

1 BEFORE THE ARIZONA POWER PLANT
2 AND TRANSMISSION LINE SITING COMMITTEE
3

4 In the matter of the Application of)
Tucson Electric Power Company) DOCKET NO.
5 ("TEP"), in conformance with the) L-00000C-17-0365-
requirements of Arizona Revised) 00177
6 Statutes §§ 40-360, et seq., for)
Certificates of Environmental) CASE NO. 177
7 Compatibility authorizing the)
construction of the Reciprocating)
8 Internal Combustion Engine Generation)
Project and the Irvington 138kV)
9 Transmission Line Relocation Project,)
including the installation of ten)
10 (10) modular approximately 20 MW)
reciprocating internal combustion)
11 engine generators and construction of)
approximately 2.2 miles of new 138kV)
12 transmission lines located within)
TEP's Irvington Campus, Section 3,)
13 Township 15 South, Range 14 East,)
Pima County, Arizona.) PREHEARING
14 _____) CONFERENCE

15 At: Phoenix, Arizona
16 Date: January 5, 2018
17 Filed: January 10, 2018
18

19 REPORTER'S TRANSCRIPT OF PROCEEDINGS
20

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NO.	DESCRIPTION	IDENTIFIED
1	Notice of Intent to Become a Party and to be Placed on the Service List	16
2	Map of Proposed Tour Stops	16

1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on regularly to be heard before the
3 Arizona Power Plant and Transmission Line Siting
4 Committee, at the Attorney General's Office, 15 South
5 15th Avenue, Fourth Floor, Phoenix, Arizona, commencing
6 at 11:01 a.m. on the 5th of January, 2018.

7
8 BEFORE: THOMAS K. CHENAL, Chairman

9 APPEARANCES:

10 For the Applicant:

11 SNELL & WILMER, L.L.P.
12 By Mr. J. Matthew Derstine
13 One Arizona Center
14 400 East Van Buren, Suite 1900
15 Phoenix, Arizona 85004

16 and

17 TUCSON ELECTRIC POWER COMPANY
18 By Ms. Megan J. DeCorse
19 88 East Broadway Boulevard, MS HQE910
20 Tucson, Arizona 85701

21 For Sierra Club:

22 Sierra Club
23 By Ms. Katherine Ramsey, via teleconference
24 Staff Attorney
25 2101 Webster Street, Suite 1300
 Oakland, California 94612

ALSO PRESENT:

 Mr. Ed Beck, Director of Transmission
 Development
 Ms. Marie Cobb, Assistant to Chairman Chenal

1 (Exhibit 1 was marked for identification.)

2 CHMN. CHENAL: Hi. Thanks, everybody. My name
3 is Tom Chenal. And we will start with the prehearing
4 conference.

5 Thank you, everyone, for appearing in person.
6 And, Ms. Ramsey, we will hear from you in just a moment.
7 I wanted to go through kind of my checklist, which will
8 just be some of the matters that, logistic matters
9 addressing publication and posting, notices that have
10 gone out confirming, you know, the amount of time
11 necessary for the hearing, you know, procedural order,
12 and, you know, a few other matters, and I think the
13 procedural order actually kind of lays out basically the
14 matters that we will discuss, and then any other
15 matters, legal matters. And, of course, one of the
16 things we will discuss is the notice of intent to
17 intervene by the Sierra Club.

18 So with that, let's have appearances of the --
19 let's start with the applicant obviously, have your
20 appearance.

21 MR. BECK: Ed Beck, Director of Transmission
22 Planning -- or Transmission Development for TEP.

23 MR. DERSTINE: Matt Derstine, Snell & Wilmer.

24 MS. DeCORSE: Megan DeCorse, Tucson Electric
25 Power, attorney.

1 CHMN. CHENAL: And Marie Cobb.

2 MS. COBB: Marie Cobb, assistant to Chairman
3 Chenal.

4 CHMN. CHENAL: And may we have appearances on
5 the phone, please.

6 MS. RAMSEY: Yes. This is Katherine Ramsey,
7 attorney for the Sierra Club.

8 CHMN. CHENAL: All right. Let's take up the
9 matter of -- maybe it is a little out of order, but,
10 Ms. Ramsey, I believe under our rules the Sierra Club
11 probably has the ability to intervene as a matter of
12 right under our statutes. I don't know if there is,
13 there would be an objection by the applicant to that
14 proposition.

15 But in previous cases, we have addressed the
16 issue that a non-profit organization would require
17 counsel to represent them in a hearing. And I note that
18 I just received last evening or this morning for the
19 first, I just noticed, read for the first time the
20 notice of intent to become a party. And there is a
21 citation to Rule 38 of the Arizona Rules of the Supreme
22 Court for Arizona which discusses in-house counsel for
23 attorneys who are not licensed in Arizona as Arizona
24 attorneys but they are residents of Arizona practicing
25 law in Arizona for like non-profit or profit

1 corporations.

2 I believe the more appropriate rule would be
3 Rule 39. And let me just make sure I have the right
4 reference here. And Rule 39 of the Supreme Court Rules,
5 which is admission pro hac vice, which would require,
6 you know, an application, some hoops to jump through,
7 local counsel to be retained is one of the rules.

8 And I just, I am happy to have you participate
9 today so we could have the discussion on the record.
10 But I just, I think it is important that, you know, I
11 advise you that at least I believe, unless there is some
12 other view that it is a different rule, that would apply
13 and some additional hoops that you would have to jump
14 through before, you know, we could have you represent
15 them at the hearing. Now -- or there is local counsel
16 here that, counsel admitted in Arizona, that would
17 represent the Sierra Club, which, of course, would be
18 fine as well.

19 But I also want to advise you that there are
20 additional ways for the Sierra Club to provide important
21 comment on this project. One way is to provide a
22 written statement which we can make part of the record
23 and would make part of the record. And I can tell you
24 that generally in the past where that has been done, I
25 have asked the applicant to address, you know, in

1 testimony substantively the matters raised. Another way
2 is, of course, through public comment. And I know in
3 previous hearings representatives of the Sierra Club
4 have appeared and have done so in previous hearings,
5 which is always helpful.

