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BEFORE THE ARIZONA POWER PLANT AND
TRANSMISSION LINE SITING COMMITTEE

IN THE MATTER OF THE APPLICATION)
OF SALT RIVER PROJECT)
AGRICULTURAL IMPROVEMENT AND) DOCKET NO.
POWER DISTRICT, IN CONFORMANCE) L-00000B-09-0311-00148
WITH THE REQUIREMENTS OF ARIZONA)
REVISED STATUTES, SECTIONS) Case No. 148
40-360, et seq., FOR A)
CERTIFICATE OF ENVIRONMENTAL)
COMPATIBILITY AUTHORIZING)
CONSTRUCTION OF A 230kV DOUBLE-)
CIRCUIT TRANSMISSION LINE)
ORIGINATING AT THE PLANNED AND) (Pages 1 through 285)
PERMITTED ABEL SUBSTATION, NEAR)
JUDD AND ATTAWAY ROADS IN PINAL)
COUNTY, TO THE PLANNED AND)
PERMITTED RS-17 SUBSTATION,)
ADJACENT TO THE EXISTING MOODY) EVIDENTIARY HEARING
SUBSTATION, LOCATED NEAR PECOS)
AND RECKER ROADS, IN THE TOWN OF) and
GILBERT, MARICOPA COUNTY,)
ARIZONA, AND INCLUDING A NEW) PUBLIC COMMENT
230/69kV SUBSTATION NEAR THE)
INTERSECTION OF COMBS AND)
MERIDIAN ROADS, IN OR ADJACENT TO)
THE TOWN OF QUEEN CREEK, ARIZONA.)
_____)

At: Mesa, Arizona
Date: August 5, 2009
Filed: August 10, 2009

Arizona Corporation Commission

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1 BE IT REMEMBERED that the above-entitled and
2 numbered matter came on to be heard before the Arizona
3 Power Plant and Transmission Line Siting Committee, at
4 the ASU Polytechnic Campus, 7001 East Williams Field
5 Road, Mesa, Arizona, commencing at 9:30 a.m. on the 5th
6 of August, 2009.

7

BEFORE: JOHN FOREMAN, Chairman

8

DAVID L. EBERHART, Arizona Corporation
Commission

9

PAUL W. RASMUSSEN, Department of Environmental
Quality

10

JESSICA YOULE, Department of Commerce

11

PATRICIA NOLAND, Appointed Member

12

MICHAEL WHALEN, Appointed Member

13

MICHAEL PALMER, Appointed Member

14

JEFF McGUIRE, Appointed Member

15

BARRY WONG, Appointed Member

16

APPEARANCES:

17

For the Applicant:

18

JENNINGS, STROUSS & SALMON, P.L.C.

19

By Mr. Kenneth C. Sundlof, Jr.

20

The Collier Center, 11th Floor

21

201 East Washington Street

22

Phoenix, Arizona 85004

23

and

24

Salt River Project

25

By Mr. Robert R. Taylor

26

Salt River Project Law Department

27

1521 Project Drive PAB 341

28

Tempe, Arizona 85281-0001

29

30

1 APPEARANCES:

2

For the Town of Gilbert:

3

CURTIS, GOODWIN, SULLIVAN, UDALL & SCHWAB, P.L.C.
4 By Mr. William P. Sullivan
2712 North Seventh Street
5 Phoenix, Arizona 85006-1003

6

For the City of Mesa:

7

CRAIG A. MARKS, P.L.C.
8 By Mr. Craig A. Marks
10645 North Tatum Boulevard, Suite 200-676
9 Phoenix, Arizona 85028

10

and

11

City of Mesa Attorney's Office
By Mr. Wilbert J. Taebel, Assistant City Attorney
12 20 East Main Street, Suite 850
P.O. Box 1466
13 Mesa, Arizona 85211-1466

14

For the Town of Queen Creek:

15

MARISCAL, WEEKS, McINTYRE & FRIEDLANDER, P.A.
16 By Messrs. James T. Braselton, Gary Birnbaum
2901 North Central Avenue, Suite 200
17 Phoenix, Arizona 85012

18

For Pinal County:

19

MUNGER CHADWICK
20 By Mr. Lawrence V. Robertson, Jr., Of Counsel
P.O. Box 1448
21 2247 E. Frontage Road
Tubac, Arizona 85646

22

23

24

25

1 APPEARANCES:

2

3 For Demetrios Vlachos; Vlachos Enterprises, L.L.C.;
4 QC Niko 1, L.L.C.; QC Niko W, L.L.C.; V&P Nurseries,
5 Inc.:

6

7 DAVIS MILES, P.L.L.C.

8

9 By Mr. Shawn Nelson

10

11 560 West Brown Road, Suite 300

12

13 Mesa, Arizona 85201

14

15

16

17 COLETTE E. ROSS

18

19 Certified Reporter

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21 Certificate No. 50658

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1 CHMN. FOREMAN: Let's go on the record.

