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10 **BEFORE THE ARIZONA POWER PLANT**
11 **AND TRANSMISSION LINE SITING COMMITTEE**

12 IN THE MATTER OF THE APPLICATION
13 OF SALT RIVER PROJECT
14 AGRICULTURAL IMPROVEMENT AND
15 POWER DISTRICT ON BEHALF OF
16 ITSELF AND ARIZONA PUBLIC
17 SERVICE COMPANY, SANTA CRUZ
18 WATER AND POWER DISTRICTS
19 ASSOCIATION, SOUTHWEST
20 TRANSMISSION COOPERATIVE, INC.
21 AND TUCSON ELECTRIC POWER IN
22 CONFORMANCE WITH THE
23 REQUIREMENTS OF ARIZONA REVISED
24 STATUTES SECTION 40-360, et. seq., FOR
25 A CERTIFICATE OF ENVIRONMENTAL
26 COMPATIBILITY AUTHORIZING
CONSTRUCTION OF THE PINAL WEST
TO SOUTHEAST VALLEY/BROWNING
PROJECT INCLUDING THE
CONSTRUCTION OF TRANSMISSION
LINES FROM PINAL WEST TO THE
BROWNING SUBSTATION AND OTHER
INTERCONNECTION COMPONENTS IN
PINAL AND MARICOPA COUNTIES,
ARIZONA.

Docket No.: L00000B-04-0126

Case No. 126

NOTICE OF FILING

**MILLER HOLDINGS, INC.'S
CLOSING ARGUMENT RE:
AREA C**

Arizona Corporation Commission

DOCKETED

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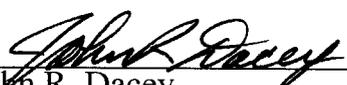
DOCKETED BY

23 Intervenor Miller Holdings, Inc. ("Miller") hereby gives notice that it filed
24 Miller Holdings, Inc.'s Closing Argument Re: Area C, Opposition to Eleven Mile Corner
25 Road Segment Option, attached, this date.

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DATED this 3rd day of May, 2005.

GAMMAGE & BURNHAM P.L.C.

By 
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ORIGINAL + 25 copies filed this 3rd day of May, 2005, with:

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ARIZONA.

Docket No.: L00000B-04-0126

Case No. 126

**MILLER HOLDINGS, INC.'S
CLOSING ARGUMENT RE:
AREA C**

**OPPOSITION TO ELEVEN MILE
CORNER ROAD SEGMENT
OPTION**

22
23 Intervenor Miller Holdings, Inc. ("Miller") hereby submits to the Arizona
24 Corporation Commission and the Arizona Power Plant and Transmission Line Siting
25 Committee this written closing argument in lieu of an oral closing.
26

1 Miller is a private developer whose "Verona" development (formerly "Cole
2 Farms") is located on the east side of Eleven Mile Corner Road. Verona consists of 1600
3 acres that is designed for development of 6,000 homes and 5 schools. Verona is between
4 Bartlett and Kleck Roads (north-south), and Eleven Mile Corner and La Palma Roads
5 (east-west).

6 Miller participated in the hearings on Area C only. Miller vigorously
7 opposes the segment option just east of Eleven Mile Corner Road, and called its project
8 manager and civil engineer Ron Smith, and electrical engineer Robert Walther as
9 witnesses.

10 Miller requests that the Committee reject Eleven Mile Corner Road for the
11 following reasons:

12 • ***Reliability***

13 Electrical engineering experts Robert Walther and Jerry Smith testified that
14 the Eleven Mile Corner Road segment option presents significant reliability concerns that
15 should be avoided if there are better options -- and there are.

16 **Robert Walther**

17 Mr. Walther is a certified electrical engineer who has four decades of
18 experience in the engineering, design and development of power generation stations,
19 including line siting. He has served as a consultant to utilities and other interested parties
20 in many states, including Arizona and California, and in China, India and the Philippines;
21 helped develop the Hassayampa switchyard; and, served as a member of the Central
22 Arizona Transmission Study (CATS) Committee. He has testified before this Line Siting
23 Committee on several occasions.¹

24 Mr. Walther was hired by Miller to study "reliability" concerns (i.e., "risk of
25 failure") regarding the Eleven Mile Corner Road segment option.² He testified that that

26 ¹ Transcript of Record, Volume XI at pp. 2764-2769 (hereinafter "TR")