6 But, anyway, I thought we should address that
7 first. And that's my initial thoughts on the matter.
8 And I wanted to get your thoughts, Ms. Ramsey, on the
9 matter and, you know, the applicant's thoughts as well.
10 So I would just like to hear what you have to say about
11 that.

12 MS. RAMSEY: Sure. Thank you, Chairman Chenal.
13 And I recognize that we may have had the wrong citation
14 there and the Supreme Court Rule 39 may be more
15 appropriate.

16 Both myself and Ms. Gloria Smith, she is the
17 other attorney for the Sierra Club working on this
18 matter, are in the process of applying for pro hac vice
19 admission to Arizona.

20 CHMN. CHENAL: Okay.

21 MS. RAMSEY: And so we are pursuing that as we
22 speak and hope to be admitted to appear on behalf of the
23 Sierra club in this matter as soon as possible. So we
24 are working on that. And so I appreciate you letting me
25 participate in this conversation today. And I can keep

1 you up to date on any progress in being admitted on a
2 pro hac vice basis.

3 In addition, the Sierra Club would definitely be
4 interested in submitting written statements and
5 participating in the public comment on the January 17th
6 hearing. So I very much appreciate your advice on that.
7 And we will take it to heart.

8 In the meantime, we will keep trying to make
9 sure that we are jumping through those right hoops in
10 order to formally represent the Sierra Club in this
11 matter.

12 CHMN. CHENAL: Okay. Very good. I am glad to
13 hear it. I mean we will allow the Sierra Club to
14 intervene, but, again, we just need a counsel to
15 represent them and counsel, you know, admitted in some
16 fashion in Arizona. So that's very good.

17 So we will go through the normal checklist then.
18 And I always ask what the positions of the parties are.
19 So I think, Ms. Ramsey, at some point we will ask you
20 to, if you are in a position to do it today, outline the
21 concerns so that, you know, the applicant has some
22 notice of the concerns of the Sierra Club. And also we
23 have a procedural order.

24 Do you happen to have a copy of it?

25 MS. RAMSEY: Yes, I do.

1 CHMN. CHENAL: Okay. Because there are certain
2 discovery requirements that, you know, we will have to
3 comply with.

4 Now, I grant that we have asked, you know, the
5 parties, the potential parties, to provide, you know,
6 exhibits and witness summaries and such by 5:00 p.m.
7 yesterday. So, while we are on the topic, are you
8 anticipating you are going to have testimony and
9 exhibits?

10 MS. RAMSEY: We are not likely to have that
11 prepared by January 17th. We would have liked to
12 prepare expert testimony and exhibits, particularly on
13 air quality impacts, actually environmental justice
14 concerns and community issues. But under this time
15 frame, I don't think that we are in a position to submit
16 expert testimony by that date.

17 CHMN. CHENAL: Well --

18 MS. RAMSEY: We do have other concerns --

19 CHMN. CHENAL: Go ahead, sure.

20 MS. RAMSEY: We have specific concerns about the
21 air quality permit with respect to this application.
22 And so I am not sure if now is the right time to raise
23 those or later. I will take my direction from you.

24 CHMN. CHENAL: Well, let's go through some of
25 the logistic matters, logistical matters as we normally

1 would. And then at some point we ask, you know, what
2 the positions of the parties are and any -- you know,
3 and I think we should get into some of that in a little
4 more detail, since we need to provide the applicant with
5 as much notice as possible of what your position is,
6 number one; number two, if there will be any testimony,
7 even if it is not expert; number three, if there will be
8 any exhibits. And we will need to make sure the
9 applicant has that as quickly as possible.

10 So back to my tried and true checklist, I want
11 to confirm, and I believe we have, the lodging
12 arrangements have been made for the Committee and for --
13 and for the Committee.

14 MR. BECK: Yes. And our understanding is every
15 one of your members who needs a room has actually made
16 their reservation now.

17 CHMN. CHENAL: Okay. Very good. I think there
18 was an issue the other day.

19 MR. BECK: There were a couple stragglers as far
20 as making their reservations. I think they have since
21 made their reservations.

22 MS. COBB: They have.

23 CHMN. CHENAL: Very good.

24 MR. DERSTINE: What about the Sierra Club? If
25 Ms. Ramsey and co-counsel want to stay at the

1 Doubletree, then we will forward on the reservation
2 information so they can make room reservations there.
3 Or if there is other accommodations, that's fine, too.

4 CHMN. CHENAL: Sure. That would be very
5 helpful.

6 The hearings are going to be held obviously at
7 the Marriott, but you are free to stay wherever you
8 would like.

9 MR. BECK: The Doubletree.

10 CHMN. CHENAL: I am sorry, the Doubletree. Did
11 I say Marriott? I am sorry.

12 MS. RAMSEY: Thank you. We will be able to find
13 our own room accommodations, but thank you very much for
14 the offer.

15 CHMN. CHENAL: Okay. Now, next, any notices to
16 intervene, applications to intervene, or applications to
17 make a limited appearances. The only one I am aware of
18 now is the notice of intent to intervene by the Sierra
19 Club. So I am unaware of any others.

20 Is the applicant aware of any others?

21 MR. BECK: No.

22 MR. DERSTINE: No.

23 CHMN. CHENAL: Okay. And I believe under our
24 statutes the Sierra Club has the right to intervene, you
25 know, subject to counsel representing them. So at this

1 point, I think we can, I can make the ruling on the
2 record that, subject to an attorney representing the
3 Sierra Club at the hearing, we will admit, you know,
4 authorize the Sierra Club to intervene as a party. And
5 probably I didn't state that correctly because it is not
6 me authorizing; the statute authorizes them as a matter
7 of right, I think.

8 We have discussed that potential intervenors
9 have the right to make limited appearance statements,
10 public comments. And Sierra Club is free to do that as
11 well.

12 Do we agree that June 6 is the last date by
13 which the Committee must act in compliance with the
14 statute? I think I had that in the procedural order.
15 It is a 180-day limitation. You can expect we will do
16 this very quickly. I mean traditionally we have these
17 completed within a few days after the hearing --

18 MR. BECK: Right.

19 CHMN. CHENAL: -- and we will submit the CEC,
20 assuming it is granted to the Corporation Commission.

21 MR. BECK: Yeah, we understand that June 6 is
22 the date, but we hope it gets done sooner.

23 CHMN. CHENAL: It will --

24 MR. BECK: Yes.

25 CHMN. CHENAL: -- again, assuming it is

1 authorized by the Committee.