2 My name is John Foreman. I am Chairman of the
3 Arizona Power Plant and Transmission Line Siting
4 Committee. This is a hearing and scheduled meeting of
5 the Committee that is being started to deal with the
6 application of Salt River Project for a certificate of
7 environmental compatibility authorizing construction of
8 a 230 kilovolt transmission project from the Abel to the
9 Moody substations.

10 We have got some housekeeping matters to address
11 here initially, but I would like to start by asking
12 those who are present for the various parties to
13 identify themselves. And we will start with the
14 applicant.

15 MR. SUNDLOF: Thank you. Good morning, Judge
16 Foreman, members of the Committee, members of the
17 public. I am Kenneth Sundlof with Jennings, Strouss &
18 Salmon, and with me is Robert Taylor from Salt River
19 Project, and we represent the applicant, Salt River
20 Project.

21 CHMN. FOREMAN: Okay. We are going to move in
22 an order that I promised I would give you today that I
23 had to revise a little bit because of the way things are
24 set up. We are going to Mesa next, then to Phoenix-Mesa
25 Gateway Airport. Then we will come over to this side

1 to -- I am sorry, we are going to hit Gilbert over here,
2 then we will come over to this side to the Vlachos
3 interest, then Pinal County and then Queen Creek.

4 So let me ask those here representing Mesa to
5 identify themselves for the record.

6 MR. MARKS: Good morning, Chairman Foreman,
7 members of the Committee, members of the public. My
8 name is Craig Marks, and I represent the City of Mesa in
9 this proceeding. Also in the hearing room today is
10 Mr. Bill Taebel, also an attorney for the City of Mesa.

11 MR. FIX: Good morning, Mr. Chairman. My name
12 is Walter L. Fix. And I represent Phoenix-Mesa Gateway
13 Airport. I am the director of planning and special
14 projects.

15 MR. SULLIVAN: Good morning, Chairman, my name
16 is William Sullivan on behalf of the Town of Gilbert.
17 Also with me today is Kyle Mieras, who is an employee of
18 the Town of Gilbert.

19 CHMN. FOREMAN: Let's move over to the Vlachos
20 interest.

21 MR. NELSON: Thank you, Mr. Chairman. Shawn
22 Nelson on behalf of Mr. Vlachos and the assorted
23 companies, potential intervenor in the matter.

24 MR. ROBERTSON: Good morning, Mr. Chairman,
25 members of the Committee. My name is Lawrence

1 V. Robertson, Junior, appearing on behalf of Pinal
2 County. With me this morning is Mr. Manual "Manny"
3 Gonzalez who is an assistant county manager for Pinal
4 County, and whose responsibility areas include Siting
5 Committee matters. Mr. Gonzalez will be in attendance
6 at various times throughout the proceedings and he will
7 be a witness on behalf of Pinal County.

8 Thank you.

9 MR. BIRNBAUM: Good morning, Mr. Chairman,
10 members of the Committee. My name is Gary Birnbaum. My
11 partner, Jim Braselton, is in court and will be here in
12 an hour or so. We represent the Town of Queen Creek.

13 This morning and at various times during the
14 hearing we will have one, two, or three representatives
15 from Queen Creek here, Mr. John Kross, who is the town
16 manager; Shane Dille who is the assistant town manager;
17 and Tom Condit, who is the community development
18 director.

19 Thank you.

20 CHMN. FOREMAN: All right. We have members of
21 the public here. This is a public and open meeting.
22 The rules are really pretty simple. You are privileged
23 to watch.