² TR, pp. 2769:21-2772:4

1 option is “not a good routing for a 500 kv line,” citing the two high crossings and the
2 congestion at Node 32. (“**This is a very, very congested point. . . Node 32 is the**
3 **congested point.**”)³ Mr. Walther noted that this segment option required two high
4 crossings: a 170-foot crossing of two WAPA lines near MacRae Road that will be
5 upgraded to 230 kv; and, a 190-199 foot crossing of two 230 kv lines out of Sundance at
6 Node 32. There is also the proposed 230 kv underbuild on the 500 kv line, and a turning
7 structure at Node 32.⁴ Mr. Walther created LM Exhibit #5 (“Area of Focus” -- attached
8 hereto and in evidence) to demonstrate the congestion and reliability concerns.⁵ In
9 response to Chairman Woodall’s question, Mr. Walther said the congestion was relevant
10 because failure creates the potential for interruption of instability due to the impact on
11 numerous circuits.⁶

11 Given this congestion, Mr. Walther described the reliability risk:

12 “You get up to 199 feet, you have several reliability issues. One issue
13 is the blowout . . . The second thing is the failure . . . the 500 kv line at that
14 cross, it has severe consequences for the entire region. It can also take out
15 the Western line, it can take out the Sundance line. Unfortunately, it could
16 have a consequence that would be felt all the way to the northwest.”⁷

16 Mr. Walther testified to potential causes of failure, including airplanes, conductor failure
17 (“very seldom”) and the possibility of intentional act.⁸ If there is a reliability failure, then
18 system stability becomes a major issue.⁹

19 Chairman Woodall asked Mr. Walther about the likelihood of a cascading
20 effect in the event the 500 kv line were to fall down. Mr. Walther said that the likelihood
21

22 ³ TR, p. 2774:2-4

23 ⁴ TR, pp. 2829-2830

24 ⁵ TR, pp. 2775, 2777-2781

25 ⁶ TR, pp. 2808-2809

26 ⁷ (TR, pp. 2775:9-20)

⁸ TR, p. 2785

⁹ TR, p. 2786

1 is less now than five years ago, "but if we generate an N-2 fault, there is the possibility
2 that it could go clear back to the northwest."¹⁰

3 In summary, Mr. Walther urged the Committee to reject the Eleven Mile
4 Corner Road segment option:

5 "As an engineer, I would urge that all alternatives be explored as
6 related to reliability and ultimately stability, because I think that this, from
7 all that I have seen in the four days I have been here, all the options, I
8 believe that the reliability within this particular segment, specifically N-32,
is certainly the weakest point that I have seen. And I would hope that other
alternatives would be developed.

9 Q: Would it be fair to say that these enhanced risks only become
10 risks if the Eleven Mile Corner Road alternative route is selected?

11 A: Yes, only if Eleven Mile Corner is selected."¹¹

12 The multiple line crossings and the extremely high crossing makes this
13 option less reliable.¹²

14 **Jerry Smith**

15 Mr. Smith is the ACC Staff's electrical engineer and expert witness. He
16 was present during Mr. Walther's testimony, and used LM Exhibit #5 to illustrate his own
17 testimony.¹³ Mr. Smith testified that he agreed with Mr. Walther's expert analysis of the
18 reliability concerns caused by the high crossing and congestion at Node 32. ("The 500 kv
19 line would be crossing existing infrastructure . . . from the standpoint that you could avoid
20 those crossings, it would be desirable from a reliability standpoint.")¹⁴

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24 ¹⁰ TR, pp. 2786-2787

25 ¹¹ TR, pp. 2794-2795

26 ¹² TR, p. 2820-2821

¹³ TR, p. 3516

¹⁴ TR, p. 3517:4-9

1 • ***Viewshed of the Casa Grande Ruins National Monument.***

2 Throughout the hearings, the Applicant's lack of enthusiasm for the Eleven
3 Mile Corner Road option was apparent. Indeed, SRP's counsel did not even mention this
4 segment option during his opening statement on Area C. During testimony, SRP Panel
5 Witnesses Kenda Pollio and Dan Hawkins confirmed that Eleven Mile Corner required
6 two high line crossings; that those crossings would be in the viewshed of the Casa Grande
7 Ruins National Monument, and nearer to the Ruins than other options; that Dr. Paige
8 Baker, Director of the National Monument, objected to this obstruction of the Ruins'
9 viewshed; and, that Dr. Baker's objection was a factor for SRP to not select Eleven Mile
10 Corner Road as the preferred alignment.¹⁵

11 Douglas Craig, Ph.D. is an archeologist who was called as an expert witness
12 by Roger Ferland's clients. He testified about his great familiarity with the Ruins,
13 describing it as the most famous landmark in southern Arizona. He demonstrated how the
14 existing lines north and west of the Ruins do not blend into the viewshed; and urged the
15 Committee to not permit the 140-foot and 165-foot towers that would be built if the Curry
16 Road alignment is selected. With respect to the much-higher and much-closer towers that
17 would be built within the Ruins viewshed along Eleven Mile Corner Road, he testified
18 that clearly, that option should be the last choice.