2 MR. BECK: Yes.

3 CHMN. CHENAL: Notice to affected jurisdictions,
4 I see that has been filed.

5 MR. BECK: Yes.

6 CHMN. CHENAL: And notice was therefore given to
7 Pima County and Tucson?

8 MR. BECK: Correct.

9 CHMN. CHENAL: Are there any other potential
10 jurisdictions that are implicated by this project that
11 should be afforded an opportunity, notice of the hearing
12 at least that the applicant might be aware of?

13 MR. DERSTINE: I don't believe so.

14 MR. BECK: No.

15 CHMN. CHENAL: Okay. Let's talk about the
16 notice of hearing, the posting, and the publishing.
17 Maybe, Mr. Beck, you could kind of summarize where we
18 are on that.

19 MR. BECK: So we did post notice in the Arizona
20 Daily Star back --

21 MR. DERSTINE: Published.

22 MR. BECK: -- published notice in the Arizona
23 Daily Star on the 17th --

24 MS. DeCORSE: The 18th.

25 MR. BECK: -- 18th of December.

1 MS. DeCORSE: Monday.

2 MR. BECK: And then we plan to have it in this
3 coming Sunday newspaper again with the Arizona Daily
4 Star.

5 CHMN. CHENAL: Then the posting?

6 MR. BECK: And the posting, we have put up three
7 signs. We committed in the prefiling conference that we
8 would do the signs around the plant site as well as one
9 south of the freeway, to the extent we could get
10 permission.

11 The permission took a little bit of time to get,
12 and then we had an issue with blue staking. So we
13 posted three signs on the plant site. And the fourth
14 sign is being posted, it may be posted today. I haven't
15 heard back. It was pending blue stake.

16 CHMN. CHENAL: Good.

17 MR. BECK: And we will supplement with that
18 photo of that fourth sign once we get it.

19 CHMN. CHENAL: Very good. And we will have some
20 testimony on that at the hearing.

21 MR. BECK: Yes.

22 MR. DERSTINE: Yes.

23 CHMN. CHENAL: I did flip through the exhibits
24 last night and I did see. I just wanted to make sure it
25 is on the record and remind you that we would like to

1 have some testimony on that issue at the hearing. Okay.

2 I filed an agenda for the hearing. If there are
3 any objections or comments or suggested changes, you
4 know, we have time to make those changes. So if the
5 applicant has any suggestions, I am all ears.

6 MR. BECK: I think we were good with the agenda
7 as presented.

8 CHMN. CHENAL: Ms. Ramsey, do you have any
9 comments on the agenda, if you have had an opportunity
10 to see it?

11 MS. RAMSEY: I have no comments on the agenda at
12 this time.

13 CHMN. CHENAL: Okay. All right. Let's talk
14 about the hearing. We have dates in place,
15 January 17th, 18th, and 19th. Let's talk about the
16 estimated time.

17 Again, just to reconfirm, the hearing will start
18 at 10:00 a.m. on Wednesday, June 17th. The tour, I
19 suspect there will be a tour. If any one of the
20 Committee members wants the tour, we will have the tour.
21 And I want the tour, so we will have the tour. And that
22 will be at 1:00. And I glanced briefly at the proposed
23 agenda for the tour.

24 A couple, three hours, is that what the
25 applicant believes?

1 MR. BECK: We are expecting around two hours.

2 CHMN. CHENAL: Two hours, okay.

3 MR. BECK: It could go a little bit longer.

4 I don't know that we need to submit this as an
5 exhibit, but we did prepare kind of a map of the plant
6 site, where the tour would be on the plant site.

7 CHMN. CHENAL: Well, while we are on it,
8 let's -- we have the Sierra Club's notice of intent to
9 become a party. And I have asked Colette to mark that
10 as Exhibit 1 just for the purposes of our hearing. So
11 let's go ahead and mark the map, which is the map of the
12 proposed tour, as Exhibit 2. And we will just have that
13 part of the record then.

14 (Exhibit 2 was marked for identification.)

15 CHMN. CHENAL: So if we have the tour, it lasts
16 approximately two hours, and then we come back to the
17 hearing venue and resume the hearing. And then we have
18 the next day for the hearing. We have Friday as a, you
19 know, a possible day if we need it.

20 But what does the applicant -- I mean, I believe
21 the last time we met the applicant was of the belief
22 that we would complete this hearing by Thursday. And I
23 should ask if that's still the applicant's view of how
24 long the hearing will take.

25 MR. BECK: That --

1 MR. DERSTINE: I would say it depends on -- I
2 think in terms of presentation of our case in chief, we
3 should be able to conclude that on Thursday. Now, I
4 think it depends now to the extent that there is
5 cross-examination from Sierra Club as well as
6 presentation of new witnesses. And so we don't have any
7 control over that. But in terms of, you know, our
8 presentation of the case in chief, I think we should be
9 concluded by the end of the day on Thursday.

10 CHMN. CHENAL: Then, even under that scenario,
11 it would be likely then to go into Friday to review the
12 CEC.

13 Ms. Ramsey, just so you know how these hearings
14 are held, the applicant, I mean Mr. Beck, the folks here
15 at the hearing now, have been to a number of hearings in
16 the past, but for your information, we will have a few
17 procedural matters at the beginning of the hearing. We
18 will have opening statements. We will then allow the
19 applicant to present its case. The intervenors
20 obviously have the right to cross. Intervenors have a
21 right to put on their case. We will have a tour, you
22 know, in the middle of the hearing.

23 Then at the conclusion of the hearing, after the
24 closing remarks, the Committee will go through the
25 proposed CEC, that is the certificate of environmental

1 compatibility. It may be that I, I will have some maybe
2 suggested changes or additions to the CEC. But we will
3 go through as a Committee basically paragraph by
4 paragraph, and we will approve, as to the form, the
5 language as we go through, including the conditions and
6 additional conditions that, you know, the parties or,
7 you know, intervenors may wish the Committee to
8 consider. And then at the end, when we have completed
9 the review and approval of the language, then we vote as
10 a roll call up-and-down vote as a Committee whether to
11 approve or deny the CEC. So that's always done at the
12 end. And that takes some hours to go through, but we
13 like to complete that at the hearing, and then, when we
14 leave, we know exactly what the language of the CEC is.