24 There will be an opportunity for public comment.
25 We will have a public comment session after the opening

1 statements of the attorneys, should they care to make
2 opening statements. And if anyone wants to make a
3 public comment at that time, you will be able to. There
4 should be forms available for you to put your name. If
5 you are representing someone or something, identify who
6 you represent. Give us an address so we have a little
7 personal information about you. And then if you would
8 provide that to me during a break, then we will be able
9 to call on you. We will also have a public comment
10 session this evening at 6:00 p.m. for those who work
11 during the day.

12 Now, as far as the physical environment is
13 concerned, we have some flickering lights. And after
14 APS had the electricity go out in our last hearing in
15 Dateland, which was clearly the most effective
16 demonstrative evidence of need that I have ever
17 experienced in one of these hearings, we have flickering
18 lights today here at our facility at the ASU
19 Polytechnic. The SRP people have assured me that this
20 is not a part of their need presentation. But if there
21 is anyone who wants to know whether the flickering is
22 planned, it is not. So hopefully it will stop at some
23 time during our presentation today.

24 We have initially a motion for intervention that
25 we need to address. One of the parties who had

1 expressed an interest in participating in this hearing
2 was Vlachos Enterprises, and Mr. Vlachos who appeared at
3 one of our earlier hearings. The counsel initially
4 filed a notice. I treated that as a motion and asked
5 them to refile it as a motion which they have done. And
6 I have determined that there is no 10-day time rule
7 violation as a result thereof.

8 The motion to intervene is fairly simple and
9 straightforward. The Committee makes the decision,
10 however, with regard to intervention. And I would ask
11 counsel for the Vlachos interests to just briefly
12 summarize your client's interest in these proceedings
13 and the reason that you want -- he wants to be a party.

14 MR. NELSON: Thank you, Mr. Chairman, and
15 members of the Committee. Just real briefly, my client
16 owns property. It is bounded by Germann Road on the
17 north, Ryan Road on the south. The eastern boundary is
18 approximately a quarter mile to the west of Signal Butte
19 Road and Crismon Road on the west. Essentially we are
20 talking about right in the middle of some of the
21 proposed routes.

22 The preferred route along Ryan Road runs along
23 the southern border of my client's property. The
24 alternate route along Germann Road runs along the other
25 side of my client's property.

1 Now, the business that's being operated there
2 currently is a commercial nursery. It employs over 180
3 people, serves a number of local retail and commercial
4 landscaping and construction businesses. This is as a
5 supplier of plant and nursery products.

6 We are requesting leave to intervene in order to
7 support the Ryan Road route, as the Germann Road route
8 would put these lines right along the main arterial
9 access to my client's property.

10 Certainly we would not oppose the lines going on
11 another one of the alternate routes that would put it
12 away from my client's property, but we haven't gone so
13 far to suggest that that would be it. We are not quite
14 to the point of not in my backyard. We would just like
15 the opportunity to present our position of having it
16 along a better part of my client's property.

17 For those reasons we would like leave to
18 intervene in this matter.

19 CHMN. FOREMAN: Does any Committee member have a
20 question?

21 My recommendation is that the motion be granted.
22 The party is represented by counsel. They have been
23 attentive to and cooperated in the preparation of the
24 case for presentation, and I know of no reason why they
25 should not be accorded party status.

1 Member Noland.

2 MEMBER NOLAND: Mr. Chairman. I wonder,
3 Mr. Nelson, do you have a pointer? Do you have a laser
4 pointer?

5 MR. NELSON: I do now thanks to Mr. Robertson.

6 MEMBER NOLAND: Could you just -- I think I have
7 in my mind where you are talking about, I would just
8 like to know for sure.

9 MR. NELSON: I don't see the cross streets.

10 MEMBER NOLAND: That's the problem.

11 MR. NELSON: I believe this is Germann right
12 here, and this is the preferred Ryan alignment. My
13 client's property would be somewhere in here. And we
14 would be arguing for the Ryan Road alignment right along
15 here. And I will take any correction if I have
16 misstated the route from anybody, but I believe that
17 that's what we are talking about.

18 MEMBER NOLAND: Thank you, Mr. Chairman. I move
19 we allow the party to intervene.

20 CHMN. FOREMAN: Do I hear a second?

21 MEMBER WHALEN: Second.

22 CHMN. FOREMAN: Seconded. Any further
23 discussion?

24 (No response.)

25 CHMN. FOREMAN: All those in favor signify by

1 saying aye.

2 (A chorus of ayes.)

3 CHMN. FOREMAN: Opposed, no.

4 (No response.)

