.

23 MEMBER LITTLE: And I'm wondering whether
24 TEP has requested and been granted exceptions and/or
25 variances to the undergrounding requirement on -- I know

1 we talked about that one over in the -- what was it
2 called? -- the -- now I can't remember what it's
3 called -- over on the other side of Interstate 10.

4 MR. LUSK: That was the Silverbell --

5 MEMBER LITTLE: Thank you. Yes.

6 MR. LUSK: -- scenic corridor zone.

7 MEMBER LITTLE: Now I see it.

8 And I'm just wondering whether there are
9 any others, and, if so, what the experience has been in
10 timing, you know, the resolution of those requests?

11 MS. GRABEL: Mr. Bryner, first of all,
12 perhaps clarify that TEP was not the applicant for the
13 Silverbell variance.

14 MR. BRYNER: That's correct. Yeah. For
15 Silverbell, that was -- again, that was the City, not
16 TEP, seeking that variance.

17 There hadn't been the special exception
18 process until recently that was developed, so the
19 variance would have been the only relief that would have
20 been possible. And to our knowledge, we've never sought
21 relief, nor have we ever been placed in a situation where
22 we've been denied the opportunity to build our
23 infrastructure either within a Gateway Corridor or within
24 the University Area Plan.

25 MS. GRABEL: Until this Kino to DMP

1 project, correct, Mr. Bryner?

2 MR. BRYNER: Correct.

3 MS. GRABEL: Thank you.

4 MEMBER LITTLE: Have there been areas
5 where -- I mean, 46kV I know is subtransmission, but have
6 there been areas where TEP has been allowed to build the
7 lines overhead in the areas that -- areas similar to
8 those that are now being considered?

9 MR. BRYNER: So just to clarify, Member
10 Little, are you talking about any areas that are
11 designated as Gateway Corridors --

12 MEMBER LITTLE: Yes. Yes.

13 MR. BRYNER: -- and/or specific plans?

14 MEMBER LITTLE: Yes. Yes. Yep. Gateway
15 Corridors.

16 MR. BRYNER: So within Gateway Corridors
17 there's many instances we've been allowed to build
18 distribution 46kV and 138kV lines within those corridors.

19 MS. GRABEL: And, Mr. Bryner, specifically
20 the Irvington to Kino project line, which is first phase
21 of this process, was allowed to be built aboveground
22 without a special exception or a variance; correct?

23 MR. BRYNER: That's correct for about a
24 half a mile stretch on Benson Highway.

25 And the most recent example would have been

1 our Irvington to -- our Irvington to Patriot project that
2 was constructed just last summer within the Kolb Gateway
3 Corridor.

4 MR. LUSK: Member Little.

5 MEMBER LITTLE: Has there been any
6 discussion about what the differences is with this
7 project?

8 Why all of a sudden the game has changed?

9 MR. BRYNER: Is that a question for me?

10 MR. LUSK: Member Little, maybe I can
11 follow up a little bit to give some clarity.

12 Mr. Bryner, TEP participated in the
13 variance process for Silverbell; isn't that correct?

14 MR. BRYNER: To my knowledge, yes.

15 MR. LUSK: And they presented for the board
16 of adjustment?

17 MR. BRYNER: That I don't know. But I'll
18 take your word for if you're saying that.

19 MR. LUSK: Other than saying I was there,
20 you wouldn't disagree with me, I assume?

21 MR. BRYNER: No.

22 MR. LUSK: Okay. And you were provided
23 that variance as we heard in testimony.

24 The distribution poles that you're
25 describing that have been built in the Gateway Corridor

1 Zone, do you know if there were lines there previously
2 before the Gateway Corridor Zone?

3 MR. BRYNER: I have the records. In some
4 cases, yes, they're replacements. In other cases they're
5 new.

6 MR. LUSK: And do you have the approvals
7 for those new ones?

8 Zoning approvals I mean.

9 MR. BRYNER: I don't have them before me.
10 I'd have to dig in our records.

11 MR. LUSK: Okay. So that question came up
12 yesterday from Mr. Castro, and I tried to research it for
13 the Committee, and I couldn't find any.

14 Would that surprise you?

15 MR. BRYNER: That there were no approvals?

16 MR. LUSK: Zoning approvals.

17 MR. BRYNER: Zoning approvals?

18 So I know our process is we submit a
19 right-of-way use permit, and then we get our approval
20 that way.

21 MR. LUSK: And the right-of-way user permit
22 is submitted to the department of transportation and
23 mobility?

24 MR. BRYNER: That's correct.

25 MR. LUSK: So it's not a zoning approval

1 issued by the planning and development services
2 department?

3 MR. BRYNER: Correct.

4 MR. LUSK: Thank you.

5 MEMBER LITTLE: So I'm still confused about
6 what the difference is.

7 MR. LUSK: So what it appears to be from
8 Mr. Bryner's testimony is that they received right-of-way
9 permits, which are different than zoning approvals.

10 So a zoning approval is provided by
11 Mr. Castro's department stating that they're zoned for
12 that particular area and use.

13 What may be happening and has happened in
14 the past is that when TEP because of their franchise is
15 able to build within the right-of-way as is their right
16 under that franchise, they may not have participated in a
17 zoning approval for those activities and may have built
18 it without knowing that the Gateway Corridor Zone was
19 prohibitive of that activity.

20 MS. GRABEL: So, Mr. Bryner, will you
21 address the Irvington to Kino project in which the
22 City -- was the City given notice of the 138kV
23 transmission line being built along the Gateway Corridor.

24 MR. BRYNER: Sure. In this we had a
25 similar outreach and stakeholder engagement process that

1 we undertook as part of that project or similar to the
2 outreach we did on this project for that project. And so
3 the City did participate in discussions on multiple
4 occasions on that project.

5 MS. GRABEL: Thank you.

6 MR. LUSK: I'm sorry, Member Little. I
7 think you had a follow-up, Member Little.

8 MEMBER LITTLE: Yes. I'm just -- I'm very
9 perplexed as to why the game is played one way one time
10 and another way another time. I don't mean to belittle
11 the process by calling it a game.

12 MR. LUSK: That's understandable.

13 Member Little, if I can further clarify it.

14 There has been -- and this is -- there's
15 nothing not public about this particular issue, but there
16 have been some miscommunications and things have been
17 missed. And the City is willing to take the
18 responsibility for that and has in the litigation between
19 the two parties.

20 But that's not to say that we don't want to
21 enforce our code. And that's the reason why in the last
22 few years we've had these discussions with TEP is to
23 begin to enforce that code appropriately.

24 MS. GRABEL: Mr. Bryner, if I may follow up
25 with that.

1 Was there any organized neighborhood
2 opposition to the construction of the 138kV line from
3 Irvington to Kino?

4 MR. BRYNER: I believe as Mr. Lindsey
5 testified there was not.

6 MS. GRABEL: Do you happen to know the
7 general -- whether or not the area from Irvington to Kino
8 is designated as a low-income community?

9 MR. BRYNER: It is.

10 MS. GRABEL: Thank you.

11 CHMN STAFFORD: All right. Any other
12 questions from members?

13 Ms. Grabel, did you have another exhibit or
14 something you wanted to --

15 MS. GRABEL: No. I just wanted to have a
16 little bit of a dialogue with Mr. Lindsey before the
17 Committee listens to closing arguments and enters into
18 its deliberations.

19 MR. DEMPSEY: Am I allowed to talk about
20 after she's done I guess retestify just to clean up a few
21 things?

22 CHMN STAFFORD: There's some -- there's
23 some misconceptions you need to clarify? Is that what
24 you're saying?

25 MR. DEMPSEY: Yeah.

1 CHMN STAFFORD: Okay. Certainly. Let's --

2 MS. GRABEL: We can do that first.

3 CHMN STAFFORD: Do you want to do that?

4 MS. GRABEL: If it's relative to the
5 construction stuff.

6 MR. DEMPSEY: Is that not what you're going
7 to finish talking about?

8 MS. GRABEL: Not really, no.

9 MR. DEMPSEY: How about you finish and then
10 I'll go?

11 CHMN STAFFORD: Well, we're talking about
12 construction costs right now, so if it's -- if it's about
13 the construction costs, it's probably better for you to
14 do it now.

15 MR. DEMPSEY: All right. Sure. Yeah,
16 that's fine.

17 Okay. So let's see here.

18 Can you guys bring up my slides from
19 yesterday? I'm sorry I didn't prepare you.

20 MS. GRABEL: So I guess I just want to
21 clarify, Mr. Dempsey. You're just going to continue to
22 respond to the information that Member Richins was asking
23 about?

24 MR. DEMPSEY: Yeah. Some of the statements
25 that were made. Yes.

1 MS. GRABEL: Okay. As long as it doesn't
2 deviate from the discussion today.

3 MR. DEMPSEY: I can't imagine why it would.

4 CHMN STAFFORD: All right. So you're
5 pulling up your -- this is your exhibit number -- can you
6 identify what you're putting on the screen, please,
7 Mr. Dempsey.

8 MR. DEMPSEY: Have we -- did you put that
9 up just now?

10 MS. GRABEL: It's Exhibit 62, UAZ-62.

11 CHMN STAFFORD: Is that what you're looking
12 for, your 62 that's in your slide show?

13 MR. DEMPSEY: I can work with this. I can
14 work with this Slide 37 from Exhibit 62.

15 CHMN STAFFORD: Okay. Perfect.

16 MR. DEMPSEY: So I certainly did not know
17 that you guys had screwed up your numbers. I wasn't
18 intentionally doing that.

19 I just want to point out that even if you
20 assume \$2.9 million instead of \$4.1 million or you change
21 this a little bit or that little bit, it doesn't change
22 my overall point, which is that you're talking about a
23 little over \$20 million difference assuming the low end
24 which is more in line with recent experience in Arizona,
25 and I wasn't trying to give you here's exactly what it's

1 going to cost.

2 I'm just trying to give you guys, you know,
3 a ballpark based on looking at comparables. And honestly
4 looking at comparables, the numbers, these numbers are
5 high. I would expect it to be closer to \$15 million.

6 I would not expect it to cost -- I mean, it
7 should not cost more than the Intel project cost. It
8 just shouldn't. I know there's been some inflation. I
9 can show some things related to that real quickly.

10 Could we go to Slide 64 of my presentation?

11 Okay. So this is the copper spot price over the last
12 20 years. And I don't have a pointer. But as you can
13 see over the year 2021 in the year 2021 the price of
14 copper shot up.

15 The Intel HIP project went before the Line
16 Siting Committee in late 2021. I believe it was
17 November. So you would expect them to largely have these
18 price increases baked into their numbers. Maybe not
19 completely, but they should be, like, oh, my gosh, you
20 know, we -- the price of copper just went up.

21 So I would not say that inflation is not
22 included in those numbers. And then as you can see, it's
23 basically flat. It's actually been coming down. I
24 haven't looked at it in the last week because we've been
25 busy, but it's relatively flat since 2021.

1 So and surface producer price index, we
2 were looking at inflation numbers. Inflation -- again,
3 PI inflation has only been 2 and a half percent since
4 then. So there's going to be some inflation, but it's
5 not -- it certainly shouldn't be 200 percent inflation or
6 300 percent inflation.

7 Give me just a second, please. And, I
8 mean, I could walk you guys through how I calculated my
9 numbers if you want me to. I just checked them again. I
10 don't see any errors in how I came up with my
11 calculations. I don't know if it's worth our time to go
12 through them all, but that's really up to you guys.

13 CHMN STAFFORD: Well, I don't know that it
14 would require additional testimony. I think it's
15 something that you could probably address in your
16 closing.

17 MR. DEMPSEY: Okay. Sure.

18 MR. LUSK: Mr. Chair, just briefly can we
19 go back to the previous slide? I just had a quick --

20 CHMN STAFFORD: Mr. Lusk.

21 MR. LUSK: And Member Richins and I
22 discussed this a little bit yesterday, and I just wanted
23 to jump in so I don't need to take too much time if
24 that's possible.

25 So the numbers from revision -- and this is

1 probably for Mr. Jocham, the revision 0 -- 1, you took
2 out what you said was the jack and bore?

3 MR. JOCHAM: Trenchless installation, yes.

4 MR. LUSK: Through the intersections?

5 MR. JOCHAM: Yes.

6 MR. LUSK: So am I right in saying that's
7 \$850,000 of the amount?

8 MR. JOCHAM: Yeah. That's multiple jack
9 and bores, but, yes.

10 MR. LUSK: Was it the multiple jack --
11 well, I guess it's just that 1.5 mile area?

12 MR. JOCHAM: Correct.

13 MR. LUSK: Do you know about how many
14 intersections that was?

15 MR. JOCHAM: I think we assumed three, but
16 I would have to go back to the report and validate it.

17 MR. LUSK: Okay. So assuming it is three,
18 it would -- it's a fair number to say \$850,000 for three
19 intersections to jack and bore if you had to underground
20 them?