15 And then the applicant, assuming it is approved,
16 will finalize it, proofread, give it a Law Review edit,
17 no spelling errors, perfect consistency, beautiful work
18 product. And then I review it and then sign it. And
19 then we get it over to the Corporation Commission. And
20 then that starts the clock over there.

21 So I just wanted you to be aware of how the
22 process works. So while the hearing itself, as we just
23 heard, may take Wednesday and Thursday, we would
24 anticipate, you know, a morning, let's say, I mean if it
25 were to complete Thursday, we would anticipate at least

1 a morning to go through the CEC review process, and
2 maybe longer. So...

3 MR. BECK: Mr. Chairman, just to clarify, that
4 we are requesting two CECs, because we have transmission
5 and generation. So there will be two.

6 CHMN. CHENAL: Yes. Very good. Let's talk
7 about that, remind me as to maybe the most efficient way
8 that we can set that up for that review at the end of
9 the -- after the hearing. Because a lot of it is very
10 similar.

11 MR. BECK: Correct.

12 CHMN. CHENAL: But there are a few differences
13 as I looked at the CEC drafts. I mean obviously the
14 project descriptions are somewhat different.

15 MR. BECK: Right.

16 CHMN. CHENAL: I don't know, are the conditions
17 different?

18 MR. BECK: There are some differences in the
19 conditions relative to conditions that we felt didn't
20 apply to the generation that apply to transmission, and
21 vice versa. So there are some slight differences.

22 CHMN. CHENAL: Let's give a little thought to
23 that because that's always kind of -- we always, not
24 struggle, but it is -- I think let's give some thought
25 as to how we want to present those two so we are not

1 having to, you know, review all the language. To the
2 extent it is consistent in both, maybe we can figure out
3 a way to make the corrections on both as we go through
4 the one where the language is the same on the other, and
5 we would obviously make the same change on the other
6 CEC, the second CEC. Maybe there is a way --

7 MR. BECK: Highlight the differences.

8 CHMN. CHENAL: -- to have two screens going.

9 MR. DERSTINE: We will have two screens. We
10 will have a better setup than the concluding day of the
11 Nogales hearing. And we can have two word processors so
12 we can be screening both draft CECs and the Committee
13 can be considering and finalizing language of each
14 condition, of each separate, the transmission and the
15 RICE generation CEC separately. Or if they just want to
16 go through one at a time, I will leave that to however
17 you want to proceed. But we will have two screens
18 available.

19 CHMN. CHENAL: Okay. And then where the
20 language is similar, the changes could be made at the
21 same time on both as we are looking at the two screens,
22 each one containing a separate, a separate CEC. As we
23 go through, where the language is consistent on one, we
24 can make the change on the other, so when we review that
25 one, the second one we will already have revised the

1 language.

2 MR. DERSTINE: That's uniform to both.

3 CHMN. CHENAL: Okay. That sounds like a good
4 plan. It sounds easy. As we say it right now, it
5 sounds like it would go through as smooth as silk, but I
6 guarantee you there will be some disagreement among the
7 Committee members on how we should do it.

8 MR. DERSTINE: Right.

9 CHMN. CHENAL: Okay. Just to remind the
10 applicant, we would like sign-in forms for the public
11 comment session, the name, address, phone, or e-mail.

12 MS. DeCORSE: We have got that ready.

13 CHMN. CHENAL: Is there any need for security?

14 MR. BECK: Okay. The sign-in form at the --

15 CHMN. CHENAL: For the public comment.

16 MR. BECK: -- public comment in the evening?

17 Yes.

18 MS. DeCORSE: We already drafted it.

19 CHMN. CHENAL: And during the hearing itself in
20 case someone shows up and wanted to provide public
21 comment. Because we always have as one of the
22 conditions, if you want to extend the term of the CEC,
23 we always have a condition to advise the people that
24 appeared of that notice, that you are moving to extend
25 it and when the hearing date might be for that in front

1 of the Corporation Commission. And how do we get ahold
2 of the people that appeared? Well, it was on this
3 sheet.

4 Is there any need for security?

5 MR. BECK: We don't foresee anything, any issues
6 with this case.

7 CHMN. CHENAL: Okay. Public comment session, we
8 will have that at 5:30 on Wednesday evening, the 17th,
9 instead of the normal 6:00, because I think it is -- I
10 think that just makes a lot more sense.

11 Let's see. Tour logistics, let's talk about
12 that, Mr. Beck.

13 MR. BECK: Okay. We have reserved a, I believe
14 it is, a 49-passenger bus because that was the next
15 increment up from 15. So we will have a rather large
16 bus.

17 We will show up at the Doubletree, be there at
18 1:00 on the 17th. We intend to drive down to the plant
19 site. We get to the plant site. We intend to go into
20 the conference room there and have one of our employees
21 talk about safety, just kind of a quick overview of what
22 you are going to see on the tour.

23 And then we will head out from that conference
24 room to the site, which would be -- so the Stop 1 on the
25 map was where the conference room is. We will head out

1 to Stop 2, which is the location of the RICE generation
2 and the new substation. We will get out there, point
3 out what you can see, what will be there, proximity to
4 some other features on the site. We will then head back
5 over to our Stop 3, which is the existing substation,
6 just to show this is what we are replacing.

7 Then we intend to drive across the campus to
8 what we call Stop 4, next to our training yard, just to
9 give a very brief overview for the Committee of the
10 training yard, what we have and what we do there for the
11 company. On the way over there, we will probably
12 comment, and we can address whether it is on or off the
13 record, but just here is the site of our future new
14 operating headquarters building and some other features
15 that we have just for, basically for informational
16 purposes. Then we would head back to Stop No. 5, which
17 is our control center, and do a tour of the control room
18 and just point out how we operate our system.