5 CHMN. FOREMAN: The ayes have it. The motion to
6 intervene is granted.

7 Now, we have a disclosure that needs to be made
8 by one member of the Committee, Member Youle.

9 MEMBER YOULE: Thank you, Mr. Chairman. My name
10 is Jessica Youle, and I am on this Committee
11 representing the Department of Commerce energy office.

12 But in the interest of full disclosure, I wanted
13 to alert anyone who has not known me that I previously
14 have worked for SRP. I retired about two years ago from
15 SRP to take a position with the state to do energy
16 policy. But as a retiree, I do get the standard retiree
17 benefits, the standard pension, that type of thing.

18 It is a vested -- those are vested payments.
19 That, frankly, means that SRP has to pay me my pension
20 benefits whether or not they like any position I take on
21 this Siting Committee. I am confident in my own ability
22 to hear this matter impartially. But I wanted to make
23 sure that any party or any member of the public that has
24 any questions or concerns about that raise that now so
25 that the Committee can discuss my continued

1 participation in this particular hearing.

2 CHMN. FOREMAN: Is there any?

3 MEMBER YOULE: And that includes SRP, if you
4 have any objections as well.

5 CHMN. FOREMAN: Any objection or question that
6 any party would like to raise?

7 (No response.)

8 CHMN. FOREMAN: All right.

9 MEMBER WHALEN: Mr. Chairman.

10 CHMN. FOREMAN: Yes.

11 MEMBER WHALEN: Perhaps I should also make a
12 disclosure since we put that on the record. I am also a
13 retired member of the City of Mesa, having spent 28
14 years with the city and then a former city council
15 member. I, too, have no bias towards the City of Mesa,
16 and I will vote on the record as to how I feel that this
17 case proceeds without any bias.

18 CHMN. FOREMAN: Thank you. All right, very
19 good.

20 All right. Any questions or concerns about
21 Member Whalen's disclosure?

22 (No response.)

23 CHMN. FOREMAN: All right. Very good. Let us
24 then proceed. Are there other preliminary matters that
25 we need to -- well, let's see. There is one other

1 preliminary matter that we need to address, I think, and
2 that is the positions of the parties on the various
3 alignments. I have asked the parties to identify their
4 positions with regard to alignments that are set forth
5 in the application, and I believe there is a list of
6 them.

7 Well, I am not able to locate the list of the
8 proposed alignments that was contained in the
9 application right now, but in the introduction there is
10 a listing of them, and then later on there is another
11 listing of them altogether.

12 What I asked each party to do is identify
13 whether they supported the particular alignment, it was
14 acceptable to them, whether they opposed it or whether
15 they took no position. And so I had this prepared as a
16 guide for, or hopefully a helpful aid to members of the
17 Committee.

18 And as you know from cases past, I have a
19 passion for charts and diagrams and drawings. And
20 members of the Committee had made comment about my
21 peculiarities in that regard and we don't need to
22 revisit that. But hopefully this will help other
23 members of the Committee. I know it helps me understand
24 the positions of the parties.

25 I thought I would give this to you before we

1 begin opening statements so that you would be able to
2 use those during the opening statements. And if there
3 is any change in position by any party during opening
4 statement as to what is contained in what you provided
5 to the Committee members, please let us know.

6 We are going to start with opening statements by
7 the applicant. I am hoping that the applicant will be
8 able to present its opening statement in 30 minutes or
9 less. Each member of the -- I am sorry. Each party
10 will have an opportunity after that, and that the order
11 of presentation will be Mesa, Phoenix-Mesa Gateway
12 Airport, Gilbert, Vlachos interests, Pinal County, and
13 Queen Creek. And each of you will have five minutes to
14 summarize your opening position.

15 At that point, we will take public comment. And
16 one potential party had expressed an interest in just
17 making a presentation during the public comment session
18 rather than as a part of -- as becoming a party for the
19 entire hearing, and that was a party represented by Buzz
20 Slavin. And I don't see Buzz here, so hopefully he will
21 appear later.

22 So let's start with the opening statements and
23 we will start with the applicant. Counsel, you may
24 proceed.

25 MR. SUNDLOF: Thank you. Good morning, Judge

1 Foreman, members of the Committee, parties, and members
2 of the public. I am Kenneth Sundlof with the law firm
3 of Jennings, Strouss & Salmon, and I represent the
4 applicant, Salt River Project. And I am pleased to
5 present to you the Abel to Moody transmission project.