21 MR. JOCHAM: I would have to validate, but
22 the math makes sense to me.

23 MR. LUSK: It's a reasonable assumption?

24 MR. JOCHAM: Yeah, if it is three, correct.

25 MR. LUSK: Okay. Thank you. That's all I

1 have.

2 MR. DEMPSEY: I just have one more comment
3 on this slide. And it was kind of presented as I was
4 walking through the numbers as though they compared to
5 today. That's not what I was doing. I was just showing
6 you what the numbers were in those estimates. It wasn't
7 suggesting that it's \$8 million today. Just clearing
8 that up.

9 That's it. Thank you.

10 CHMN STAFFORD: Thank you.

11 MEMBER GOLD: Mr. Chairman.

12 CHMN STAFFORD: Yes, Member Gold.

13 MEMBER GOLD: So did I hear you to say the
14 term jack and bore?

15 I'm guessing you use that to go under
16 roadways?

17 MR. JOCHAM: Mr. Gold, that'll be a term
18 that I can describe. Yeah. So basically what a jack and
19 bore is is you excavate basically large trenches on
20 either side, and you put specialized equipment down into
21 those holes.

22 They're typically probably 30 feet wide by
23 at least a sand pit is 30 feet wide by 50 feet long and
24 probably about 20 feet deep. And you basically have a
25 pipe rammer that rams a large diameter pipe through the

1 ground. And you excavate the dirt out of that. And then
2 you have special spacers that you then run your conduit
3 through.

4 And so basically the intent is that it
5 doesn't disturb anything above it. So jack and bores are
6 used for shorter distances. The max length of a jack and
7 bore especially at that diameter is probably somewhere in
8 the 6- to 800-foot range, which is well within the
9 parameters of the intersections that we're trying to
10 cross and basically allows you not to disturb anything
11 above it.

12 So it wouldn't disrupt the actual
13 intersection itself. It would just affect maybe a lane
14 or two on either side.

15 So basically if we were to cross Speedway
16 as an example along Campbell, we could set it up in such
17 a manner not to affect Speedway significantly, but it
18 would still have impacts on Campbell.

19 MEMBER GOLD: Okay. So do you need a --
20 are you allowed to do a jack and bore in these areas, or
21 do you need the permission, or is that in your contract
22 with the City?

23 I mean, what's legally required to do a
24 jack and bore?

25 MR. JOCHAM: Yeah, I don't know about the

1 requirement aspect.

2 In our most current cost analysis, we
3 assumed a -- we assumed the jack and bores in the adder
4 cost just to be transparent at low cost or base cost. So
5 those jack and bores are trenchless installations and are
6 part of the adder side of that final report.

7 But you would use them to minimize the
8 impact of major thoroughfares through the city. And so I
9 can -- from experience and from our company's experience
10 when we hit major intersections, it's typically a
11 requirement by the City because they -- and I'm not
12 speaking for Tucson. I'm saying this is in a generality.
13 It's typically required by a city because of the amount
14 of disturbance that trenching through the intersection
15 would create.

16 MEMBER GOLD: That part I understand.

17 MR. JOCHAM: Yeah.

18 MEMBER GOLD: It sounds like a great way to
19 get from one side of the road to the other if you're
20 moving cable.

21 My question is do you need any special
22 permitting?

23 Is that covered by your agreement with the
24 City, the franchise agreement?

25 What do you need to say, okay, we can do

1 the jack and bore against this corridor?

2 Do you need any special permission?

3 MR. JOCHAM: I'll maybe refer to TEP for
4 that one or may be the City can answer that question.

5 MR. LUSK: Member Gold, if it would help, I
6 can -- I think I can answer that generally.

7 MEMBER GOLD: Please.

8 MR. LUSK: Which is, yeah, that I think the
9 right-of-way use permit that Mr. Bryner was talking about
10 earlier, that would cover that kind of activity.

11 MEMBER GOLD: So pretty much that's not
12 going to be an issue, a constraint on any project that
13 they take?

14 MR. LUSK: No. As long as they follow the
15 procedure and the code, yes.

16 MEMBER GOLD: So it's the right what did
17 you call it?

18 MR. LUSK: Right-of-way use permit.

19 MEMBER GOLD: Right-of-way use permit.

20 Okay. So I'm looking at some of these
21 options. And at the most they have three times when
22 they'll have to use this to cross major corridors.

23 What was that price you gave again for each
24 jack and bore?

25 MR. JOCHAM: So I'll refer you to TEP-17

1 for that. Our price for the jack and bore is very
2 clearly stated in the appendices along with all of our
3 other pricing. It is very transparent.

4 MEMBER GOLD: How much is it for a jack and
5 bore?

6 MR. JOCHAM: So it's broken out in
7 sections, but the actual jack and bore effort --

8 MEMBER GOLD: Per intersection. Just give
9 me a price per intersection, please.

10 MR. JOCHAM: Give me one second.

11 MR. LUSK: Is it page nine through 12? Is
12 that right, Mr. Jocham?

13 MR. JOCHAM: Sorry. So the -- our
14 spreadsheet, which provides prices in the PDF, is on A-4,
15 which clearly breaks it out.

16 But, yeah, the summary of the jack and bore
17 adder would be in the Table 5, Table 6, and Table 7
18 summary.

19 So I believe Route 3 in our report or
20 Table 7 is a single jack and bore. And that cost base
21 for a single jack and bore is \$934,000. So it's about a
22 million dollars to go across the intersection.

23 MEMBER GOLD: So one million dollars per --

24 CHMN STAFFORD: One intersection?

25 MR. JOCHAM: Correct.

1 CHMN STAFFORD: Okay.

2 MEMBER GOLD: One million per intersection.

3 And it's covered under the right-of-way use
4 permits, so you don't really have any difficulties
5 getting that permission to do?

6 MR. BRYNER: No, we don't.

7 MEMBER GOLD: Thank you.

8 And the most I saw was three.

9 MR. JOCHAM: So there -- on Route 1 there
10 would be three jack and bores.

11 MEMBER GOLD: All right. You don't have to
12 go further. Just clarifying. Thank you.

13 MEMBER LITTLE: Mr. Chairman.

14 CHMN STAFFORD: Yes, Member Little.

15 MEMBER LITTLE: I'm just curious on shorter
16 sections of undergrounding transmission lines, for
17 example, through a neighborhood, for example, down Vine
18 is it ever considered to just put in the vaults and jack
19 and bore between them to decrease the amount of
20 disruption?

21 MR. JOCHAM: From a cost perspective, I
22 guess we've never been asked to do that before because
23 jack and bores are typically significantly more expensive
24 than an open trench.

25 But at that point, I would probably play to

1 a different trenchless installation, which would be
2 called an HDD, or a horizontal directional drill, which
3 you could go longer distances, which, again, much more
4 expensive, but it provides you that option.

5 MEMBER LITTLE: All right. Thank you.
6 Just my engineering curiosity.

7 CHMN STAFFORD: All right. Well, we're
8 coming up on the 90-minute mark.

9 Are we -- is it a good time to take a
10 break?

11 Can we -- I guess let me rephrase.

12 How far away from -- how far away are we
13 from have having closing arguments?

14 I remember, Ms. Grabel, you had something
15 else you needed to add?

16 MS. GRABEL: Probably five or ten minutes
17 with Mr. Lindsey.

18 And then we do have the information on the
19 FERC Form 1.

20 CHMN STAFFORD: Okay.

21 MS. GRABEL: I think she wants a break.

22 MR. LUSK: I heard "please," Chairman.

23 CHMN STAFFORD: Okay. Yes. I wasn't sure
24 if she said "please" or "proceed." So I was -- that's
25 why I had the look of confusion on my face.

1 So, yes, let's take a brief recess,
2 approximately 10 to 15 minutes and come back. And we'll
3 wrap that up. And then we can get to closings. With
4 that we stand in recess.

5 (Recess from 2:58 p.m. to 3:25 p.m.)

6 CHMN STAFFORD: Let's go back on the
7 record.

8 Ms. Grabel, Ms. Hill, I believe you had
9 some final testimony to get on the record?

10 MS. GRABEL: Yes, thank you, Mr. Chairman.
11 I think first Ms. Hill will give the information
12 regarding the FERC Form 1.

13 MS. HILL: Okay. Thank you. So the FERC
14 Form 1 is a very long document, but there are -- they are
15 available online. But essentially -- so work under
16 construction, I want to preface this, which is probably
17 not a surprise to anybody, but work under construction is
18 reported in a different area than completed transmission
19 lines.

20 So work under construction is reported on
21 what is currently page 216 of that form.

22 But completed projects are reported on
23 pages 422 to 423, which is transmission line statistics.

24 The cost reported is only the cost on the
25 utility's books net of any contributions. We do not

1 include or report those third-party contributions on the
2 cost of the line.

3 The form's instructions specify to use book
4 cost. And book cost is the actual cost because they're
5 following general accounting principles according to the
6 FERC Form 1 instructions.

7 Book cost at the actual cost incurred under
8 the capital construction process net of any
9 contributions.

10 And then if you look at page 422 to 423,
11 instruction -- depending upon the year of the form, it's
12 Instruction 9 or 10 which tells you to do that. And in
13 the very beginning of FERC Form 1 in the instructions, it
14 tells you which accounting principles you must use in
15 reporting.

16 So that's the information I can give the
17 Committee.

18 CHMN STAFFORD: Thank you.

19 MR. DEMPSEY: And may I respond?

20 CHMN STAFFORD: Yes, Mr. Dempsey.

21 MR. DEMPSEY: So I did not use those
22 figures, I used figure that are from a section called
23 "Transmission Lines Added During the Year." And those
24 figures are not, at least surface APS goes, net of
25 third-party funds. They are the cost.

1 And the way you can verify that is by
2 looking at what the business district in Scottsdale was
3 charged which I believe was \$3 million and then what's on
4 the form which is also \$3 million. So if it was net it
5 would only be \$1 million.

6 MS. HILL: I believe we're actually talking
7 about the same section, it's just different pages
8 different years.

9 MR. DEMPSEY: You're talking about
10 transmission line statistics, that's a different page
11 than transmission lines added during the year.

12 MS. HILL: I am. If you look at the
13 transmission line statistics it says the same thing.
14 "Base the plant cost figures called for in columns J to L
15 on the book cost at the end of the year."

16 So even if you look at the transmission
17 line statistics or if you go to the transmission lines
18 added, that includes that.

19 MR. DEMPSEY: So we can -- I can prove to
20 you that what I've done is correct. I just -- let's do
21 it, I guess. Is there a way to --

22 CHMN STAFFORD: Well, do we have the FERC
23 Form 1 in question?

24 MS. HILL: So we do not have the entirety
25 of it, and the sections that Mr. Dempsey has don't

1 necessarily have the precise page numbers on them.

2 CHMN STAFFORD: Is it an exhibit?

3 MS. HILL: Yes, they are. They're
4 exhibits.

5 CHMN STAFFORD: Can we please pull that
6 exhibit up? Which one is it?

7 MR. DEMPSEY: I'm figuring out which one is
8 the best one to use. Hold on a sec, please.

9 MS. HILL: So I'm looking at UAZ-39, which
10 is the 2020 APS FERC Form 1.

11 MEMBER HILL: Mr. Chair.

12 CHMN STAFFORD: Yes, Member Hill.

13 MEMBER HILL: Ms. Hill, is it possible that
14 from utility to utility how they calculate a book value
15 might be different?

16 Is -- I mean, I know you haven't worked for
17 a lot of utilities but I am just kind of wondering if
18 it's a discrepancy with how they manage their books and
19 whether -- whether they're a public utility or a
20 regulated utility, do you have -- do you have any
21 knowledge of that? And if you don't, I understand. But
22 that was my first thought.

23 MS. HILL: So the very first thing that I
24 can say is that we can only speak from what we
25 understand. We are audited on a regular basis as is APS.

1 I cannot say why APS may or may not report something. We
2 also do not have the figures for each of these projects
3 in a definitive way of what contributions were there or
4 were not there.

5 My statement is simply the same as
6 Mr. Dempsey's has been for us, which is a cautionary tale
7 about assuming what might be present and what might not.

8 MEMBER HILL: So it is possible that you
9 guys are both correct? It's just nuances about how a
10 utility interprets the instructions in the FERC form?

11 MR. DEMPSEY: And may I clarify? The part
12 she's referring to does not say book value for the part
13 I'm referring to.