19 CHMN. CHENAL: I think that would be very
20 helpful.

21 MR. BECK: Then we would return back to the
22 Doubletree.

23 CHMN. CHENAL: Okay. Is this, what we are
24 looking at as Exhibit 2 to this hearing, is this in one
25 of the exhibits? I don't remember. Is this --

1 MR. BECK: This is not in any of our exhibits at
2 this point. We just got it finished last night.

3 CHMN. CHENAL: In any event, would you be kind
4 enough to forward a copy of this to Ms. Ramsey --

5 MR. BECK: Sure.

6 CHMN. CHENAL: -- along with the other documents
7 that -- the exhibits, the --

8 MS. RAMSEY: Thank you very much.

9 CHMN. CHENAL: -- the proposed CEC, and, you
10 know, findings of fact, conclusions of law.

11 MR. BECK: Just one question. I think in your
12 filing letter, Ms. Ramsey, you indicated that you
13 preferred electronic copies? And so --

14 MS. RAMSEY: Yes, that's right.

15 MR. BECK: We have filed everything to date,
16 other than this map, in Docket Control. Would you like
17 to receive separate copies or can you retrieve from
18 Docket Control what you need from what we have filed?

19 MS. RAMSEY: I will be able to, yes, I will be
20 able to get into Docket Control. And if I have any
21 problem, I will just e-mail you directly. Does that
22 work?

23 MR. BECK: Absolutely. But we will send out to
24 you today that wasn't in Docket so she has it.

25 MS. RAMSEY: Perfect. Perfect. Thank you.

1 CHMN. CHENAL: All right. Google Earth, will
2 there be a Google Earth flyover, Mr. Beck? I know we
3 will be taking a tour, but it is possible some people
4 won't take the tour but they would like to see a
5 flyover.

6 MR. BECK: Yes, we will have a flyover. One of
7 the logistical questions, I believe, is my preference
8 would be to try and work that in in the morning prior to
9 the field trip to give a little bit of context for the
10 field trip. It is just a matter of timing how that fits
11 in there.

12 But we will have a Google flyover, and probably
13 10 to 15 minutes. It will not be a long process.

14 CHMN. CHENAL: Good. Yeah, I think that would
15 be helpful.

16 All right. Next, daily transcripts, so we break
17 every 90 minutes, or when Colette wants to take a break
18 if it is sooner than 90 minutes.

19 Wi-fi, we will have robust wi-fi?

20 MR. BECK: That's what we have been told. We
21 are going over to the site to verify, but yes.

22 CHMN. CHENAL: I think that's important.

23 MR. BECK: Yes.

24 CHMN. CHENAL: All right. Any other issues
25 regarding the hearing itself for the venue?

1 Ms. Ramsey, do you have any questions regarding
2 just the logistics of the hearing or the venue?

3 MS. RAMSEY: No questions. I appreciate the
4 overview you gave. And I don't have any questions about
5 other logistics.

6 CHMN. CHENAL: Okay. Now, let's talk about the
7 procedural order. And really I am more concerned about,
8 you know, witness summaries and exhibits.

9 And, now, the witness summaries, I believe, are
10 filed with Docket Control. Is that correct?

11 MR. DERSTINE: Yes.

12 CHMN. CHENAL: Okay. But the exhibits are not.
13 I think I have tried to revise our procedural order to
14 not require that the exhibits be filed, but some people
15 still do it.

16 MR. DERSTINE: We did it.

17 CHMN. CHENAL: Okay. So, Ms. Ramsey, you will
18 have the applicant's testimony and exhibits.

19 Now, let's talk about how quickly you can
20 provide, and I know you may not have the ability to have
21 expert testimony between now and then, but what can you
22 tell us about what you are thinking in terms of what you
23 will have available for the hearing in terms of
24 witnesses or exhibits?

25 MS. RAMSEY: We are investigating that right now

1 what we are -- the issues that we are looking into are
2 related to the air quality impacts and environmental
3 justice concerns. And so we do not have testimony
4 prepared for that yet and missed the deadline for the
5 testimonial summaries that was yesterday.

6 We would be able to put together a testimonial
7 summary, if we are granted leave to submit it late, by
8 the middle of next week. Beyond that, I think we may
9 have to, if we are not able to bring forward that
10 testimony at this time, then we will still evaluate
11 whether we are able to put together cross-examination in
12 time.

13 CHMN. CHENAL: Okay. Well, you will obviously
14 have the ability to cross-examine. It is a little
15 touchy, because the order required that it be provided,
16 that, you know, testimony and exhibits be provided by
17 last night. Now, we can make some leeway there. I
18 guess it depends on what you submit. If, and I will --

19 MS. RAMSEY: That's completely fair.

20 CHMN. CHENAL: And I guess we won't know until
21 we see it. I mean next Wednesday, if -- and I trust the
22 applicants and the attorneys. They have demonstrated
23 their good faith in previous hearings. So I don't have
24 a doubt. If they say that their witnesses are capable
25 of testifying to the matters that you would raise with

1 your witness or exhibits, and they can accommodate that
2 in their hearing, that would be a great compromise. If,
3 based on the nature of the testimony that you are going
4 to proffer, they would not, they do not have a witness
5 available or otherwise would not be able to, you know,
6 adequately address the matters raised, we are going to
7 have to talk about that, because that, that becomes
8 problematic for two reasons. One, because the
9 procedural order is not complied with. And for two, my
10 understanding from previous hearing, a previous hearing,
11 is that there are certain time limitations with respect
12 to this project and that it would be difficult to delay
13 this hearing and not complete it in the time that we
14 have allotted for it. And I know there was some
15 discussion of that in a previous case.

16 So I think there would be a prejudice. And I am
17 mindful of the prejudice, but I also want to provide you
18 every opportunity to make your case and make your
19 record.

20 So I guess, until we see what you intend to
21 file, it is going to be hard to really address that now.
22 But that's kind of my preliminary thoughts on it. So I
23 would like to hear, Ms. Ramsey, what you have to say and
24 what the applicant has to say with what I just outlined.

25 MS. RAMSEY: Our position is that that is a very

1 understandable approach. And we recognize that filing
2 late could put additional pressure on the applicant in
3 this case. So we will put together our strategy here
4 and submit a testimonial summary by Wednesday. And
5 then, subject to your oversight Chairman, we can go from
6 there.