19 • ***Splitting parcels.***

20 Ron Smith is the project manager of "Verona," (the name of Miller's
21 development). Mr. Smith is a civil engineer/land development engineer and has many
22 years' experience in large acreage, master planned communities.¹⁶ Verona, formerly
23 called "Cole Farms," is a mixed-used master development, primarily residential, and will
24

25 _____
15 TR, Vol. VIII, pp. 1971, 1994, 2019

26 16 TR, pp. 3019-3022

1 include 6,000 residential units on 1,600 acres.¹⁷ Miller will also donate four elementary
2 school sites and a high school site.¹⁸

3 Mr. Smith described the progress of the development at length.¹⁹ He
4 expects to begin construction of homes by March-April, 2006, and to have closings by
5 August, 2006. This degree of progress on existing plans is a material consideration under
6 the line siting statutes. See, A.R.S. § 40-360.06(A)(1).

7 Miller opposes the Eleven Mile Corner segment option.²⁰ As LM Exhibit
8 #11 in evidence depicts, the segment option splits the development -- it separates a fairly
9 small sliver of property relative to the whole development, causing a real loss of
10 continuity. It also creates a marketing dilemma in terms of where to put model homes and
11 signage.²¹

12 Mr. Smith also testified that Miller has no objections to the green line or the
13 modified green line.²²

14 **Conclusion**

15 For the foregoing reasons, Miller Holdings, Inc. urges the Line Siting
16 Committee to reject the segment option along Eleven Mile Corner Road.

17 DATED this 3rd day of May, 2005.

18 GAMAGE & BURNHAM P.L.C.

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23 ¹⁷ TR, p. 3024

24 ¹⁸ TR, p. 3041

25 ¹⁹ TR, pp. 3030-3046, and LM Exhibit 3 and 4, in evidence

26 ²⁰ TR, p. 3023

²¹ TR, pp. 3037, 3048-3049, LM Exhibit #11, attached

²² TR, pp. 3061, 3063, LM Exhibit # 11, attached

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3 Arizona Corporation Commission
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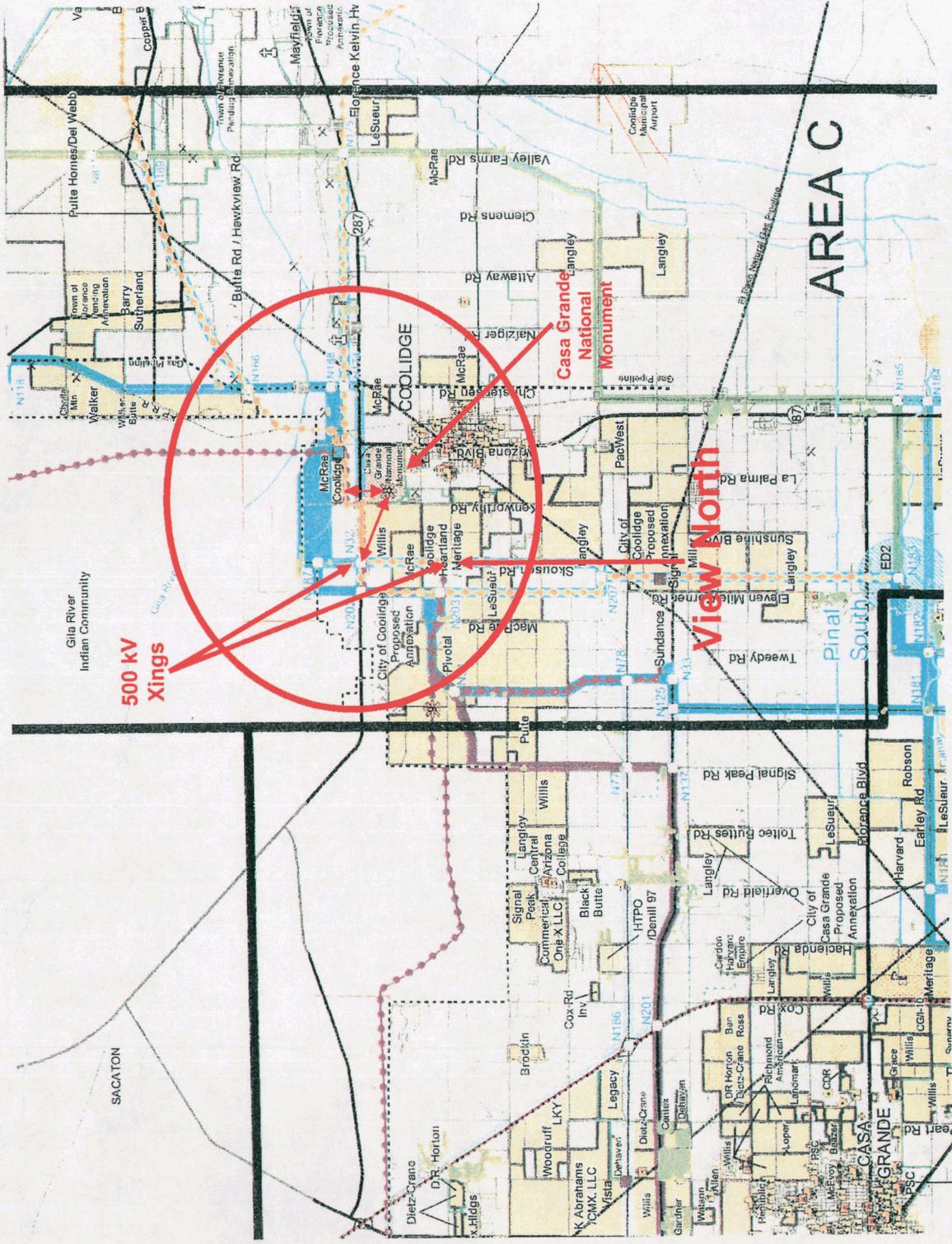
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Area of Focus