6 This is a small part of the overall
7 infrastructure. It is only 20 miles of 230 double
8 circuit line with a single subtransmission substation.
9 But to the people of Queen Creek and the surrounding
10 areas, this is a huge project. Its purpose is to bring
11 capacity, reliable power to Queen Creek for its expected
12 growth and to the surrounding areas for their expected
13 growth.

14 We didn't plan the flickering lights, and it has
15 nothing to do with SRP's reliable service, but it is a
16 reminder of the importance to all of us, to the plans
17 and the hopes of everybody for growth in this area, that
18 we be able to put the infrastructure in place in advance
19 of need, so that businesses and residences and new
20 developments and new projects can rely upon the power
21 and the reliability this project will bring. We are
22 pleased to be able to bring this in advance of need and
23 we will talk about timing and the need later.

24 Up on the screen we have got two maps. And
25 these are the same maps that are on your placemats. I

1 don't know if you have noticed that placemats now are
2 two sided. We always want to be innovative and bring in
3 new developments. We have two sided placemat. One
4 shows the jurisdictions and one shows an aerial
5 overview.

6 I think it is important to remember you have got
7 these because I know it is a little bit difficult to see
8 all of the writing on the screen. And hopefully between
9 the screen and the placemats that you have you will be
10 able to follow the presentation. But please let us know
11 if there are any kinds of issues.

12 Salt River Project will present its case through
13 four groups of witnesses. The first witness will be
14 Chuck Russell. And Chuck Russell is the witness that is
15 going to discuss the need for this project and the
16 timing. Fortunately there is no party who has objected
17 to need. And I think the need is fairly established.
18 Because of that, we have chosen at the suggestion of the
19 Chairman to prefile the testimony of Mr. Russell. And
20 so if you haven't seen that already, I certainly
21 recommend it to you.

22 Mr. Russell, of course, will take the stand and
23 will adopt his prefiled testimony and will be, of
24 course, available for questions. Mr. Russell's
25 testimony describes that the purpose of this project is

1 actually fairly simple.

2 We have the Abel substation down on the
3 southeast. And that is a case that was sited by you in
4 Case 126. Hasn't been built yet, but it is on the
5 drawing board. And we simply follow right up to an area
6 that we call Moody. Now, it really doesn't interconnect
7 to Moody. Moody is a smaller neighborhood substation,
8 but it is the geographic point that defines this
9 project. And so basically it is to make a 230
10 connection from Abel up to the Santan/Schrader line that
11 gives continuity to both the Santan and Schrader
12 substations.

13 And most importantly, in the middle, right in
14 the middle of this map, we have identified a site to put
15 a new 230/69 substation. And Mr. Russell's testimony
16 describes the importance of adding this substation to
17 this load area. As load areas grow they need a central
18 source of power. Central source of power is a 230/69
19 station that then feeds to neighborhoods, 69/12
20 substations that then go to the transformers to your
21 homes. Without this, Queen Creek would remain being
22 served by long 69 lines that have reliability and
23 capacity concerns, not that it is not unreliable now
24 but, as things grow, we need to bring this
25 centralization here.

1 Mr. Russell's testimony also talks about the
2 timing. And I'll emphasize later in the themes of our
3 case that timing is very important to us here. We want
4 to build it on time, but we don't want to build it too
5 early because it is a lot of money. We are talking
6 about spending \$50 million to build this project,
7 \$50 million to bring benefits to Queen Creek. And we
8 want to do it, but we don't want to be pushed to do it
9 too early. So we are going to ask for some flexibility
10 and Mr. Russell's testimony talks about that.

11 Our second witness is a panel. And it is Tom
12 Novy, who is the project manager, and Mike Warner who is
13 the head of our environmental consultant, Transcon.

14 And this is a little bit out of order, because
15 normally we would want to kind of take this in
16 chronological order, do the purpose and need and then do
17 the public process, which is very important, and then
18 talk about the routes. But because we have scheduled a
19 route tour for tomorrow morning we wanted to make sure
20 that you had the testimony before you on the route
21 options and, you know, the analysis that kind of goes
22 into looking at these routes and the plusses and minuses
23 and the environmental impacts and the views of the
24 public and the views of the city and all those many
25 things that go into the process to determine routes.