7 CHMN. CHENAL: Okay. And does the applicant
8 have a position?

9 MR. BECK: One concern that I would like to
10 point out is we are in a parallel process for
11 permitting, air quality and so on. And we have a bunch
12 of experts involved in that process that aren't
13 necessarily involved to set up, and not to say we
14 couldn't bring some of those in, but that is a parallel
15 process going through Pima County as well as the state
16 ADEQ process. So some of the specifics of pollutants
17 and those requirements we would see being addressed
18 within that permit process, but, again, not knowing what
19 they may raise, it is hard to say.

20 MS. RAMSEY: Right. And just to add to this,
21 part of the concern that the Sierra Club has with this
22 project is that these two processes are running in
23 parallel. You know, the directive to the Line Siting
24 Committee is to make an evaluation of all the
25 environmental factors. And without having the air

1 quality impact fully vetted by the Department of
2 Environmental Quality, that means that the Line Siting
3 Committee will not have that information available to
4 make its decision.

5 And so, because we know that TEP's application
6 hasn't been given an air permit at this point and it
7 appears, based on the Pima County website, that that
8 process is in its very early stages, that's why we feel
9 the need to raise this issue here before the Line Siting
10 Committee. Without that information and that permit
11 being fully reviewed and vetted, it is difficult to
12 understand how the Line Siting Committee will be in a
13 position to make a decision on its CEC.

14 CHMN. CHENAL: Well, let me ask this question.
15 Yeah, I understand. We, without exception, include as a
16 condition in our CEC that the applicant must comply with
17 all statutes and regulations and obtain all permits, you
18 know, necessary for construction of the project. And
19 that would include the air quality permit. And I don't
20 think there would be any objection if we specifically
21 mentioned the Pima County air quality permit.

22 So what is your thinking, Ms. Ramsey, on, you
23 know -- well, let me ask this question. Would the
24 Sierra, to address your concern, would the Sierra Club,
25 is the Sierra Club intending to intervene in the Pima

1 air quality permit proceeding?

2 MS. RAMSEY: We are evaluating that at this time
3 as well. I believe that we will likely be involved in
4 that permit and its review. But given that this
5 Committee also has to consider environmental impacts,
6 including air quality impacts, we think that it is
7 important to raise those objections here and make sure
8 that that's included as the record when the Committee is
9 making its decision.

10 CHMN. CHENAL: All right. And just educate me.
11 What would be the subject of a condition that the Sierra
12 Club would be arguing in favor of with respect to air
13 quality? I mean, what would it, what would it look
14 like?

15 MS. RAMSEY: Well, we would appreciate the -- we
16 understand that this (indiscernible) conditions --

17 THE REPORTER: I'm sorry. I couldn't hear.

18 MS. RAMSEY: -- you know, that the applicant
19 must comply with all of the air regulations, including
20 getting a permit. Beyond that, we want to make sure
21 that the Line Siting Committee and the stakeholders like
22 the Sierra Club are able to evaluate what those impacts
23 would be on any of our residents and on local
24 communities.

25 And so without having a fully developed record

1 on that impact, that's what we are trying to get at
2 here. But beyond that, the standard condition that
3 there be a permit for the project beforehand, I am not
4 in a position to say what additional questions we would
5 be getting.

6 CHMN. CHENAL: Okay. That's fair enough.
7 Because I think you get the gist of what I am trying to
8 get at. I mean, would it be that, you know, some, you
9 know, standard that you would seek in a condition, that,
10 you know, particulates, you know, air quality
11 particulate matters, I mean that's the level of detail?
12 I am guessing at what you might be seeking. But, I
13 mean, is that something that could be obtained in the
14 other proceeding with the air quality permit?

15 I mean we would have to, the Committee would
16 have to have a little education, I think, on this. And,
17 you know, that's, I think, something that would probably
18 be good to have, is some --

19 MS. RAMSEY: Yes.

20 CHMN. CHENAL: -- some background on the role,
21 on the permit, the air quality permit, the kind of
22 conditions, if you will, that are placed in that to give
23 some comfort that concerns are going to be addressed
24 there.

25 If we simply have a condition that says you must

1 obtain an air quality permit, there is a condition to
2 this project. And if there is something more that you
3 would like to see, I mean that's, that's one of the
4 reasons, yes, for the hearing, but also I am just,
5 because this is kind of coming at the last minute,
6 frankly, so I am trying to deal with this the best I
7 can, but we, sitting as a Committee, don't want to start
8 imposing conditions that are more appropriately
9 conditions that would be placed before the body that's
10 more specialized in this, which would be the board that
11 hears the air, that issues the air quality permit.

12 So we don't want to be, you know, putting
13 conditions in here that are going to potentially be in
14 conflict with what would be in the other proceeding,
15 which is more appropriately in their jurisdiction. So I
16 just throw that out as well as a concern as sort of
17 background to what we have been talking about.

18 MS. RAMSEY: I see. Thank you. That's very
19 important. And I will make sure that we keep that in
20 mind.

21 CHMN. CHENAL: Sure.

22 Mr. Derstine.

23 MR. DERSTINE: Yeah. So, Ms. Ramsey, this is
24 Matt Derstine over at Snell & Wilmer, outside counsel
25 for Tucson Electric Power.

1 I guess my concerns are several. One, you know,
2 Sierra Club has intervened timely. I think they have
3 intervention of right. But they are a sophisticated
4 party. This isn't a neighbor, an individual who is
5 looking to intervene and doesn't understand the process
6 or how to present testimony or complying with deadlines
7 and orders.

8 And it is my understanding Sierra Club
9 representatives met with the company, Tucson Electric
10 Power, about this project weeks or months before this
11 case was filed or the deadlines were imposed. And so
12 the type of leeway and grace that we might give to
13 Elizabeth Webb or Mr. Magruder in connection with, you
14 know, presenting a case and additional grace on timing I
15 don't think should be afforded to Sierra Club. Again,
16 sophisticated parties, they have counsel.

17 I am open to giving Ms. Ramsey some additional
18 time, but, again, we are not far from the start of the
19 hearing and I need to know what they are going to
20 present, what their exhibits are, what their theory of
21 the case is, the subject of their testimony. And I need
22 to know it sooner rather than later.