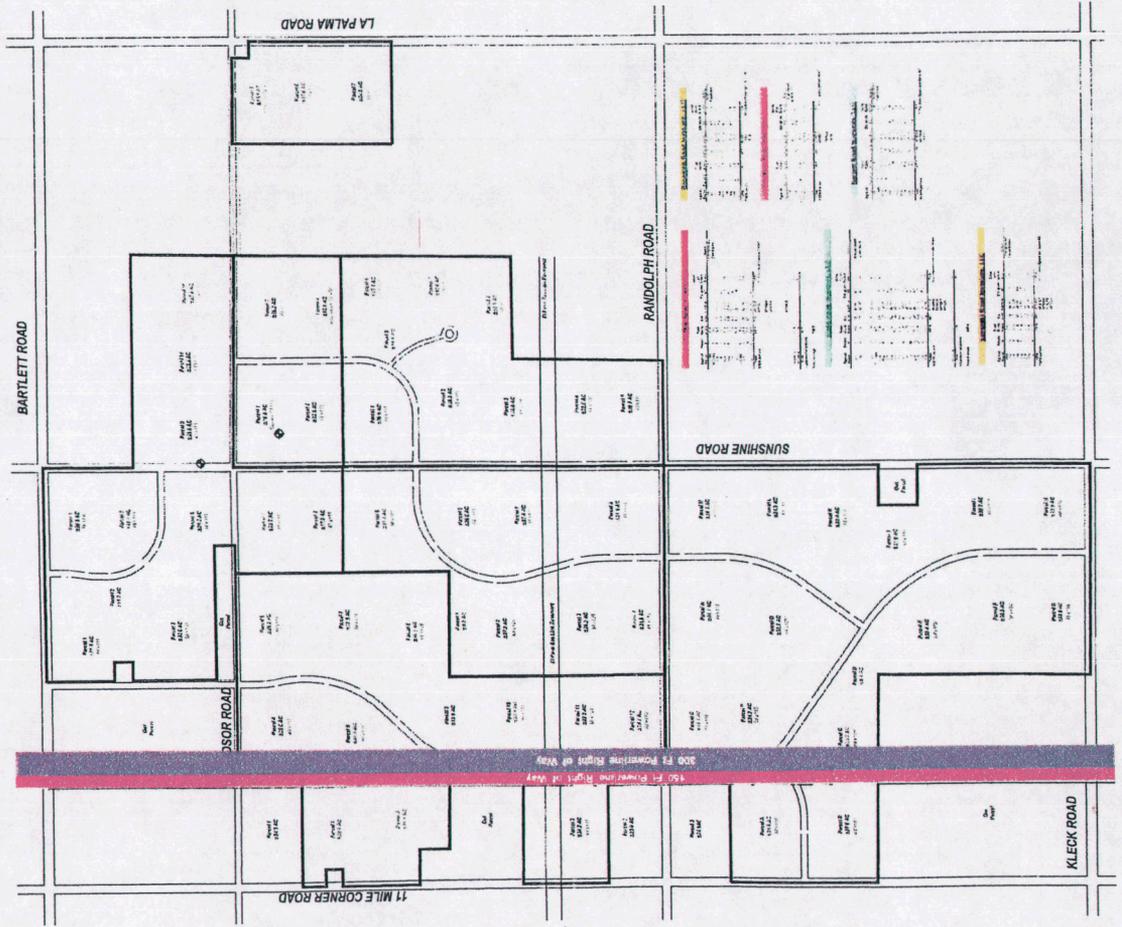
Miller Holdings Exhibit



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Miller Holdings Property

Miller Holdings Exhibit



#11