14 She's referring to a completely different
15 section that I didn't use. So I'm not even clear that
16 that's -- there is a disagreement. She's using a
17 different section. I pulled it from the -- a different
18 section that has nothing about book values. And surface
19 I can tell looking at Scottsdale, the public records from
20 Scottsdale city council and everything else, comparing it
21 to the APS FERC Form 1, they're the same number so they
22 certainly can't be net.

23 MS. HILL: So I'm just going to note, too,
24 when you talk about Scottsdale there are a couple of
25 things.

1 Number one is that there is a public
2 utility district, I believe, in the Scottsdale -- that he
3 is talking about an undergrounding district unless I'm
4 mistaken, and he's talking about a different Scottsdale.
5 I couldn't even begin to tell you how that might be
6 reported.

7 But ideally, all that I am saying -- I
8 mean, really and truly and that's why I wanted to drill
9 down on this a little more, is that without -- and these
10 are exhibits that were added very quickly as many are in
11 these types of scenarios. So, but without depositions or
12 intensive discovery I would suggest that the cautionary
13 tale that Mr. Dempsey tells for the numbers that we
14 provided be applied here as well.

15 CHMN STAFFORD: Member Richins.

16 MEMBER RICHINS: Chairman, in an effort to
17 kind of maybe settle this out a little bit is I think the
18 TEP exhibit -- sorry -- Exhibit 31 gave good, probably
19 the best estimate; right? Of what the cost multiplier
20 looks like.

21 And I think based on what I heard from
22 Underground Arizona and from Mr. Jocham was that there's
23 a wide variety of costs that could be expected when going
24 underground. And it just really depends contextually
25 about where you're doing it and what the conditions are.

1 So I feel satisfied that we really have
2 taken the best guess at numbers for this project. And
3 what we've tried to compare in the past has illustrated
4 that it's just really a wide variety based on those
5 conditions.

6 So I'm comfortable moving forward past
7 this.

8 CHMN STAFFORD: I'd agree with you,
9 Mr. Richins.

10 So I -- Ms. Grabel, you had some, what
11 other additional testimony did you want to provide?

12 MS. GRABEL: Thank you, Mr. Chairman.
13 We'll be quick. I just -- as the hearing has gone on,
14 there have been several times where the back and forth
15 between the Committee or the lawyers and the witnesses
16 have seemed to assume that TEP will be undergoing
17 underground construction of a portion of this line, and
18 so I would like to ask Mr. Lindsey.

19 Mr. Lindsey, if this Committee declines to
20 make the findings of fact we've asked them to make, and
21 we go to the City of Tucson and the City of Tucson
22 declines to grant us a special exception, whether just
23 over the Gateway Corridor or the University Area Plan,
24 whatever's applicable, will TEP pay -- will TEP basically
25 build this transmission line underground?

1 MR. LINDSEY: So as we've been discussing
2 and this isn't anything new; right, through our public
3 outreach, through the development of this project,
4 without funding from some outside source, no, we would
5 not be building the project underground.

6 And I know we've looked at a lot of numbers
7 and we've gotten into the details which has been great
8 for me, too, because I wasn't paying attention to that as
9 closely as others.

10 Those dollars are significant. So
11 depending on the routes of this project, those numbers
12 add up quickly to underground. But what we're looking at
13 isn't just this project. So this is an important
14 project, but there's projects on the horizon, there's
15 projects that we know we need to build in our Ten-Year
16 Plan that's public. There's going to be projects beyond
17 those, of course, to support reliability for the TEP
18 system on a transmission side of things.

19 And so while we're talking this project,
20 we're talking big dollars to underground here today, you
21 multiply that out, extrapolate it out to what we have in
22 front of us, and those numbers get even bigger.

23 And so it's not -- while it's important and
24 critical to this project, it's also a huge significant
25 cost impact to us looking down the road, not just here

1 today.

2 MS. GRABEL: And Mr. Lindsey, do you recall
3 Mr. Bakken's testimony if you didn't even include the
4 cost to underground transmission lines, TEP is facing a
5 \$3.5 billion construction budget?

6 MR. LINDSEY: Yes, I do, Ms. Grabel. And I
7 think it's important to note that's over the next five
8 years. So that is -- it's kind of our budget or business
9 plan cycle is a five-year look.

10 I can guarantee you where I sit in the
11 world looking at how we support the clean energy
12 transition, what we have to do from a transmission and
13 generation perspective just to do that, that takes us way
14 down the road past five years, and so that three and a
15 half billion is the five-year spend we're looking at.

16 And so those numbers continue into the
17 future as we look to continue to expand our system,
18 support our customers' goals, support our company goals,
19 and that includes safety and reliability and everything
20 we've been talking about.

21 MS. GRABEL: And Mr. Lindsey, how many --
22 do you know what percentage of TEP's customers are
23 low-income customers?

24 MR. LINDSEY: So from what we've been
25 talking about and what I understand, roughly 20 percent.

1 MS. GRABEL: Thank you. So if we don't
2 construct this project belowground, what are we going to
3 do? Because there are reliability challenges that this
4 Committee seems to fully understand.

5 MR. LINDSEY: Correct. So that's a concern
6 of ours as we've been talking about. And as we talked
7 some last week, we're going to be in front of -- in front
8 of y'all in a hurry, so as fast as we can move we'll be
9 looking at another transmission project to connect Kino.
10 That's a big issue for us. We've talked about that, a
11 radial to Kino is a problem. We need to get that loop
12 closed. So there's a project guaranteed.

13 We foresee, we know there's issues outside
14 of DMP in the future. This project solves that problem
15 from a system reliability and compliance perspective
16 without it. We've got another transmission project. And
17 like we got into the details last week, we're going to be
18 investing in the 46kV system, investing in our old
19 substations that we really want to retire. We really
20 want to get out of those little neighborhood subs that we
21 all saw on the tour.

22 And we'll be spending more and more money
23 on those facilities, ultimately without the benefit of a
24 looped system of additional technology at the Vine
25 Substation supporting our customers' integration of

1 technology.

2 So we'll be spending money and really not
3 getting the value out of what we need to do with that
4 project.

5 MS. GRABEL: And rebuilding the 46kV system
6 will not solve the issues raised in the saturation study,
7 will it?

8 MR. LINDSEY: That's also correct,
9 Ms. Grabel. So it will not support what we foresee in
10 the future for Midtown in any way. So it would require a
11 wholesale significant rebuild of the 46 to even get close
12 to what this project brings.

13 MS. GRABEL: Thank you. Nothing further.

14 CHMN STAFFORD: All right.

15 MR. LUSK: Mr. Chairman.

16 CHMN STAFFORD: Hang on a second.

17 MR. LUSK: Go ahead.

18 CHMN STAFFORD: I was going to -- since you
19 provided testimony, now I think it's only fair to allow
20 the party to cross-examine the catch-all panel, what were
21 we calling it, not -- cleanup panel, yes. So with that
22 we'll move to --

23 MR. BRYNER: Chairman Stafford --

24 CHMN STAFFORD: Yes, Mr. Bryner.

25 MR. BRYNER: Before we open up to cross,

1 can I do one last cleanup for Member Little's question
2 about the biological evaluation?

3 CHMN STAFFORD: Oh, excellent. Please.

4 MR. BRYNER: So over the break I was able
5 to look into the issue and I apologize for not being
6 prepared on that.

7 So our biological evaluation does report
8 there's no wildlife connectivity linkages in the area.
9 So that's why I was kind of caught off guard and I
10 clearly scanned the report from the Game and Fish a
11 little too quickly.

12 So what's going on there, and I'm referring
13 to TEP's application, our Exhibit C-2, and it's page 316.
14 It's the Arizona Environmental online review tool. It's
15 the report that comes out of that.

16 So this is a tool that you go in and you
17 put your project in there. You draw in the boundaries of
18 it and then it buffers off of that. It's an automatic
19 review tool and it kicks out and says you've got these
20 various special status species within the vicinity of
21 your project or other things.

22 And so one of the things that it looks for
23 are wildlife connectivities, but it's a very vast buffer.
24 And so it pushed out and did find one of those
25 connectivity linkages on the west side of I-19. It's the

1 Coyote-Ironwood-Tucson linkage. And so it's not anywhere
2 in the vicinity of our project.

3 And so that's why when the wildlife
4 biologist looked at it, not even on the map. When the
5 wildlife biologist looked at it, he said we don't have
6 any wildlife connectivity linkages here.

7 So that would be my response.

8 CHMN STAFFORD: Excellent.

9 MEMBER LITTLE: Thank you very much,
10 Mr. Bryner.

11 MS. HILL: And I have one more cleanup
12 question.

13 CHMN STAFFORD: I actually have a couple
14 myself, but please go ahead.

15 MS. HILL: Mr. Lindsey, I just want to
16 follow up on the statement about the wholesale rebuild of
17 the 46kV system to even come close to being able to meet
18 the saturation. You recall that immediate testimony that
19 you gave?

20 MR. LINDSEY: Yes.

21 MS. HILL: Would that wholesale -- so I
22 want to be very clear -- that wholesale rebuild, would
23 that result in additional overhead 46kV and distribution
24 lines within people's viewsheds that this Committee
25 doesn't have any jurisdiction over?

1 MR. LINDSEY: So, Ms. Hill, maybe I'll
2 start from a distribution perspective. This concept that
3 has not been studied in any detail like this project,
4 would still support our 4 to 14kV conversion we've been
5 talking a lot about. And so likely from a distribution
6 perspective, those lines that you see today would get
7 upgraded to the higher voltage.

8 And, again, from a high level, I wouldn't
9 anticipate -- to meet saturation -- maybe I'll step
10 back -- to meet saturation, distribution-wise, yes, you
11 could anticipate additional distribution lines.

12 But, again, as we talked, undergrounding
13 those facilities is much more -- is a much easier
14 endeavor. So from a viewshed perspective I think our
15 optionality is available to us. And so from a
16 distribution perspective I wouldn't be too concerned
17 about impacting viewshed because we can -- we work with
18 the technology we have.

19 From a 46kV perspective, absolutely.
20 Anticipate line upgrades that would look similar to what
21 we see on the 138kV side, the larger poles, the larger
22 conductor to get the capacity up. But a rough rule of
23 thumb we are talking about here from a capacity
24 perspective, 46 is only good for about a third of what
25 the 138 can do. It's just the math.

1 So a rough answer would be we'd need three
2 times this line. But that's a little bit of an
3 exaggeration. You would anticipate us to upgrade what
4 you see today and likely add several additional lines to
5 get there.

6 And talking saturation is a hard concept
7 because it's really that future full buildout state.
8 That state also encompasses the transmission system. And
9 so when we talk saturation for Midtown we can focus on
10 these what-ifs about the 46, about the distribution. But
11 the transmission also has to support that load.

12 And so as we continue to peel that back and
13 step up the system, we're going to have to add additional
14 transmission without this project like I mentioned,
15 because of the configuration.

16 MS. HILL: Thank you. So I just want to be
17 clear, what I think I heard you say is a wholesale
18 rebuild of the 46kV system requires both additional
19 transmission, even though it's not this project, to meet
20 saturation, and it also would require additional 46kV
21 lines being placed in Midtown Tucson. Am I correct?

22 MR. LINDSEY: That's correct.

23 MS. HILL: Thank you.

24 CHMN STAFFORD: All right. Ms. Grabel, I
25 believe you had an additional, Exhibit TEP-36, which is

1 the amended or revised proposed CEC.

2 MS. GRABEL: Yes, that's correct,
3 Mr. Chairman.

4 CHMN STAFFORD: I'll admit that.
5 (Exhibit TEP-36 was admitted.)

6 CHMN STAFFORD: Do you have anything else
7 you need to get from the panel?

8 MS. GRABEL: Nope. We're set.

9 CHMN STAFFORD: All right. With that
10 let's -- Ms. De Blasi, do you have any questions from
11 this witness?

12 MS. DE BLASI: Mr. Chair, we do not have
13 any questions.

14 CHMN STAFFORD: Mr. Lusk.

15 MR. LUSK: Thank you, Mr. Chair.

16 Mr. Lindsey, I just want to go back to your
17 previous testimony just a second ago. You heard
18 Mr. Jocham discuss sort of the -- actually can we get
19 TEP-26 up again, please?

20 And while they're doing that, you heard
21 Mr. Jocham talk about sort of the cost of undergrounding
22 through an intersection. Does that seem -- do those
23 numbers that he mentioned seem reasonable? I think about
24 a million dollars an intersection.

25 MR. LINDSEY: So Mr. Lusk, I don't have as

1 much experience as Mr. Jocham, but I can tell you my only
2 experience with jack and bore is one specific TEP project
3 under I-19.

4 And the cost estimates and time line that
5 it took us to complete that work were -- how do I want to
6 say this -- we estimated the cost and time to be
7 drastically lower than the actual. So we spent a
8 significant amount more time and cost to get that jack
9 and bore done underneath the freeway.