1 So Mr. Novy and Mr. Warner will go through the
2 various route options. And we presented it and you have
3 got them on your maps, and I am sure you have looked at
4 them in your application. They will divide them into
5 route options that are to the southeast of the
6 substation and then route options that are to the
7 northwest of the substation. And they will point out,
8 of course, that we have got, you know, we have got a
9 straight line lineal feature which is the railroad that
10 goes the entire distance, but then they will talk about
11 what other factors mitigate to selecting a preferred
12 alignment, which is the Ryan Road, the railroad on the
13 southeast and the Ryan Road alignment in the northwest.

14 Fortunately, in the southeast, we seem to have
15 unanimity on the route choices, and I think that's
16 reflected in Judge Foreman's chart. The preferred
17 alignment basically follows a railroad, which is the
18 Magma Railroad. And then it picks up the Union Pacific
19 corridor and goes up to the substation. It is a nice
20 straight line, it follows lineal features, makes a lot
21 of sense. I don't think we are going to have a lot of
22 dispute about it. And we will try to make our
23 presentation in that area a little bit abbreviated
24 unless some party or the Committee members want to
25 really look at the other alignments, which are kind of

1 stair step alignments.

2 In the northwest, this is where we will likely
3 have a lot of discussion among the intervenors. And I
4 want to make it very clear that Salt River Project will
5 build any of these alignments that is presented to you,
6 and is pleased to build any one of them. You give us
7 any of them and we will accept them and we will build
8 them.

9 We have gone through an extensive process, have
10 identified a preferred alignment. There will be
11 differences of opinion, we understand that. And, you
12 know, we don't want to get crosswise with any of the
13 fine cities in the area or the county, and we will build
14 whichever alignment is on the map.

15 I think what we are going to see is we are going
16 to see probably the south alignment here in the purple
17 we call the Ocotillo line, but probably has very little
18 support. We are going to be looking at and see all
19 three lines follow the railroad as it comes out the
20 Moody area. So that's not in dispute, and all three
21 lines follow the railroad at the southern part there by
22 the substation.

23 So the dispute we are going to see in the
24 case -- and Mr. Novy and Mr. Warner will talk about
25 this -- is the three alignments that are basically in

1 the center of Queen Creek. And you see Queen Creek is
2 in the blue on the map, Exhibit SRP-137. The preferred
3 alignment is Ryan Road. And the witnesses will talk
4 about why that is the preferred. It is fairly open. It
5 allows for long tangent structures. Cost is less than
6 other alignments.

7 We will also talk about the railroad alignment.
8 It is a straight line. It goes through industrial
9 areas. It was opposed very strongly by the Town of
10 Queen Creek and it was opposed by subdivisions that are
11 fairly close, not necessarily right on the railroad, but
12 fairly close, significant numbers of signatures from
13 people who live in these subdivisions.

14 And then the other is the Germann Road, the
15 farthest north alternative. You will notice on the map
16 there is an airport. And that's the airport where we
17 are right now, the Phoenix-Mesa Gateway Airport. And
18 that is a major full size commercial and industrial
19 airport. It is considered to be a growth engine for the
20 east valley, and you will hear a lot about that from the
21 other witnesses. It is very important.

22 Because of the proximity of the airport, of
23 course, it could affect line heights. And we have done
24 some studies. And we hear from these witnesses and
25 later from another witness that the airport will not

1 affect Ryan Road. The airport will not affect the
2 railroad. But the airport will affect, at a minimum,
3 affect pole heights along Germann. They will be as low
4 as 75 feet in some cases, which is pretty low for a 230
5 line, double circuit 230 line. But it is buildable
6 and -- it is buildable and I will emphasize, if the
7 Committee decides Germann Road is the right alignment,
8 we are not going to squawk about it.

9 Mr. Warner and Mr. Novy will conclude by talking
10 about the costs of the various alignments, the distance
11 of the various alignments, and the pros and cons of the
12 alignments, and explain why they have chosen Ryan as the
13 preferred.

14 Our next witness is the one that's out of order,
15 but this is very important. And our next witness is the
16 public and the -- the process witness, I will call it
17 process. Process is a key. SRP prides itself and
18 really puts a lot of effort into the process that
19 precedes these cases. The witnesses will talk about the
20 fact that SRP is part of the community. It rose from
21 the community in the turn of the last century. It is
22 not an investor owned utility. It is a governmental
23 entity and it feels that, you know, the cities and the
24 counties and the people are its constituents. And so it
25 feels very close and very, you know, wants to foster a

1 long-term relationship with them.