23 CHMN. CHENAL: Yep.

24 MR. DERSTINE: And so, you know, they could have
25 reached out to us in advance. They were aware of the

1 case and told us what their intent was. And we could
2 have had a discussion, a meet and confer. And we will
3 certainly do that, you know, between now and whatever,
4 however this process moves forward.

5 But, you know, we need to know and we need a
6 hard deadline for Sierra Club to provide us with
7 whatever, in accordance with the procedural order,
8 whatever they are going to present in the way of
9 testimony and evidence. And if their case is simply
10 going to be cross-examination and make argument and
11 present a written statement, great. If they are going
12 to present testimony through witnesses, I want to see
13 it, a testimony summary and/or prefiled direct
14 testimony. And if they are going to present exhibits, I
15 need to see those, and certainly Wednesday at the
16 latest.

17 CHMN. CHENAL: Yeah. Okay. That's fair.

18 So Wednesday by 5:00 p.m., Ms. Ramsey, let's
19 have witness summaries and exhibits.

20 MS. RAMSEY: That's perfectly fair. Thank you.

21 CHMN. CHENAL: We will have to decide based
22 on -- I am trying to think the best way to do this. I
23 mean maybe we need to have another hearing. I almost
24 hate to do that since we are so close to the hearing.

25 Perhaps you could provide that information to

1 the applicant and the attorneys. And does it make sense
2 then to get from the applicant maybe by e-mail to the
3 other parties, which we will have to make part of the
4 record, their position with respect to the witnesses,
5 whether that can be accommodated, and if they need
6 additional witnesses in order to fully address the
7 matters now raised in this disclosure, or whether it is
8 so problematic that it won't work, in which case I think
9 we would have to have another hearing to flesh that out?

10 MR. DERSTINE: My suggestion would be that, once
11 we see what Ms. Ramsey files on behalf of the Sierra
12 Club, that we will have a meet and confer, and then we
13 can jointly advise you by e-mail or by phone, a short
14 teleconference, where the parties stand on procedurally
15 moving forward, whether we need, whether we need some
16 extension of time, name additional witnesses or exhibits
17 to respond to what Sierra Club is putting in at this
18 late juncture. But we won't know until we see what they
19 have to file.

20 CHMN. CHENAL: Ms. Ramsey, do you have any
21 problem with that?

22 MS. RAMSEY: No. I think that's a great
23 approach.

24 CHMN. CHENAL: All right. Let's do that.

25 All right. So I will wait to hear. But

1 Wednesday we will need the disclosure by 5:00 p.m.
2 Phoenix time.

3 MR. DERSTINE: And we can -- if you will provide
4 those to us electronically, Ms. Ramsey, that would be
5 great.

6 MS. RAMSEY: Yes. I can e-mail them.

7 MR. DERSTINE: Thank you.

8 CHMN. CHENAL: So really the other, the meat of
9 the procedural order relates to issues concerning, you
10 know, narrowing of issues, contested points, things like
11 that. It is kind of hard to do that right now. We will
12 have to deal with that at the hearing, assuming these
13 things can be worked out by the parties.

14 If you need me to be available for a telephone
15 call, I will make myself available. We will have a
16 conference call and we will supplement the record later
17 with a summary of what we talk about. I don't think we
18 need Colette to be there for a procedural discussion
19 like that.

20 MR. DERSTINE: I guess the only other thing I
21 would make just for the record, I appreciate Ms. Ramsey
22 outlining and articulating kind of what appears to be
23 Sierra Club's position, but I would second the point
24 that you made, Mr. Chairman. The statute itself, and I
25 think it is 360.06, requires that the applicant comply

1 with all ordinances, permit requirements of any of the
2 relevant jurisdictions. In this case, TEP will have to
3 obtain an air permit. The process is going forward.
4 And so Pima County is the agency that's responsible for
5 evaluating the application for the air permit for the
6 RICE generation. They will rule on that and they will
7 make the decision whether it complies with federal and
8 state law. And so, and if Pima County declines to issue
9 the air permit, then this project won't be built.

10 But there is a separate procedure. And it seems
11 to me that having the Line Siting Committee supplant its
12 judgment over air quality standards, that this is not
13 the forum for that. There is a separate proceeding.
14 And it is certainly appropriate and right for the Line
15 Siting Committee to require that the company absolutely
16 comply with whatever the relevant pollution standards
17 and requirements imposed and comply with any permits
18 that are required to build, in this case, a generation
19 source.

20 So it seems to me that that's the appropriate --
21 that's why that language is in the statute. We
22 absolutely will comply with the statute. And if Sierra
23 Club wants to participate in the process before Pima
24 County and raise air quality arguments there, that's the
25 forum to make them.

1 CHMN. CHENAL: All right. Very good. So let's
2 continue with the prehearing checklist I have got and
3 see if there are any other matters that we have to
4 address.

5 The applicant has made financial arrangements
6 with the Corporation Commission, I assume, as in the
7 previous cases, correct?

8 MR. BECK: Yes, we have.

9 MR. DERSTINE: Our deposit is on file.

10 CHMN. CHENAL: Okay. And I assume the applicant
11 will cover the cost to the extent the statutory deposit
12 isn't sufficient to cover the costs of the hearing
13 proceeding?

14 MR. BECK: We will.

15 CHMN. CHENAL: Okay. Is there any related
16 litigation regarding this project other than the --
17 well, litigation, let's take first litigation.

18 MR. BECK: No litigation in process, no.

19 CHMN. CHENAL: In terms of other, you know,
20 proceedings involving this project other than the Pima
21 air quality permit, are there any other proceedings that
22 are ongoing regarding the project?

23 MR. BECK: We are continuing to pursue other
24 permits that are required, such as the FAA, which I
25 believe we actually have the FAA permission from DM

1 because we are going into their airspace with the stack,
2 and some other smaller permits that are required,
3 grading and plan of development for the site, so on.

4 CHMN. CHENAL: And you will, someone will get
5 into that to at least summarize those other procedural
6 requirements during the course of the testimony?

