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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

- JEFF HATCH-MILLER, Chairman
- WILLIAM A. MUNDELL
- MIKE GLEASON
- KRISTIN K. MAYES
- BARRY WONG

2006 OCT -4 A 11: 29

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION
 OF ARIZONA PUBLIC SERVICE COMPANY
 FOR A HEARING TO DETERMINE THE FAIR
 VALUE OF THE UTILITY PROPERTY OF THE
 COMPANY FOR RATEMAKING PURPOSES,
 TO FIX A JUST AND REASONABLE RATE OF
 RETURN THEREON, TO APPROVE RATE
 SCHEDULES DESIGNED TO DEVELOP SUCH
 RETURN, AND TO AMEND DECISION NO. 67744

E-01345A-05-0826
E-01345A-05-0827

DOCKET NO. E-01345A-05-0816

NOTICE OF FILING
TESTIMONY

Federal Executive Agencies (FEA), by and through the undersigned attorney,
 representing all Federal customers of Arizona Public Service Company, hereby provides
 notice of filing the Direct Testimony of Colonel Ben Hancock in this proceeding. Initial
 notice of filing of this testimony was provided to the Docket on 1 September 2006, but it
 was subsequently discovered that the testimony of Colonel Hancock was inadvertently
 left out of the filing. This filing corrects that error. An electronic copy of the testimony
 was provided on 1 September 2006 to those parties for whom I have email addresses.
 Although I believe that hard copies were mailed to those parties for whom I do not have
 email addresses, an additional copy is being mailed this date to ensure that all parties
 have a copy of the testimony.

RESPECTFULLY SUBMITTED this 4th day of October 2006.

Arizona Corporation Commission
DOCKETED

OCT -4 2006

DOCKETED BY	NR
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Original and severnteen copies filed this
4th day of October 2006, with:

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BEFORE THE ARIZONA CORPORATION COMMISSION

In the Matter of the Application of Arizona)
Public Service Company for a Hearing to)
Determine the Fair Value of the Utility)
Property of the Company for Ratemaking)
Purposes, to Fix a Just and Reasonable Rate)
of Return Thereon, to Approve Rate)
Schedules Designed to Develop Such Return,)
and to Amend Decision No. 67744)

Docket No. E-01345A-05-0816

Testimony
Of
Colonel Ben Hancock
On behalf of
Federal Executive Agencies

September 1, 2006

1 **Testimony of Colonel Ben Hancock**

2

3 **Q. Please state your name and position:**

4 A. I am Colonel Ben D. Hancock, Commanding Officer, Marine Corps Air Station
5 Yuma ("MCAS Yuma"), Arizona.

6

7 **Q. Would you please summarize your education and professional background?**

8

9 A: I am the son of a career Army Green Beret soldier. I worked full-time as a uniformed
10 trooper with the Arizona Highway Patrol for four years while attending college. I
11 received my Bachelor of Science degree from Arizona State University and was
12 commissioned a Second Lieutenant in May 1983 through the Platoon Leaders Class (Air)
13 program. After completing The Basic School I reported to the Naval Aviation Training
14 Command and was designated a Naval Aviator in January 1986.

15

16 I began my Marine Corps career at Cherry Point, North Carolina for instruction in the
17 AV-8B Harrier. I deployed to Iwakuni, Japan, and served a Mediterranean Sea cruise
18 aboard the USS Guam. I flew combat mission over Kuwait and Iraq and served as the
19 Power Line Division Officer and Quality Assurance Office in support of Operations
20 Desert Shield and Desert Storm.

21

22 In July 1993, I was selected to fly with the U.S. Navy Blue Angels. In this capacity, I
23 flew the F/A-18 Hornet as the Right Wingman for the 1994 and 1995 air show seasons.
24 After serving with the Blue Angels, I served for eight months at Marine Officer
25 Candidate School, Quantico, VA as the Academics Officer and as a Company
26 Commander before attending Marine Corps Command and Staff College where I
27 graduated in June 1997 with a Masters degree in Military Studies. In 2000, I attended Air
28 War College, graduating in June 2001 with a Masters in Strategic Studies.