2 The witnesses will talk about what I think is
3 probably one of our most sophisticated processes that we
4 have had thus far. It blanketed the area with notices.
5 It had websites. It had newspaper articles. It had
6 press releases, many, many meetings with the cities,
7 many meetings with any other interested party, open
8 houses. I think you will be staggered by the amount of
9 effort that went into this.

10 The process was originally envisioned in three
11 phases. And you will recall our past processes, those
12 of you who have seen our other cases. We try to start
13 out defining a study area, and the study area is
14 basically what you are seeing on Exhibit 137, and kind
15 of start with a blank slate and put all kinds of
16 different disciplines to bear on selecting a line.
17 Start with a blank slate; go to the public, ask the
18 public what do you think; go to the experts, Transcon,
19 the environmental scientists, and say what makes sense
20 from an environmental land use point of view, cultural
21 point of view, following lineal features, visual points
22 of view. And you put these all together to come up with
23 the alignments.

24 The first phase was to go out to the public and
25 to ask the public what do you think. And there were

1 open houses. There were jurisdictional meetings. There
2 were websites. There were mailings. And from that, we
3 came out with an assorted family of possible alignments.

4 And then from that point, you had the
5 environmental scientists come up with sort of refining
6 that. You go back to the public in the second phase and
7 you start to turn this into routes. And you go back to
8 the public again a third time through open houses and
9 jurisdictional meetings, and you come up with the final
10 alignments that you see in the application.

11 We planned only three phases, and we ended up
12 doing four phases. And the fourth phase was at the
13 specific request of the Town of Queen Creek. Queen
14 Creek said would you, SRP, do a fourth phase, we want to
15 further refine what is the preferred alignment. SRP
16 went through a fourth phase and defined the preferred
17 alignment, which is what you see, not shown well on
18 here, but what you see in your books as the railroad and
19 the Ryan Road alignment, which is in yellow.

20 Our final witness will be an airport aviation
21 expert and his name is Jeremy Knaggs. He is with
22 Williams Aviation. And they are world renowned experts
23 on aviation issues and airport issues. They will
24 address the issues that are posed by the Phoenix-Mesa
25 Gateway Airport.

1 They have done a study on all the different
2 criteria that could be impacted by this project, and
3 they have reached some conclusions. And their
4 conclusions -- and they will go into some detail -- are
5 as I said, that the railroad is not impacted, Ryan Road
6 is not impacted, but the Germann is impacted depending
7 on how, how you apply the standards, but probably it is
8 impacted based upon the standards that the airport would
9 like to apply by having considerably shorter poles.
10 Shorter poles, of course, mean shorter spans and more
11 poles, but, you know, frankly not that many of them. I
12 mean it will be a few 75 footers and then sort of ramps
13 up on either side.

14 There is another issue that is out there, and I
15 do want to disclose it to you, and that is that SRP and
16 the aviation consultants submitted pole heights to the
17 Federal Aviation Administration and asked for okays on
18 specific pole heights. This happened one time, and the
19 FAA came back with very low pole heights. Our aviation
20 experts went back and pointed out to the FAA that there
21 was a mistake and the FAA changed its determinations.

22 When we went in and submitted pole heights along
23 Germann Road we got some very restrictive determinations
24 from the FAA which would be as low as 15 feet. Of
25 course you can't build a 15-foot pole. Our witness will

1 say, and I think the witnesses of the other parties will
2 say, that we all believe that to be a mistake. And we
3 are proceeding as though it is a mistake. But we wanted
4 to tell you that it is out there. And people may, you
5 know, may say, and rightfully so, until the FAA changes
6 its determination you can't build that particular
7 segment.

8 The witnesses will come down to, I think, three
9 themes that Salt River Project will pursue in this case.
10 And the first and very important is the process. The
11 process is everything here. The process is a holistic
12 approach to determining routes. It is no one factor.
13 It looks at all the factors that are in the Siting
14 Committee statutes that are your directive. It goes to
15 the public. It goes to jurisdiction. It goes to
16 homeowners. It goes to business owners. It goes to
17 developments. It looks at future plans of
18 jurisdictions. It looks at current land uses. It looks
19 at environmental opportunities. It looks at
20 environmental restraints. It looks at people's
21 objective views, people's subjective views.