7 MR. BECK: Yes.

8 CHMN. CHENAL: Okay, very good. Yes, I think it
9 would be helpful in a project like this, because we
10 haven't had that many generation projects that kind of
11 come before the Committee, to kind of have a summary of
12 the federal, state, county, city permitting process that
13 is applicable.

14 MR. BECK: Associated, sure, yes.

15 CHMN. CHENAL: One of the last areas to get into
16 was the proposed CEC. I didn't have a chance to spend
17 much time looking at it, but I will compare it against
18 maybe some of the previous ones we have done and see if
19 there are other conditions that I might want to see
20 discussed or language added to certain ones that are
21 similar to previous conditions.

22 But, I don't know, Ms. Ramsey, did you happen to
23 take a look at the proposed CEC of the applicant and did
24 you have any comments that might be helpful at this
25 time?

1 MS. RAMSEY: We do not have any comments at this
2 time.

3 CHMN. CHENAL: Okay.

4 MR. BECK: Just in general, Mr. Chairman, we
5 took a previous case and tried to work from that as a
6 starting point.

7 For some conditions in the generation project
8 versus the transmission, as I indicated, we had
9 indicated we struck through some language where we
10 didn't think it was applicable. We are open to that
11 discussion. And we, in fact, did look back at a
12 previous APS generation project to see if there were
13 conditions to see if we kind of needed to bring in from
14 that.

15 CHMN. CHENAL: Okay.

16 MR. BECK: We tried to incorporate the most
17 recent to the extent we could.

18 CHMN. CHENAL: All right. Very good. I saw
19 there were two differences between the two proposed
20 forms but I just didn't have a chance to do the deep
21 dive.

22 MR. BECK: Right. And one of the discussion
23 points we will have with the Committee is some tweaks to
24 the language that we feel make sense relative to a
25 utility project versus a merchant type project. So...

1 CHMN. CHENAL: I know the one you are talking
2 about.

3 Okay. We will have notebooks for Committee
4 members?

5 MR. DERSTINE: Yes.

6 CHMN. CHENAL: Yes. Are there any other issues
7 that we need to discuss? Any objections, concerns, any
8 other issues, anything we need to discuss?

9 MR. BECK: Just to point out, in addition to the
10 notebooks, we do plan to have the iPads for this case.

11 CHMN. CHENAL: Very good. Very good. That's
12 been helpful in previous cases. That would be very
13 helpful.

14 MR. DERSTINE: While we are focused on
15 environmental issues, so we filed complete sets of all
16 the exhibit books. And my understanding is Docket
17 transmits those to the members of the Committee.

18 Is that right, Marie?

19 CHMN. CHENAL: Yeah, that's correct.

20 MS. COBB: Yes.

21 MR. DERSTINE: So, to your questions about
22 notebooks for the members of the Committee, do you want
23 us to bring another set of 11 to the hearing or rely on
24 Committee, we will have extra, but to rely on Committee
25 members to bring the notebook that was filed with Docket

1 Control and was presumably mailed to them?

2 MR. BECK: And/or the iPads they will have with
3 all the same information.

4 CHMN. CHENAL: I think that's fine. That's
5 fine. They will bring that. I am thinking maybe have
6 an extra one or two available --

7 MR. DERSTINE: We will.

8 CHMN. CHENAL: -- is really --

9 MR. DERSTINE: Absolutely.

10 CHMN. CHENAL: They would have received it well
11 by now, the application.

12 MR. DERSTINE: Certainly by Monday or Tuesday.

13 CHMN. CHENAL: Let me just look. We talked
14 about most issues that were on my list.

15 MR. BECK: Can I ask a question?

16 Do you, as the court reporter, get a book
17 through Docket Control? So it would be helpful for us
18 to leave one with you?

19 THE REPORTER: I have this one.

20 MR. BECK: Oh, okay. Perfect.

21 CHMN. CHENAL: Okay. That's all the issues and
22 matters I planned to discuss. Does the applicant have
23 anything further?

24 MR. BECK: I guess just relative to the
25 discussion that has taken place, the timing of this

1 permit is critical to us. So to the extent there are
2 issues that are brought up that we do need to supplement
3 testimony and/or our witnesses, that would be our plan,
4 would be to bring the witnesses in as required in
5 accordance with the dates we have set for the hearing,
6 versus trying to delay the hearing at all.

7 CHMN. CHENAL: That's correct, yeah. We want to
8 conclude this hearing, you know, by the 19th. And, you
9 know, depending on what the Sierra Club intends to
10 present and how much time that's going to take, we may
11 have to, you know, limit that some depending on how that
12 plays out. We may have to extend the hearing times a
13 little, you know, I mean the evening, in the evening
14 might have to go a little longer, might have to cut
15 through lunch. I mean we will do everything we can, but
16 we will complete this, unless there is some really,
17 something unforeseeable, we will do that by Friday.

18 MR. BECK: Appreciate that.

19 CHMN. CHENAL: Ms. Ramsey, anything you would
20 like to add before we conclude?

21 MS. RAMSEY: No. I think this plan works for
22 the Sierra Club. And I appreciate you allowing me to
23 participate by phone.

24 CHMN. CHENAL: Okay. All right. We will have
25 the parties meet and confer, you know, after the

1 exhibits and witness summaries, if any are submitted, by
2 e-mail. I will be available. You can submit something
3 in writing that kind of summarizes what you have worked
4 out. That would be fine, too. If you need, if we need
5 to have a further discussion on it, I will make myself
6 available to do so. And then we will see everyone in
7 Tucson on the 17th.

8 MR. BECK: Great.

9 CHMN. CHENAL: So thank you, everyone. That
10 will conclude the hearing today.

11 (The hearing concluded at 11:54 a.m.)

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1 STATE OF ARIZONA)
2 COUNTY OF MARICOPA)

3 BE IT KNOWN that the foregoing proceedings were
4 taken before me; that the foregoing pages are a full,
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12 I CERTIFY that I have complied with the
13 ethical obligations set forth in ACJA 7-206(F)(3) and
14 ACJA 7-206 (J)(1)(g)(1) and (2). Dated at Phoenix,
15 Arizona, this 9th day of January, 2018.

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20 COLETTE E. ROSS
21 Certified Reporter
22 Certificate No. 50658

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