10 So I can't speak specifically to the cost
11 but I guess I could say it doesn't surprise me based on
12 previous experience.

13 MR. LUSK: The amount that Mr. Jocham
14 stated doesn't surprise you?

15 MR. LINDSEY: Doesn't surprise me, yes.

16 MR. LUSK: So a million dollars per
17 intersection seems like a reasonable number based on your
18 experience with the I-19 project?

19 MR. LINDSEY: That's how I would answer
20 that, yes.

21 MR. LUSK: Okay. Looking at your preferred
22 route is B-4?

23 MR. LINDSEY: Yes.

24 MR. LUSK: Am I correct in stating that you
25 would have -- and this is worst-case scenario, as I think

1 Ms. Grabel discussed -- where you weren't able to get any
2 special exception for any intersection in the areas of
3 your route. Is there three intersections that you'd have
4 to do?

5 MR. LINDSEY: From a Gateway Corridor
6 perspective, yes.

7 MR. LUSK: Yes, for Gateway Corridor. I'm
8 sorry, I didn't mean -- I should have clarified that.
9 You're right, just for the Gateway Corridor section.

10 So there are three intersections that would
11 pass through the Gateway Corridor, which if everything
12 went not your way, you would have to go underground
13 through those intersections?

14 MR. LINDSEY: So --

15 MR. LUSK: Just as it relates to the
16 Gateway Corridor.

17 MR. LINDSEY: Yes. Because everything not
18 going our way is more than the Gateway.

19 MR. LUSK: Sure. But for that regulation
20 itself I'm just speaking of.

21 MR. JOCHAM: Mr. Lusk, I'd like to maybe
22 clarify one thing. So the jack and bore cost, that
23 million dollars is just the jack and bore. That does not
24 include the cable. That does not include the
25 installation. It is just the physical construction of

1 the jack and bore itself because it is a specialty
2 contractor, it is a broken-out line item.

3 MR. LUSK: Do you want to revise your
4 number?

5 MR. JOCHAM: So I don't know if I can -- I
6 don't think I can quickly calculate how much just
7 200 feet of underground installation is. I guess what is
8 represented in our report and in the jack and bore
9 section is purely the civil work required for the jack
10 and bore because it is a specialty contractor.

11 MR. LUSK: So if I remember from your
12 testimony earlier, it was about \$245 per foot?

13 MR. JOCHAM: That's the cable cost;
14 correct.

15 MR. LUSK: So the cabling, that's another
16 \$50,000 per cable; is that right? I'm doing pretty good
17 for a lawyer you got to admit.

18 3: 45 times six times -- what did we say,
19 200 feet approximately.

20 MR. LUSK: Yeah, 200 feet I think is what
21 you said, yeah.

22 MR. JOCHAM: So 245 times six cables times
23 200 feet is about \$300,000.

24 MR. LUSK: Okay. Which is about 5,000 a
25 cable?

1 MR. JOCHAM: Sure.

2 MR. LUSK: And you would include the spares
3 as well?

4 MR. JOCHAM: Correct.

5 MR. LUSK: So that would be eight cables?

6 MR. JOCHAM: Correct.

7 MR. LUSK: So another \$400,000?

8 MR. JOCHAM: Correct. But that --

9 MR. LUSK: Then -- oh, go ahead, please.

10 MR. JOCHAM: That doesn't include the
11 mobilization, that doesn't include the riser structures
12 on either side. That doesn't include testing and
13 commissioning, that doesn't include a lot of other line
14 items that are clearly identified in the appendix A of
15 our report.

16 MR. LUSK: Can we double the number,
17 \$2 million per intersection? Would that be reasonable?

18 MR. JOCHAM: I don't know pulling the
19 numbers together. I don't want to speculate.

20 MR. LUSK: So --

21 MR. LINDSEY: Mr. Jocham, we also missed
22 the cable to get up the riser.

23 MR. JOCHAM: Up the riser. Fair enough.

24 MR. LINDSEY: So, I mean we're talking
25 about a lot of detail to dead end overhead, dip

1 underground for a roadway, and then also riser back up to
2 an overhead line.

3 And so we don't know if that would have to
4 be done and how far those dead end structures would need
5 to be located based on other underground conflicts where
6 the structure -- because, again, these dead end
7 structures have large foundations associated with them,
8 and so they can't just be put wherever.

9 There is a lot that goes into what we're
10 talking about here, Mr. Lusk.

11 MR. LUSK: I totally understand,
12 Mr. Lindsey. Thank you.

13 MR. LINDSEY: It is going to take, you
14 know, this is something you'd ask your civil engineer to
15 work on for a few weeks.

16 MR. LUSK: Well, and I'm not trying to nail
17 you down to a number. I guess what I'm trying to be
18 considerate of is the Committee has to make a
19 determination that the Gateway Corridor Zone itself,
20 specifically the Gateway Corridor Zone, is unreasonable
21 to comply with; right, given technology available.

22 So you have focused very much on cost. I
23 don't think anybody up there has ever said you couldn't
24 do it physically; correct? Is that -- am I right?

25 MR. JOCHAM: Just undergrounding through

1 the Gateway Corridor?

2 MR. LUSK: Through the intersections. Just
3 through the intersections; right? For your preferred
4 route you only have to underground through the
5 intersection.

6 MR. JOCHAM: Constructible, yes.

7 MR. LUSK: And, in fact, you've also said
8 it's possible; correct?

9 MR. JOCHAM: Yes.

10 MR. LUSK: Thank you.

11 MS. GRABEL: If --

12 MR. LUSK: So I just want to make sure that
13 the Committee has enough information that they can make
14 that determination. So when we're talking about whether
15 or not you can, for the route you have chosen, whether
16 you can proceed with that route even if you didn't get
17 the special exception process, which I think Mr. Bryner
18 feels pretty comfortable with, that they would get, I
19 want to understand sort of that differential for you
20 because you mentioned that you wouldn't construct it if
21 you -- if it were cost prohibitive.

22 Does that make sense, Mr. Lindsey?

23 MS. GRABEL: First I'm going to object to
24 that, Chairman Stafford. I think that Mr. Lusk put words
25 in Mr. Bryner's mouth. And I think he clarified his

1 testimony earlier today.

2 CHMN STAFFORD: What was the question?

3 MS. GRABEL: Whether or not he was
4 comfortable that we would get the special exception if we
5 applied for it.

6 CHMN STAFFORD: He previously testified
7 that -- I think initially he testified that he was pretty
8 comfortable, then I think over the course of the hearing
9 he became less comfortable with at least one of the three
10 intersections, and I believe that was the one where it
11 crosses -- you go along Euclid and you cross Broadway
12 because it's also in the University --

13 MS. GRABEL: Area Plan.

14 CHMN STAFFORD: -- Area Plan. So there was
15 a concern it would not be granted because of that
16 additional factor, so that -- so he was less confident in
17 that, one of the three intersections, that was my
18 understanding of his testimony.

19 Is that correct, Mr. Bryner?

20 MR. BRYNER: Yes, I would agree with that.

21 CHMN STAFFORD: Okay. I think that's your
22 answer, Mr. Lusk?

23 MR. LUSK: I think so. And Mr. Bryner,
24 please feel free to correct me if I mischaracterize
25 anything you've said. I just want to be clear in terms

1 of sort of, again, what the Committee is looking to
2 decide is whether that particular regulation prevents you
3 from completing the line that you want to complete, which
4 is B-4.

5 So, and I don't think anybody's testified
6 that you can't do it physically or technologically. Is
7 that correct?

8 MR. BRYNER: Correct.

9 MS. GRABEL: And I guess Mr. Bryner can't
10 really answer what the City would allow in terms of the
11 special exception and that's how I'm hearing it.

12 MR. LUSK: I'm not asking -

13 MS. GRABEL: That's my question. That's
14 how I'm hearing it.

15 MR. LUSK: Yeah, I'm not asking -- I'm not
16 asking Mr. Bryner to determine whether a special
17 exception would be granted. In fact, I'm asking both
18 Mr. Lindsey and Mr. Bryner to assume that it's not. That
19 it's not granted.

20 CHMN STAFFORD: Which then would require
21 them to underground under the roads just as he described
22 with the risers and then the --

23 MR. LUSK: That's right. Okay. Does that
24 make sense, Mr. Lindsey? Mr. Bryner?

25 CHMN STAFFORD: I seem to recall testimony

1 earlier if they have to do that they would not be
2 building this line, they would be spending a bunch of
3 money band-aiding up their 46kV system. That was the
4 answer to that that I heard, testimony that I heard
5 previously. Is that correct?

6 MR. LINDSEY: Mr. Chair, yes, that's
7 correct.

8 MR. LUSK: Well, and so that's what I want
9 to dig into just a little bit, Mr. Lindsey, because I
10 think at this point what I would think is a conservative
11 estimate to go, just to underground an intersection, if I
12 double the numbers that we just discussed it's \$3
13 million, which would be \$9 million total to do that.

14 I am just going to ask you if my math is
15 right. Let's just say that.

16 MR. LINDSEY: What --

17 MR. LUSK: So for --

18 MR. LINDSEY: For three? Yes, I would
19 agree with that.

20 MR. LUSK: Okay. I got one. Okay. Thank
21 you.

22 CHMN STAFFORD: So the testimony that,
23 because it's kind of -- it's getting late and everyone's
24 starting to kind of speak over one another. I would just
25 remind everybody to please speak one at a time, wait till

1 the person asking the question is finished speaking
2 before you start your answer, and wait until they finish
3 their answer before you start your next question.

4 But it seems, Mr. Lusk, that the point
5 you're trying to make and -- is that if TEP has to
6 underground one crossing, the marginal cost of that is
7 going to be approximately \$9 million and not tens of
8 millions of dollars that undergrounding large chunks of
9 the line would cost. Is that -- is that the point you're
10 trying to make, Mr. Lusk?

11 MR. LUSK: I think the marginal cost is
12 \$3 million times three intersections for \$9 million.

13 MR. JOCHAM: And that's speculation until
14 we can actually calculate the cost.

15 MR. LUSK: And you don't have any
16 additional evidence on that?

17 MR. JOCHAM: I have not calculated the cost
18 of just crossing the intersection. But --

19 MS. HILL: And I have a follow-up if I may,
20 Mr. Chairman.

21 CHMN STAFFORD: One second. Let Mr. Lusk
22 finish.

23 MR. LUSK: If I could just get to the --
24 I'm trying to get to the end here.

25 So Mr. Lindsey, I think you testified --

1 was it you what testified earlier that the band-aid
2 solution was for -- to get you from -- I can't remember
3 if it's from here to '27 or from '27 to '30 was
4 \$10 million.

5 MR. LINDSEY: Roughly. So we have invested
6 just over 10.

7 MR. LUSK: To get to --

8 MR. LINDSEY: To get -- to bridge us to 27,
9 so that's existing investment. And we're looking at
10 another close to 10. So it's just shy of 10 million if
11 we slide past the '27 time frame, yes.

12 MR. LUSK: And that would be, I assume -- I
13 think -- well, I don't assume. You testified earlier I
14 think that would be recovered in rates, that \$10 million?

15 MR. LINDSEY: Yes, sir. That would be our
16 intent.

17 MR. LUSK: So my understanding, again, with
18 the math is that you would rather spend \$10 million to
19 band-aid to 2030 than underground three intersections at
20 \$9 million?

21 MR. LINDSEY: That's not what I said, no.

22 MR. LUSK: Then please clarify for me.

23 MR. LINDSEY: Clarify that we would need to
24 spend 10 million roughly, just less than, if we miss the
25 '27 date. Yeah. We would need to specifically make

1 upgrades at Olson substation.

2 MR. LUSK: Well, no, what I'm asking for --

3 MS. GRABEL: Mr. Lusk, I can help.

4 MR. LUSK: Wait, wait.

5 MS. GRABEL: Excuse me.

6 CHMN STAFFORD: Is there an objection
7 there?

8 MS. GRABEL: It's a clarification.

9 CHMN STAFFORD: Let him ask his question.

10 MS. GRABEL: That I think will help him.

11 MR. LUSK: I'm think I'm -- I'm trying
12 to -- I'm trying to get there. So I'm just asking, you
13 said -- you just testified that you would not build the
14 line if you couldn't get the special exceptions. Am I
15 wrong in that?

16 MR. LINDSEY: No.

17 MR. LUSK: Okay. Then please clarify for
18 the Committee what you meant by what you said earlier.

19 MR. LINDSEY: No, you're not wrong.

20 MR. LUSK: Oh, I'm not -- I'm sorry.
21 Sorry. It is getting late.

22 So you're saying that you would not build a
23 line if you had to get the special exceptions even though
24 it could possibly cost less and you would have the line.