29

30 I served as commander of VWA-231 at Marine Corps Air Station Cherry Point, North
31 Carolina, and assumed command of Marine Corps Air Station Yuma in July 2005.

1 I have accumulated over 3,600 hours of military flight time. My personal awards
2 include three awards of the Meritorious Service Medal, Strike Flight Air Medal, three
3 awards of the Navy and Marine Corps Commendation Medal, the Navy and Marine
4 Corps Achievement Medal, the Combat Action Ribbon, and numerous unit and campaign
5 awards.

6
7 **Q. What is the purpose of your testimony?**

8
9 A. The purpose of my testimony is to identify the economic impact of MCAS Yuma on
10 the Arizona economy, and highlight the impact of increased utility bills on MCAS Yuma.

11
12 **Q. What is the military mission of MCAS Yuma?**

13
14 A: MCAS Yuma is one of the Marine Corps' premier aviation training bases. With
15 access to 2.8 million acres of bombing and aviation training ranges and superb flying
16 weather, MCAS Yuma supports 80 percent of the Marine Corps' air-to-ground aviation
17 training. Each year, the air station hosts numerous units and aircraft from U.S. and NATO
18 forces and supports over 250,000 mandays of aviation training per year.

19
20 Nestled in five square miles just southeast of Yuma, the air station is home to a
21 number of tenant units including Marine Aviation Weapons and Tactics Squadron-1 (the
22 Marine "Top Gun" school), Marine Aircraft Group-13, Marine Wing Support Squadron-
23 371, Marine Fighter Training Squadron-401, Marine Air Control Squadron-1 and Combat
24 Service Support Detachment-16.

25
26 **Q. What is the size of the workforce at MCAS Yuma?**

27
28 A: Approximately 5,000 Military, 1,300 Civilians, 7,300 Family members (13,600 total
29 personnel).

30
31 **Q. What is the impact of MCAS Yuma on the Arizona economy?**

1

2 A: In addition to the \$148,051,301 million payroll, MCAS Yuma impacts the state's
3 economy with construction projects, major contracts and daily procurements, education
4 requirements, health necessities, and commissary and exchange expenditures. In addition
5 to MCAS Yuma's work force, there are more than 2,289 base retirees, both civilian and
6 military, who continue to have a large positive impact on the state's economy. Some
7 MCAS Yuma employees have secondary jobs in the local communities in such fields as
8 housing, food, health care and the services industries, having an economic impact on
9 Arizona of approximately \$287,101,441 million per year.

10

11 MCAS Yuma executed \$58,101,441 in annual contract awards in Fiscal Year 2005. Of
12 this amount, \$ 15,351,158 was awarded within the state of Arizona and \$7,101,726 was
13 awarded to small and disadvantaged businesses.

14

15 **Q. Where does MCAS Yuma purchase its electric utility service?**

16

17 A: We purchase our electric utility services from Arizona Public Service Company
18 (APS). MCAS Yuma takes utility service on the E-32 and E-34 Rate Schedules.
19 MCAS Yuma currently pays APS about \$ 3,500,000 per year for electric utility service.

20

21 **Q. What funds are used to pay Marine Corps utility bills?**

22

23 A. The funds used to pay for the utility service provided by APS are operations and
24 maintenance (O&M) funds. Operations and Maintenance funds are also used to fund
25 military operations and other general maintenance needs. Utility bills are "must pay"
26 bills, meaning they are among the first requirements funded and paid by the government.
27 Any cost avoidance or reduction in costs MCAS Yuma pays for utilities ensures funds
28 could be utilized elsewhere for essential military operations and maintenance.

29

30 **Q. What happens to MCAS Yuma's O&M funds when there is a large increase in**
31 **utility bills?**

1

2 A. Since the funding used to pay utility bills is the same funding used to fund military
3 operations and maintenance, when utility bills increase, reductions in other areas of our
4 military operations and maintenance must be taken. The only mechanism we have to
5 increase our overall funding level is to request additional appropriations from
6 Headquarters United States Marine Corps and ultimately, Congress.

7

8 **Q. Does this conclude your testimony?**

9

10 A. Yes it does.