25 MR. LINDSEY: I did not say that.

1 MR. LUSK: Okay. Then clarify then, I
2 guess, for the Committee.

3 MR. LINDSEY: Clarify what?

4 MR. LUSK: I think what I heard you say was
5 in response to Ms. Grabel's question you would not build
6 the line if you didn't get the relief you sought here.
7 Is that right?

8 MR. LINDSEY: That's correct, yes.

9 MR. LUSK: Now, is that related to the
10 Gateway Corridor Zone or both?

11 MS. GRABEL: Mr. Chairman, I'm going to
12 object that misstates Mr. Lindsey's testimony.

13 MR. LINDSEY: So I can repeat the context
14 of that statement.

15 MR. LUSK: Sure.

16 MR. LINDSEY: So we have --

17 CHMN STAFFORD: Let's do that, then. So I
18 guess the objection was that he misstated the testimony.
19 Well, the remedy I guess is to allow him to restate his
20 testimony so there's no misconception or misstatement of
21 it.

22 MR. LINDSEY: Again as -- thank you,
23 Mr. Chair. So as I spoke just a few minutes ago, our
24 concern is more about the future spend of transmission.

25 So we have a number of projects in our

1 Ten-Year Plan that are all over our service area. So to
2 the west of here, straight through the city of Tucson
3 upgrades required, Oro Valley, Marana, Sahuarita, so we
4 can talk about those projects in detail if you'd like.

5 And our concern is that undergrounding in
6 this project will require undergrounding in future
7 projects. And so if we're going to look at an
8 alternatives analysis on a bunch of what-ifs, I can't
9 answer that. So that's part of our engineering process.

10 So the questions that you're asking me
11 specific to this project don't really apply to the
12 context that I was speaking to.

13 So we're more concerned about future
14 transmission projects from an underground perspective as
15 much as we are here. So just know the underground
16 numbers we were looking at previously are significant
17 compared to overhead costs.

18 MR. LUSK: And I understand that,
19 Mr. Lindsey, and I'm not trying to get you to design from
20 the dais here today.

21 All I'm trying to understand and again
22 trying to make clear for the Committee is they have to
23 make a specific decision on a specific regulation and
24 whether or not you can comply with it or whether it's not
25 feasible with the technology available.

1 Now, you have cited -- TEP has cited that
2 it's not feasible because of the cost.

3 So if the testimony today is that the cost
4 is a particular number, whatever the number, is then they
5 need to know the information in terms of the alternatives
6 for them, not necessarily based on what you will do in
7 the future.

8 Does that make sense?

9 CHMN STAFFORD: Well, I guess that's your
10 position but I don't think the witness can take a
11 position on that.

12 MR. LUSK: Well --

13 CHMN STAFFORD: It's not his call to decide
14 what TEP's going to do necessarily, I think. So
15 Mr. Lindsey, was there --

16 MEMBER MERCER: Mr. Chairman.

17 CHMN STAFFORD: Yes, Member Mercer.

18 MEMBER MERCER: I know this back and forth
19 a very interesting, but if I remember correctly,
20 Mr. Lindsey talked about, okay, let's do the -- if we
21 don't do this we are going to do the band-aid approach.
22 The band-aid approach to me is like what are you talking
23 about? What about reliability? I mean, I don't care if
24 it's 10 million or 20 million, if you are putting a
25 band-aid approach, what's the point?

1 MS. GRABEL: And Mr. Lindsey, if I may ask
2 some clarifying questions now, because I think it will
3 help.

4 CHMN STAFFORD: Are you done, Mr. Lusk?

5 MR. LUSK: Along that line of questioning
6 I'm fine with her clarifying at this point. I just want
7 to make sure we got to the end of it.

8 CHMN STAFFORD: Okay. Please -- and then
9 before you do I -- make sure we're trying to close the
10 loops here before we get done. And at this point it's
11 looking less likely that we're going to get through
12 closings today.

13 But I remember there was a discussion about
14 the other neighborhood plan overlays and whether they
15 would require undergrounding. There's a list of them in
16 the application that were potentially implicated by this
17 project.

18 The City witness didn't have an answer
19 whether or not they would require -- they themselves
20 would require any undergrounding. And it's my
21 understanding that someone was going to clarify that
22 point and address which ones were specifically would be
23 implicated. Has that happened? Is someone prepared to
24 tell us?

25 MS. GRABEL: Mr. Bryner, are you prepared

1 to answer the Chairman's question?

2 MR. BRYNER: Sorry. Just ate a bite of
3 cookie.

4 CHMN STAFFORD: You thought it was all on
5 Mr. Lindsey. Now all of a sudden they're asking you
6 questions.

7 MR. BRYNER: That's what I thought.

8 So I believe I answered that question
9 earlier. It's really the University Area Plan and the
10 Gateway Corridor Zone that are implicated with respect to
11 location of underground utilities.

12 The Sam Hughes Neighborhood Plan is for
13 Route 2, but Route 2 only. I think there was a question
14 about the historic and neighborhood preservation zones,
15 but my testimony was that there is no nexus, no tie that
16 would require underground because they are focused on
17 design guidelines with respect to the structures, the
18 buildings within those zones.

19 CHMN STAFFORD: Okay. So the focus is then
20 on the Gateway Corridor and the University Area Plan.

21 MS. GRABEL: That would be subject,
22 Mr. Chairman, to the City's confirmation that TEP's
23 interpretation is correct.

24 CHMN STAFFORD: Okay. Yes. And is that
25 forthcoming?

1 MR. LUSK: I'm sorry, we were having a side
2 conversation. I apologize, Chairman.

3 CHMN STAFFORD: No problem. Did you hear
4 the question?

5 MR. LUSK: I didn't. I apologize.

6 CHMN STAFFORD: Ms. Grabel, what was the --

7 MS. GRABEL: Certainly. So TEP's position
8 is that what are the districts, Mr. Bryner? Can you
9 please repeat them.

10 MR. BRYNER: The neighborhood preservation
11 zone and the historic preservation zone.

12 MS. GRABEL: And our position is that those
13 zones do not require that any portion of the project
14 within those areas be undergrounded, and we just wanted
15 the City's confirmation that our interpretation is
16 correct.

17 MR. LUSK: So without looking at them
18 directly I can't speak to that, but my understanding is
19 there's no specific regulation in those zones, in those
20 overlays as relates to undergrounding.

21 CHMN STAFFORD: Okay. Thank you. That was
22 one of the loose ends that I wanted to make sure I tied
23 up before we wrapped on the presentation of evidence.

24 All right. Ms. Grabel, did you have
25 another clarifying question for the -- I guess you were

1 about to ask Mr. Bryner before I highjacked it.

2 MEMBER GOLD: Mr. Chairman.

3 CHMN STAFFORD: Yes, Member Gold.

4 MEMBER GOLD: Before we get off this topic
5 just a quick question about the jack and bores.

6 When you do a jack and bore you have to
7 have towers on both sides?

8 MR. JOCHAM: Riser structures, correct.

9 MEMBER GOLD: Riser structures. How tall
10 are they?

11 MR. JOCHAM: They would be similar to the
12 138kV, so 75 to 85 feet.

13 MEMBER GOLD: So on either side the Gateway
14 Corridors, you would put up towers, poles, towers that
15 are 75 to 80 feet tall.

16 MR. JOCHAM: Yeah. Yes.

17 MEMBER GOLD: On either side instead of
18 just the line going over it if you did not do a jack and
19 bore; is that correct?

20 MR. JOCHAM: Correct. And those structures
21 would be dead end structures, so they would be much
22 larger. They would have large terminations standing off
23 on arms, those terminations would be a couple feet tall
24 and pretty big in diameter.

25 So they would be visually impactful.

1 MEMBER GOLD: Very visually impactful. So
2 from a visual perspective, and this is for Mr. Lusk, it
3 appears to be that the jack and bore would not visually
4 improve the Gateway Corridor. As a matter of fact, it
5 would detract from it because of the two towers they'd
6 have to put on either side that are right -- would be
7 adjacent to the Gateway Corridor and I just wanted to
8 make sure if that is correct.

9 CHMN STAFFORD: I think you're almost
10 there. I think the jack and bore is a construction
11 technique. It's the undergrounding under the roadway
12 which is the additional cost they're talking about and
13 the structures that are required for that, whether
14 trenched across the road or jack and bore.

15 That's my understanding. Is that correct?
16 Because the jack and bore is a construction technique.
17 It doesn't have anything to do with the structures. I
18 mean, you have to have the structures there regardless of
19 whether you trenched it or whether you jacked and bore.

20 MEMBER GOLD: But if you didn't have to put
21 it underground, if you just did an overhead line.

22 CHMN STAFFORD: You avoid all that.

23 MEMBER GOLD: They could be hundreds of
24 feet away from the corridor.

25 CHMN STAFFORD: Right. Exactly. Because

1 the structures they're talking about, the dead end
2 structures, they had -- that's where it goes underground
3 to cross.

4 MEMBER GOLD: Yes.

5 CHMN STAFFORD: That's the transition from
6 the overhead line to the belowground line; correct?

7 That's -- I'm seeing nods in agreement. Yes.

8 MR. JOCHAM: Correct.

9 CHMN STAFFORD: That's a jack and bore,
10 yeah, that's --

11 MEMBER GOLD: I understand. I'm just
12 saying to get across the Gateway Corridor, if we are
13 concerned about a Gateway Corridor, which means you want
14 it to look good when people come in and out, whereas I
15 thought the jack and bore would be great, nobody sees
16 anything, that was not a correct assumption.

17 The assumption would be you would have
18 gigantic towers on either side of your Gateway Corridor,
19 pretty much adjacent to it, and that would be an eyesore,
20 in my opinion. What is your opinion, Mr. Lusk?

21 MR. LUSK: My opinion? Well, I think we
22 actually have a picture of it. Mr. Bryner, do you have
23 that available for us?

24 MR. BRYNER: Yeah, it's in --

25 MR. LUSK: Mr. Jocham's report. Is that

1 right?

2 MR. JOCHAM: It's in my presentation.

3 MR. BRYNER: It's in his presentation.

4 TEP-16? Page 3 or 4.

5 MR. JOCHAM: Page 4.

6 CHMN STAFFORD: Let's pull that up and see
7 what we're talking about. And then, Ms. Grabel, for
8 clarification, is that structure listed in the
9 application as one of the potential structures for the
10 line that typically get approved with these type of --
11 any kind of transmission line, or is that -- or is it
12 incorporated by reference from the report?

13 MS. GRABEL: Chairman Stafford, it is not
14 included as a typical structure, because it would be
15 associated only with an underground transmission line,
16 and we don't need approval to build an underground
17 transmission line. We're seeking the construction of an
18 overhead transmission line. But we do see one depicted
19 on Mr. Jocham's slide.

20 MR. LUSK: So it's the one on the right,
21 Mr. Jocham? Is that right?

22 MR. JOCHAM: Yeah, so this would be a riser
23 structure. This is during active construction, so you
24 can see the crane hook here. They're actually pulling
25 the cable through the conduits and up into the riser. So

1 this is an incomplete riser, but it is a representation
2 of what the structure would look like. This is a 138kV
3 riser.

4 So you can see the arms here and there's
5 one right at the top of the picture here for the third
6 phase. This particular riser is a single cable per
7 phase.

8 So you would actually have, you can kind of
9 see this angled platform at the end of the arm. That is
10 where your termination sits. You would have two of those
11 on each arm for the two cables per phase.

12 You would have all of the cables running up
13 the face of the pole here, and then after installation
14 you would install a large shroud around those cables to
15 protect the cables from any vandalism. And that would go
16 around this porch, what's called a porch here where you
17 see all these conduits coming up out of the surface of
18 the ground.

19 And so that con -- or excuse me -- that
20 shroud would wrap around all of these conduits and go
21 about 20 feet up in the air on average.

22 MR. LUSK: Than you, Mr. Jocham. That's
23 very helpful. Oh, and just to -- you said where they're
24 pulling the line, those protuberances from the pole, do
25 those get removed?

1 MR. JOCHAM: Sorry. Do these get removed?

2 MR. LUSK: No, go up the pole. Those.

3 MR. JOCHAM: No, those are used to hold the
4 cables as they go up the pole.

5 MR. LUSK: So they stay there.

6 MR. JOCHAM: Yeah, you basically have
7 clamps that attach to that and the cables attach to the
8 clamps so those large angles are used to support the
9 cables as they run up the pole face.

10 MR. LUSK: So it doesn't go through the
11 cable or through the pole.

12 MR. JOCHAM: No, no. It is on the outside.

13 MR. LUCK: Gotcha.

14 MR. JOCHAM: I think TEP does have
15 distribution risers where the cable goes inside the pole,
16 but that would not be the case for transmission.

17 MR. LUSK: Gotcha. Thank you.

18 MEMBER GOLD: So as I was -- just learned,
19 this would not enhance the appearance of a Gateway
20 Corridor?

21 MR. LUSK: Well --

22 MEMBER GOLD: At least not in my opinion.

23 MR. LUSK: And not -- not in your opinion,
24 I agree, Member Gold, that this would not likely be, I
25 would agree that any pole in the Gateway Corridor Zone

1 does not enhance its visual appeal.

2 MEMBER GOLD: Mr. Lusk, thank you.

3 MR. LUSK: You're welcome.

4 MEMBER GOLD: Mr. Jocham, thank you. I had
5 no idea what a jack and bore was nor did I have any idea
6 what goes alongside of it.

7 I can see this use of this if you're trying
8 to get across an interstate. But I cannot see the use of
9 this when you're trying to just get across a gateway.
10 Thank you.

11 MR. LUSK: So if I can -- I'm sorry,
12 Ms. Grabel, do you have any further clarification?

13 MS. GRABEL: I have some, yes.

14 MR. LUSK: Go ahead, please.

15 MS. GRABEL: Okay. So Mr. Lindsey,
16 Mr. Lusk asked you some questions about just spending
17 \$10 million on the existing system to get reliability
18 benefits and tried to compare it to the cost of crossing
19 perpendicularly underground.

20 That \$10 million spend you referred to,
21 that gets us only to the year 2030; is that correct?

22 MR. LINDSEY: That's correct.

23 MS. GRABEL: And so to maintain safety and
24 reliability beyond the year 2030, how much will TEP need
25 to invest in its 46kV system?

1 MR. LINDSEY: So as we discussed last week,
2 that approximation is north of 50 million.

3 MS. GRABEL: Okay. Thank you. And you'll
4 also then have to have come up with a transmission
5 solution; correct?

6 MR. LINDSEY: That's correct.

7 MS. GRABEL: And that would also likely be
8 in the millions of dollars range?

9 MR. LINDSEY: Yes.

10 MS. GRABEL: Okay. Thank you.

11 Can we pull the TEP exhibit that was just
12 up? Was that Exhibit 26, I believe?

13 MR. LUSK: Yes, for the Gateway Corridors.

14 MS. GRABEL: For the Gateway Corridors.

15 And I just want to clarify for the Committee why the
16 University Area Plan is such a concern for us. It's not
17 simply the crossing of Broadway along Euclid.

18 Mr. Bryner, I'm going to ask you this
19 question. I believe we mentioned that in order to get a
20 special exception, the fact finder in the special
21 exception process has to make a finding that the route is
22 consistent with the University Area Plan. Is that your
23 understanding?

24 MR. BRYNER: That's correct.

25 MS. GRABEL: And so is it a possibility, I

1 hope the Committee can see that the University Area Plan
2 does -- it looks like goes through Broadway. And so
3 there's a portion of that crossing that implicates the
4 University Area Plan.

5 Is it TEP's concern that there's a
6 possibility that the City of Tucson in the special
7 exception process will approve our special exceptions
8 only if it finds that -- only if we also construct the
9 University Plan area underground?

10 MR. BRYNER: Yes, that is a concern.

11 MR. LUSK: I'm sorry, Ms. Grabel. Can you
12 clarify what -- I don't -- I didn't understand your
13 question.

14 MS. GRABEL: Certainly.

15 MR. LUSK: What length are you talking
16 about?

17 MS. GRABEL: The entirety of the route that
18 runs through the University Area Plan.

19 Because the -- because the fact finder will
20 need to, in order to approve the project, find that its
21 decision is consistent with the applicable University
22 Area Plan. And if that fact finder decides that the
23 University Area Plan requires undergrounding, it could as
24 a condition to approving the special exception require
25 the underground construction of the line throughout the

1 entire route that runs through the University Area Plan.

2 Is that TEP's concern?

3 MR. BRYNER: Yes, that is a concern.

4 CHMN STAFFORD: So we're talking from the
5 Vine Substation down Route 4 to Broadway, that it would
6 go aboveground south of Broadway?

7 MS. GRABEL: I think it's actually the
8 portion of the line that runs down Park into Vine and
9 then from Vine south until it crosses Broadway.

10 CHMN STAFFORD: Yeah, I said from the Vine
11 Substation.

12 MS. GRABEL: Oh, my apologies, yes.

13 CHMN STAFFORD: Till it gets south of
14 Broadway would be -- it looks like the University Area
15 Plan if it does indeed require undergrounding would
16 require undergrounding all way from the substation until
17 it got south of Broadway Road based on this map.

18 MS. GRABEL: Yes, but there's also the
19 segment in Route B that runs from the Vine Substation up
20 to Grant. And that's the second portion that we'd be
21 worried about.

22 CHMN STAFFORD: Oh, yes. I'm just looking
23 at the numbered sections here, not the lettered sections.

24 Okay. Yeah.

25 MEMBER GOLD: Mr. Chairman.

1 CHMN STAFFORD: Yes, Member Gold.

2 MEMBER GOLD: I'm trying to figure out the
3 University Area Plan. Isn't the proposed Vine Substation
4 right in the middle of it?

5 MS. GRABEL: Yes, it is, Member Gold.

6 MEMBER GOLD: So you're going to have to go
7 through the -- what was the terminology, the guy that
8 makes the decision?

9 MS. GRABEL: Special exception process.

10 MEMBER GOLD: So he's got to make a special
11 exception for the Vine plan just for starters; is that
12 correct?

13 MS. GRABEL: The substation, yes. That's
14 correct. I don't know if it's the same individual.
15 Perhaps Mr. Bryner knows.

16 MR. BRYNER: It would go through the zoning
17 examiner, both. We'd need a special exception for the
18 substation. We need a special exception for the
19 perpendicular crossings of the Gateway Corridor.

20 MEMBER GOLD: But aren't these the people
21 in the University Area Plan who need the power?

22 MS. GRABEL: Mr. Bryner, do you want to
23 answer that question?

24 MR. BRYNER: Yes.

25 CHMN STAFFORD: That's yes, you can answer

1 the question and yes, they need the power?

2 MR. BRYNER: Yes to both.

3 MEMBER GOLD: Thank you.

4 MEMBER MERCER: Mr. Chairman.

5 CHMN STAFFORD: Yes, Member Mercer.

6 MEMBER MERCER: So I just need a little bit
7 of clarification. Ms. Grabel just asked the question, if
8 they do the repair or the band-aid approach as I call it,
9 of -- for the reliability of the existing lines that we
10 have, you said it was 10 years?

11 MS. GRABEL: \$10 million will get us to the
12 year 2030.

13 MEMBER MERCER: 2030. Okay. So it's six
14 years.

15 What about if you do the brand-new, this
16 new project that you're asking for, how many years before
17 you have to upgrade it?

18 MR. LINDSEY: Member Mercer, we're
19 anticipating this project to support Midtown really for
20 the life of the facilities.

21 And so one of -- that's a really hard thing
22 to say in normal circumstances. But one of the
23 advantages that we in having a lot of confidence in that
24 statement is we conducted a saturation study a number of
25 years ago in 2018, and that looked at what the loading of

1 our -- of this area would be at full buildout, meaning
2 every lot built, everything anticipated that could be
3 built was built.

4 And this line and substation, specifically
5 the line supported that growth. And so it's hard to give
6 you a specific year of it's going to be ten years,
7 20 years, it's going to be well past that time frame.
8 And you're looking at a system that we're looking at
9 replacing that's 50 to 70 years old. This new
10 transmission line and substation will support the area
11 that long.

12 MEMBER MERCER: So I was trying to get to
13 it's going to be more than six years.

14 MR. LINDSEY: Absolutely, yes.

15 MEMBER MERCER: Thank you.

16 MEMBER LITTLE: Mr. Chairman.

17 CHMN STAFFORD: Yes, Member Little.

18 MEMBER LITTLE: Perhaps I missed something,
19 but this is the first time that I have become aware of
20 the fact that the substation requires a special
21 exception. I know that we have jurisdiction over the
22 substation, but because the line, no substation, no line.

23 I'm curious what the status is of TEP
24 getting the authorizations that they need to allow them
25 to build the substation in that location.

1 MS. GRABEL: Member Little, I can address
2 that real quickly. This is the exhibit that I went
3 through with the City yesterday. We have applied for the
4 special exception for the Vine Substation.

5 But the zoning administrator issued an
6 order that said that we would not get that determination
7 until we had a route for this project.

8 CHMN STAFFORD: And that was Exhibit TEP --

9 MS. HILL: UAZ, I believe it's 23. It
10 might be 22.

11 CHMN STAFFORD: Let's look and see.

12 MEMBER GOLD: So by implication --
13 Mr. Chairman -- so by implication if you get a route you
14 can get permission to do it, of course he would have just
15 said no, I'm not giving you permission whether you have a
16 route or not.

17 MS. GRABEL: That is true, yes, Member
18 Gold.

19 MEMBER GOLD: The intimation is yes, once
20 we give them a route they'll get this because they
21 realize they need the power.

22 MS. HILL: Member Gold, I think we can't
23 read anything into anything, I think the City has made
24 that abundantly clear, but we can agree that he didn't
25 just say no, and that it's very clear and it is

1 Exhibit UAZ Exhibit 22, the line -- I mean, it actually
2 says until we know where the line is this is premature,
3 something to that effect.

4 MEMBER GOLD: Thank you. Mr. Chairman,
5 just a question.

6 What is our status in the hierarchy when we
7 make a recommendation that differs from -- what is that
8 guy called again?

9 MS. HILL: Zoning examiner.

10 MEMBER GOLD: The zoning guy, we make a
11 recommendation, can he overrule it and say no, or can we
12 overrule him and say yes?

13 CHMN STAFFORD: We -- the Line Siting
14 Committee does not site substations.

15 MEMBER GOLD: We have no jurisdiction over
16 substations.

17 CHMN STAFFORD: No, the statute exempts
18 substations from approval from this Committee and the
19 Commission, CECs are required for plants, transmission
20 lines, and switchyard, but substations are specifically
21 excluded in the statutory definition.

22 MEMBER GOLD: So who has authority over
23 the --

24 CHMN STAFFORD: The City.

25 MEMBER GOLD: The City of Tucson. Now I

1 understand the boondoggle. Thank you.

2 CHMN STAFFORD: I wanted to make sure I get
3 this nailed down. The University Area Plan does require
4 undergrounding for all routes?

5 MS. HILL: Where possible.

6 CHMN STAFFORD: It says where possible?

7 MS. HILL: It says if possible or where
8 possible.

9 MR. LUSK: So it does, Chair.

10 CHMN STAFFORD: Okay. All right. So if
11 possible. That's a little ambiguous, don't you think?

12 MS. GRABEL: Chairman Stafford, we think
13 so. We just want the City to confirm as much and we
14 haven't been able to get the commitment out of the City.

15 CHMN STAFFORD: Okay. So that's why you're
16 asking for the special -- for the determination of
17 unreasonably restrictive for that specific regulation
18 then, the university plan.

19 MS. GRABEL: Correct, as well as the
20 Gateway Corridor Zone.

21 CHMN STAFFORD: Okay. All right. I just
22 want to make sure, because I had notes that said if, and
23 it's kind of a big if, and so I hadn't heard a definitive
24 answer either way whether it was going to require or not
25 require underground. So I had to make sure I had the

1 correct understanding of that before we ended testimony.

2 MR. LUSK: Can I follow up on that --

3 CHMN STAFFORD: Sure.

4 MR. LUSK: -- Mr. Chair?

5 So Mr. Bryner, just so I understand your
6 position which I think you've represented well, your
7 concern is how in what way or relationship the University
8 Area Plan applies within the Gateway Corridor Zone at the
9 crossings?

10 MR. BRYNER: So it's -- well, it would be,
11 that would be the --

12 MR. LUSK: For the proposed route. Sorry.
13 I'm sorry. Go ahead.

14 MR. BRYNER: So, yeah, the tie that we
15 would have that would implicate the zoning examiner
16 getting involved would be at the Gateway Corridors, the
17 special exceptions.

18 And to the extent that they then -- well,
19 one, whether or not they decide to grant the special
20 exception; but two, would be how far they may decide that
21 determination may go. And some of the language we've
22 seen in the special exception for the Vine Substation
23 give us pause to think they may try to extend beyond the
24 affected area.

25 MR. LUSK: And that's within the Exhibit 22

1 you --

2 MR. BRYNER: I think it was UAZ-23.

3 MR. LUSK: UAZ-22. Mr. Dempsey is saying
4 is it's 22. I don't -- I won't quibble.

5 CHMN STAFFORD: I have the exhibit list
6 here, and it says UAZ-22 is the zoning examiner's
7 decision on TEP special exception permit dated May 2021.

8 MR. LUSK: What's the specific language
9 that you're talking about? Sure. Take your time.

10 While you're doing that, Mr. Bryner, I'm
11 going to ask Mr. Lindsey if -- just to sort of tie off
12 our previous discussion.

13 Is it my understanding that you have -- you
14 do not wish to compare the costs of complying with the
15 Gateway Corridor Zone just at the perpendicular crossings
16 with having to proceed without the route entirely? Is
17 that -- are you comfortable with that? That position?

18 MR. LINDSEY: Mr. Lusk, can you restate
19 that question?

20 MR. LUSK: Sure. I think what I heard from
21 you is that you're not comfortable comparing the costs of
22 complying with the Gateway Corridor Zone at its
23 perpendicular crossings for your preferred route with the
24 costs of moving forward without the route entirely? Is
25 that your position?

1 MR. LINDSEY: Comparing the costs to
2 underground the gateway --

3 MS. GRABEL: Can you ask them to clarify
4 the question? I didn't understand it and I don't think
5 my witness does either.

6 CHMN STAFFORD: I think I get what Mr. Lusk
7 is getting at. Because when you're looking at the cost
8 comparison we're talking about, let's see, I think, is it
9 addressed in TEP? For example -- let's see here. No.
10 Okay. I see. Okay.

11 So I think the question I think Mr. Lusk is
12 trying to make is that we're looking at the costs of
13 undergrounding large sections of the line as compared to
14 overheading the entire section of the line. But I think
15 what he wants to see is a comparison between total
16 overhead and then overhead with only undergrounding at
17 the Gateway Corridors.

18 MR. LUSK: Correct.

19 CHMN STAFFORD: Without -- without special,
20 if they -- if they do not get the special exception.

21 MR. LUSK: That's correct. I think that
22 was the concern.

23 CHMN STAFFORD: Okay. That's -- to my
24 recollection TEP did not present specific testimony on
25 the costs of three below grade crossings, undergroundings

1 at just the three intersections implicated by the Gateway
2 Corridor Zone. Is that the case? Is that -- or did
3 you -- I mean, what I've been hearing is Mr. Jocham and
4 Mr. Lusk kind of ballparking it based on what the costs
5 are to do an undergrounding at an intersection in
6 addition to -- so what that additional costs would be if
7 the rest of the project was constructed overhead.

8 So, but I don't think the applicant
9 prepared specific testimony on just what it would cost to
10 underground at three roads.

11 Is that correct, Ms. Grabel?

12 MS. GRABEL: Mr. Chairman, that is correct.
13 I think Mr. Jocham has a rough estimate that he's
14 calculated sitting here today, although I will suggest,
15 again, that is not the worst-case scenario that we're
16 preparing for with our interactions with the City because
17 we do think the University Area Plan is implicated.

18 CHMN STAFFORD: Right.

19 MS. GRABEL: So --

20 CHMN STAFFORD: But see -- okay, the issue
21 with -- okay. Let me make sure I understand this. Now,
22 assuming that there was no University Area Plan, the
23 under -- under the Gateway Corridor Zone would require,
24 unless you got a special exception, TEP to underground
25 the three crossings, the one at -- from --and we're

1 talking here -- we're talking about Route B-4.
2 Specifically, I guess it's -- oh, no, yes. No. In
3 Route B, actually all the routes that they'd cross, what
4 is that, the upper one here that's not labeled? I'm
5 looking at --

6 MR. BRYNER: Oracle.

7 CHMN STAFFORD: Oracle. Okay. Right. So
8 there would be Oracle, there would be Broadway, and Kino
9 Parkway. Ignoring the University Area Plan, the
10 Gateway -- the Gateway Corridor would require
11 undergrounding for that -- for the line to cross under
12 those intersections.

13 Is that correct, Mr. Bryner? Mr. Lindsey?

14 MR. BRYNER: Yes.

15 CHMN STAFFORD: Okay. All right. Now, you
16 were pretty confident that you could get two of those.
17 But the big one I believe was the crossing of Broadway
18 and the University Area Plan; correct?

19 MR. BRYNER: Correct.

20 CHMN STAFFORD: Now, is the concern that
21 the City would require undergrounding for that crossing,
22 or that it would require -- okay. We were just talking
23 about just -- so it would just be that one crossing that
24 you would have to do -- say that you're less likely to
25 get a special exception for.

1 MR. BRYNER: That's the one that causes us
2 concern.

3 CHMN STAFFORD: Okay. And if the
4 University Area Plan was found to be unduly burdensome,
5 then there would not be the basis to deny the special
6 exception, would there? I guess it's more of a legal
7 question for Ms. Grabel.

8 MS. GRABEL: Will you repeat the question,
9 Chairman Stafford?

10 CHMN STAFFORD: Okay. So you guys are
11 confident that you can get -- that the City would grant a
12 special exception for the Gateway Corridor for the
13 perpendicular crossings except for the one at Broadway,
14 because of the concern that the University Area Plan
15 would be interpreted to interpret -- to require
16 undergrounding and they would deny it on that basis.

17 MS. GRABEL: I'm not sure I would say we're
18 confident. I know that's Mr. Bryner's testimony. I
19 think he may be confident. I think TEP may be less so,
20 but yes, generally that is accurate.

21 CHMN STAFFORD: Well, let's define
22 confidence more likely than not. As opposed to beyond a
23 reasonable doubt or 80 percent, 75 percent. We're saying
24 it's more likely than not. That's -- that's the level of
25 confidence, or is it higher than that, Mr. Bryner?

1 MS. GRABEL: Let's put it this -- oh,
2 sorry. Go ahead.

3 MR. BRYNER: I've never been through it
4 before. But I'd like to think that reason will prevail
5 and that when we apply they would see some of the logic
6 that we've talked about that having two large structures
7 on either side of the road is more obtrusive than a
8 single crossing.

9 CHMN STAFFORD: Yeah, and like -- I think
10 Member Gold and I are inclined to agree with you.
11 Because if you're spanning it with the aboveground
12 structure the structures could be way further conceivably
13 300 feet away from the road on the other side as opposed
14 to having something that's there.

15 But -- so I mean -- but, okay. So my --
16 that's the -- that's the one that I was concerned about.
17 So, again, since City did help work with you to develop
18 that special exception process, it would seem -- I don't
19 want to say silly -- but it would seem counterproductive
20 to have a process and then just deny, deny you a special
21 exception through that process for the very thing it was
22 designed to address.

23 So there's that.

24 But so, I guess what I'm getting to now is
25 that if the Committee were to find that the University

1 Area Plan was unduly burdensome, but not the Gateway
2 Corridor restriction, would that make you feel more
3 confident about getting the special exception for the
4 Broadway Boulevard crossing?

5 MR. BRYNER: So again, I think that's
6 probably a legal question. If you want my thoughts I can
7 give them, but I think they'd be better to respond.

8 CHMN STAFFORD: Right. And that was -- I
9 guess that was the question that I was rephrasing to you,
10 Ms. Grabel.

11 MS. GRABEL: Yes. Thank you, Chairman
12 Stafford. I definitely think that would give TEP greater
13 comfort that we would not have to build the line
14 belowground in the University Area Plan.

15 CHMN STAFFORD: Okay. And that -- because
16 if that is the case, then you get to -- you have to
17 underground everything from north of Broadway Road and
18 south of Grant Road.

19 You're -- I guess depending on where the
20 border of that is on Grant Road, if you put it on -- it
21 would vary depending -- was it -- did they extend all the
22 way to the southern edge right-of-way of Grant Road or
23 stop short of that, or did it go to the middle of the
24 road or the far side? And that's -- that seems to be a
25 fact issue that is still in doubt; correct?

1 MS. GRABEL: Yes, Chairman Stafford, that's
2 correct. So, I mean -- I'm going to let Mr. Bryner
3 address your question with respect to where the line
4 would likely go.

5 CHMN STAFFORD: Okay.

6 MR. BRYNER: So no -- well, let me answer
7 the one question, though, because Mr. Lusk did look into
8 that, and it sounds like the University Area Plan would
9 go to essentially the center line of the roads around it,
10 so the center line of Grant, center line of Broadway.

11 Now I forget the question I was supposed to
12 address. Sorry.

13 CHMN STAFFORD: I think that was it.

14 MS. GRABEL: That was it.

15 CHMN STAFFORD: It was what was the edges
16 of the University Area Plan.

17 Okay. All right. Well, I think that
18 addresses my questions. Mr. Lusk, did you have any
19 further questions?

20 MR. LUSK: Yeah, I just wanted to wrap it
21 up. So if I understand, Mr. Bryner, the main issue that
22 you have in terms of the regulations that we discussed is
23 with the University Area Plan.

24 MR. BRYNER: Yes.

25 MR. LUSK: And in terms of complying with

1 the Gateway Corridor Zone irrespective of the University
2 Area Plan, you're confident you're able to do that?

3 MS. GRABEL: I'm going to object again to
4 that. We're using the word "confident," and I don't
5 think that's what Mr. Bryner has said.

6 CHMN STAFFORD: Right. I think confidence.

7 MR. LUSK: Let me rephrase.

8 CHMN STAFFORD: Yes. Thank you.

9 MR. LUSK: You're able to -- TEP's able to
10 participate in the process for a special exception
11 process for those within the Gateway Corridor Zone for
12 your preferred route?

13 MR. BRYNER: Yes, we would.

14 MR. LUSK: And, in fact, I'll reiterate it.
15 I know we've already talked about it, but you
16 participated in the crafting of that special exception
17 process?

18 MR. BRYNER: Myself personally, no, but
19 TEP.

20 MR. LUSK: TEP. Yes. As an entity. Thank
21 you.

22 CHMN STAFFORD: Does that conclude your
23 questions?

24 MR. LUSK: I think it does.

25 CHMN STAFFORD: All right.

1 MS. GRABEL: Mr. Chairman, one quick thing.
2 Sorry. I know you hate this. The Committee did ask
3 yesterday for information regarding the amounts that TEP
4 has paid the City in franchise fees over the past few
5 years, and we do have that information available for you.

6 CHMN STAFFORD: All right. Please provide
7 that. Is it coming from Mr. Bryner?

8 MS. GRABEL: I think it's coming from
9 Mr. Lindsey.

10 CHMN STAFFORD: Mr. Lindsey. Okay.

11 MS. GRABEL: This is actually both the
12 franchise fee and payments of utility taxes.

13 CHMN STAFFORD: Okay.

14 MR. LINDSEY: So Chairman Stafford, walking
15 through these numbers for 2022, the utility tax -- are we
16 giving specifics?

17 MS. GRABEL: Yes.

18 MR. LINDSEY: \$13,912,586.65. Did I get
19 that right? Okay.

20 The Tucson franchise, it's not the same but
21 it's close. So \$13,947,374.84.

22 CHMN STAFFORD: So all told, approximately
23 27, 28 million. Closer to 28 million.

24 MR. LINDSEY: Yes, sir.

25 CHMN STAFFORD: That's me doing math in my

1 head, so that's some significant rounding going on.

2 MR. LINDSEY: Mr. Chairman, you're there.

3 CHMN STAFFORD: Okay.

4 MR. LINDSEY: So we've got '21 as well if
5 you'd like it.

6 MS. GRABEL: We have '20 through year to
7 date.

8 CHMN STAFFORD: Okay. What was -- you just
9 gave '20 before?

10 MR. LINDSEY: That was 2022.

11 CHMN STAFFORD: Okay. And that's the most
12 recent year?

13 MR. LINDSEY: We -- most recent full year
14 is last year, so I do have 2023. But Mr. Bakken
15 testified to the approximates, which are pretty well spot
16 on at 15 million apiece. So 15 million for utility tax
17 and another 15 for Tucson franchise.

18 CHMN STAFFORD: About 30 million last year.

19 MR. LINDSEY: Correct.

20 CHMN STAFFORD: 28 the prior year. And
21 then --

22 MR. LINDSEY: I'll give -- Mr. Chair, I'll
23 give you a general for '21. So we're right around 13
24 million for both. So 26 million total for '21.

25 MS. GRABEL: And how about for 2020? I'm

1 sorry, not 2020. '24 year to date.

2 MR. LINDSEY: Okay. So I've got '24 year
3 to date, we are -- which ones are we going with, Clark --
4 okay.

5 So the tax is roughly 5.6 million. And the
6 franchise is roughly 3.3 million. And we're calling this
7 year to date, but I know there's a difference. The
8 reason these numbers aren't spot on like -- or very
9 similar, like previous years is we collect or we're
10 reporting in the spreadsheet taxes on a monthly basis.

11 And franchise fee, we've got a collection
12 that's identified in March. So if we were to -- this
13 only gets us through May of the year, so if we were to
14 look at this in another month and had updated data, I
15 would assume they're tracking similar to previous years.

16 CHMN STAFFORD: Right. Because, again,
17 math is not my specialty, but just ballparking, if you
18 paid 30 million the previous year I'd expect you to be
19 about 7 and a half million deep on each of them in July
20 of this year.

21 MR. LINDSEY: I would agree and we only
22 have data through May --

23 CHMN STAFFORD: Okay.

24 MR. LINDSEY: -- of this year.

25 CHMN STAFFORD: All right. I think

1 that's -- whose question was that? From the Committee?

2 MEMBER HILL: I have a different question
3 but I did not ask that question.

4 CHMN STAFFORD: And that money goes to the
5 City to spend as they see fit. They may have some
6 restrictions on how they do it, but that's moneys paid to
7 the City that it uses for what it decides to.

8 MEMBER HILL: I was going to ask a question
9 along the lines, Ms. Hill indicated that the TEP doesn't
10 take issue, but she wasn't under oath so I was going to
11 ask the panel.

12 Do you take issue with how the City spends
13 those franchise fees around public services, public
14 safety, those kinds of things? Like that's -- the TEP
15 doesn't have an issue with how those are expended?

16 MR. LINDSEY: Member Hill, I believe
17 Mr. Bakken spoke to that very briefly. I would defer to
18 his testimony especially since he's my boss. But, yes, I
19 agree with you, we do not take issue.

20 MEMBER HILL: Thank you. I only ask the
21 question because Ms. Hill had mentioned the position of
22 the City but wasn't under oath, so.

23 CHMN STAFFORD: All right. Mr. Dempsey.

24 MR. DEMPSEY: Yes, I have a couple of
25 questions. Mr. Lindsey, I just want to clean a few

1 things up here, things that are confusing me.

2 Mr. Robinson -- is that right?

3 Mr. Robinson. I -- you testified just I guess a couple
4 of hours ago now about distribution being only
5 one-inch-wide -- or one-foot-wide trench. I don't
6 remember him saying anything that small.

7 These are my notes, I apologize, but I have
8 here minimum width is two feet and the minimum depth is
9 42 inches. Was he incorrect?

10 MR. LINDSEY: So Mr. Dempsey, I pulled
11 information from our service requirements for single
12 six-inch conduit installation.

13 So that would be one foot width minimum,
14 48 inches bottom of trench. So I don't think that's very
15 inconsistent with what Mr. Robinson mentioned. I
16 believe, I'm going back in memory here, he was talking
17 about typically we're looking to put spare conduits in
18 when we can. That's going to expand the trench. And top
19 of conduit minimum would be 42 inches. That's the
20 six-inch difference between 48 and 42, so I think we're
21 very similar.

22 I was attempting to compare minimums to
23 minimums.

24 MR. DEMPSEY: Okay. So does the same
25 reference material you were just looking at say what the

1 width is for? Because it sounded to me, like
2 Mr. Robinson said, you'd put in two, it's not going to be
3 one. It's going to be two. Is that -- and he also
4 mentioned concrete backfill, so I guess you're -- there's
5 another standard that you're not mentioning.

6 MR. LINDSEY: So real -- Mr. Dempsey, what
7 I was speaking to was a minimum-to-minimum comparison.
8 What we show here in our service requirement 215 are
9 those figures.

10 MR. DEMPSEY: So what -- could you tell me
11 what it says for the maximum?

12 MR. LINDSEY: There's no reference to
13 maximum on the trench.

14 MR. DEMPSEY: Is this public record?

15 MR. LINDSEY: Yes, sir.

16 CHMN STAFFORD: What exhibit are we talking
17 about?

18 MR. LINDSEY: I don't -- Mr. Chair, I don't
19 believe this is an exhibit. It's just a reference to an
20 online service requirements for TEP.

21 CHMN STAFFORD: Oh, okay.

22 MR. DEMPSEY: Okay. So, all right, so it's
23 the minimum, there's a maximum, there's potentially
24 concrete backfill, there's wider trench, deeper trench,
25 potentially if there's lots of communication lines; is

1 that correct?

2 MR. LINDSEY: Yes, I would agree with that.

3 MR. DEMPSEY: Okay. Thanks.

4 MEMBER KRYDER: Mr. Chairman.

5 CHMN STAFFORD: Yes, Member Kryder.

6 MEMBER KRYDER: Having worked many, many
7 years ago in some trenching, there's also the trench box
8 that is necessary and I think that's part of what
9 Mr. Robinson spoke to the other day. That there was a
10 one-foot-wide trench that has to be used, but then a
11 trench box that sits inside of it to keep cave-ins and
12 safety and such as that.

13 I certainly don't mean to change the
14 testimony here at all. But it's something I believe that
15 the Committee might want to remember.

16 MR. DEMPSEY: Thanks. I guess this is for
17 Mr. Jocham, or any of you can answer. It's -- and this
18 may have been stated and I apologize if I just missed it,
19 it just made me think of it. Will the overhead line have
20 two cables per phase?

21 MR. JOCHAM: I know the answer but I'll
22 have TEP answer because I was not involved in the
23 overhead.

24 MR. BRYNER: I've just got to say this
25 because I want to. So we build overhead and that's all

1 we do. So we're the experts at the overhead.

2 But -- so the overhead line will be one
3 cable, one -- one conductor per phase, we call it
4 conductor --

5 MR. DEMPSEY: Right. Right.

6 MR. BRYNER: -- versus cable underground.

7 MR. DEMPSEY: Now, even if you have to go
8 underneath, jack and bore?

9 MR. JOCHAM: Even if you would have a
10 trenchless installation --

11 MR. DEMPSEY: Right.

12 MR. JOCHAM: -- so if you have to go
13 underground it would still have to be two cables per
14 phase for the underground.

15 MR. DEMPSEY: So then you just go two to
16 one at the riser or whatever?

17 MR. JOCHAM: You marry the cables at the
18 riser; correct.

19 MR. DEMPSEY: All right. Thank you. All
20 right. So Mr. Lindsey, I want to -- I wasn't here under
21 all the testimony so I just want to be clear here. You
22 said if this project is not done by 2027 it is another 10
23 million, if it's not done by 2030 it is another
24 \$50 million or so. Is that what I heard?

25 MR. LINDSEY: Roughly, Mr. Dempsey. So as

1 we spoke last week and again today, we are approximating
2 9.6 million post-'27. And when we talk post-2030 that's
3 where the 50-plus million comes in. Just know -- yeah,
4 that's the 50 for us to look at upgrades to the
5 existing --

6 MR. DEMPSEY: So it's fair to say that if
7 this fight -- if there's a legal fight past 2030 it's
8 going to cost \$60 million to TEP and ratepayers?

9 If this project's not done, I mean to say
10 if this project is not done by 2030, it's going to cost
11 \$60 million to ratepayers?

12 MR. LINDSEY: So if this project's never
13 built, that's the scope of cost we're looking at, yes.
14 So specifically when the 50-plus million spend is
15 anticipated, we have not looked at it in that detail.
16 It's post-2030.

17 MR. DEMPSEY: Okay. So \$50 million
18 post-2030, not right at 2030?

19 MR. LINDSEY: Correct.

20 MR. DEMPSEY: Okay. So it could be maybe
21 less than that or --

22 MR. LINDSEY: I wouldn't anticipate that
23 before 2030.

24 MR. DEMPSEY: Okay. Thank you.

25 CHMN STAFFORD: I got to think you'd have

1 the try to file this application again between now and
2 then, I mean, this is this second time, second run at
3 this one so I think you'd have to, you know, third time
4 be the charm; right?

5 MR. LINDSEY: Mr. Chairman, we do not want
6 to spend that 30 million on the old system. So we would,
7 if it doesn't get approved, yeah, that is not our wish.

8 We want to build this project. We put a
9 tremendous amount of effort. We see so much value for
10 the community here. We want to build this thing.

11 MR. DEMPSEY: And we want you to. We just
12 want you to build it a different way. But that's -- so
13 the last question. I don't know if -- who to direct this
14 question at, but in reviewing the revised CEC you did not
15 insert a condition about undergrounding distribution
16 lines. Is that forthcoming?

17 MS. GRABEL: Mr. Chairman, so we have not
18 asserted a condition about undergrounding, but that's
19 certainly a commitment of this project, and if the
20 Committee wanted to insert that as a condition, we
21 wouldn't object.

22 MR. DEMPSEY: Well --

23 CHMN STAFFORD: It very well -- if they
24 file what they file, and they're not going to file it
25 between now and the time they give their closing, but I

1 do have a note about the conditions they listed on one of
2 the specific slides.

3 And I can assure you that's something that
4 the Committee will have a discussion of when we discuss
5 conditions.

6 MS. GRABEL: And actually, Chairman
7 Stafford, now that I'm thinking about it, in the finding
8 of facts that we've asked you to consider, we do include
9 a finding of fact about the net reduction in utility
10 poles that will result from this project. So a net
11 reduction of 32, and so that would by implication commit
12 TEP to, you know, undergrounding the existing
13 distribution infrastructure.

14 MR. DEMPSEY: Would you object to having a
15 condition on undergrounding distribution lines?

16 MS. GRABEL: No.

17 MR. DEMPSEY: In a CEC. No?

18 MS. GRABEL: No.

19 MR. DEMPSEY: Thank you. That's it.

20 MEMBER KRYDER: And Ms. Grabel, just for
21 confirmation, that was over the next ten years following
22 the project, not in the immediate; correct?

23 MS. GRABEL: A portion of it will happen in
24 the immediate future, and then the second will be as the
25 rest of the system is retired.

1 CHMN STAFFORD: All right. Does that
2 conclude your questions? Ms. Grabel, Ms. Hill, any
3 reredirect here? Because I think we're --

4 MS. GRABEL: I think we're tired.

5 CHMN STAFFORD: Yeah, I think so, too. I
6 think we're -- I don't think we're going to begin with
7 closings today. I think it's a good place to pick up
8 tomorrow morning. What is the anticipated duration of
9 your closing, Ms. Grabel?

10 MS. GRABEL: I would say roughly 25 minutes
11 at max.

12 CHMN STAFFORD: Oh, okay. I was expecting
13 30 to 60 minutes. But, yeah, okay, that's even better.

14 Ms. De Blasi, same question.

15 MS. DE BLASI: I anticipate about maybe
16 10 minutes.

17 CHMN STAFFORD: Okay. Mr. Lusk?

18 MR. LUSK: About 20.

19 CHMN STAFFORD: And Mr. Dempsey.

20 MR. DEMPSEY: Just -- I would say just over
21 three hours. I would say 10 to 15 minutes.

22 CHMN STAFFORD: Okay. Thank you. All
23 right. Well, that will be it for today, and we will be
24 back in the morning at nine, and we'll start with closing
25 arguments from the applicant. I guess we'll -- in the

1 morning if we realize there's any preliminary issues to
2 address or resolve prior to the commencement of closing
3 arguments, we'll deal with that. I don't anticipate any
4 right now. But tomorrow's a new day, and we may wake to
5 find circumstances that we had not anticipated today so
6 with that.

7 MR. LUSK: Mr. Chairman, just real quickly.

8 CHMN STAFFORD: Oh, wow, that was close,
9 Mr. Lusk.

10 MR. LUSK: You were very close. We'll have
11 the opportunity to file proposed CECs tomorrow morning as
12 well?

13 CHMN STAFFORD: Yes, because we haven't
14 started closing yet.

15 MR. LUSK: That's what I figured.

16 CHMN STAFFORD: I think if the City had --
17 you don't have to do an entire CEC, if you had -- you
18 could come with exhibits for proposed conditions that you
19 would like to see or amendments to what the applicant has
20 proposed, so you don't have to come in with a -- I don't
21 know, how many page document is the CEC now, Ms. Grabel?

22 MS. GRABEL: Oh, I don't know. It's long.

23 CHMN STAFFORD: Yeah. You don't need to
24 produce the whole thing. You can just -- if you have
25 specific language you would like to see adopted as part

1 of it, and potentially where you'd want to see it
2 inserted or where you would like to see it replaced, you
3 can bring, and that goes to the other parties as well,
4 Ms. De Blasi, Mr. Dempsey.

5 Oh, yeah, Mr. Dempsey, your hard copies of
6 exhibits, have I gotten them all yet? I see one binder.

7 MR. DEMPSEY: You have them except for the
8 slides which I'm going to print tonight that had the
9 extra slide. I'll add them.

10 CHMN STAFFORD: The binder I have is 31 to
11 62.

12 MR. DEMPSEY: I have the other one over
13 here.

14 CHMN STAFFORD: Okay. All right. Thank
15 you.

16 With that, we stand in recess until nine
17 a.m. tomorrow.

18 (Proceedings recessed at 4:51 p.m.)

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)
2 COUNTY OF MARICOPA)

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