22 And through this overall approach through a long
23 period, over a year now, over a long period of time.
24 And there is, of course, some judgment involved, and we
25 understand that, but a long period of time, we have come

1 up with what you see in front of you as the route
2 alignments. And of course, it is the role of this
3 Committee to question and challenge and make sure that
4 we have done our job the right way and make sure that we
5 have weighed criteria the right way.

6 But what we want to avoid, and we want to be
7 very clear about this, this is not a kind of process
8 where parties went in a back room and made a deal. This
9 is a long, over one-year process involving many, many
10 constituencies, many areas of expertise, and we urge to
11 the Committee respect the process, question it, draw
12 different conclusions, but respect the process in making
13 choices. What we don't want to do is have last minute,
14 you know, going back and renoticing or starting all over
15 again, unless the Committee really feels that SRP did
16 not do its job in its public process.

17 Our second theme, and I don't want to be crass
18 about this, but our second theme is money. And it is a
19 big deal. You all have heard that Salt River Project
20 has announced a major price increase, the proposed major
21 price increase. So has APS and so have the other
22 utilities. And you have probably heard some of the
23 reaction to that. And I will tell you it is more
24 reaction that the utilities have seen in several
25 decades.

1 I just heard on the radio this morning as I am
2 driving over a woman saying that every penny counts.
3 And every penny does count. And times are tough. And
4 we always focus on costs, but we want to really focus on
5 cost in these times, especially with what is going on
6 out there and what we are facing with the things that
7 are changing in the industry, the environmental
8 mandates, the need for infrastructure, the slowdown in
9 growth, all those types of things that are impacting
10 utilities financially. We have got to be careful.

11 I want to read one thing to you that I received
12 this morning. And I will mark this later as an exhibit.
13 This is a letter from the mayor of Queen Creek. His
14 name is Art Sanders, and he has written a letter to Salt
15 River Project's corporate secretary. And Mr. Sanders,
16 mayor of Queen Creek, is complaining about the price
17 increase that SRP is proposing. And he is saying that
18 SRP, like the cities, needs to tighten its belt and it
19 needs to cut its expenses and cannot be asking for these
20 kinds of price increases. And I want to read one
21 sentence out of Mayor Sanders' letter.

22 He says we believe SRP has not done enough in
23 these areas of expenditure reduction and organizational
24 reprioritization but instead has relied upon increasing
25 rates to the detriment of its customers.

1 We want to be sensitive to those sentiments that
2 are rightfully expressed about Salt River Project's
3 prices, and we want to urge to the Committee that we
4 consider money as we go forward. This has three
5 different implications.

6 The first is we don't want to be zigging and
7 zagging all over the countryside if we can help it. I
8 mean every time that we add, you know, a mile, a half
9 mile, a turning structure, the prices ratchet up. And
10 if we can help that, there are other reasons not to do
11 it, it looks bad in the long run, but we want to try to
12 avoid that kind of thing. We don't want to go in one
13 direction and circle back and go in a different
14 direction, because that ends up costing money, a lot of
15 money, for not a real good reason, just to make the
16 parties who happen to be in the room and are able to
17 hire lawyers happy. And it is not a good long-term
18 public policy and frankly a waste of money.

19 The second issue is the timing. And we have
20 asked for 12 years. I frankly think 12 years might be a
21 little bit low, but we are going to stick with it. It
22 is really difficult to project the growth. I mean we
23 are in a flat growth right now. The forecasters at SRP
24 are struggling to try to figure out what is going to
25 happen here. This is a 50 plus million dollar project.

1 If SRP can defer parts of it or all of it for a couple
2 years and still retain, maintain reliability, this is a
3 good thing.

4 The Committee over the years has asked us to
5 come to you early, come to you in advance of
6 development, tell you what you want to build, get these
7 things sited early. We are doing that, and we are
8 giving you, in Mr. Russell's testimony and other places,
9 the project schedule. But I will urge to you that this
10 schedule could slip, and we don't want to have to build
11 this early. And we would ask not to be -- have our feet
12 put to the fire on time on this particular project,
13 particularly.

14 The third money point is we are spending 50,
15 \$60 million to bring reliable service to the Town of
16 Gilbert. We don't want to spend more money. We are not
17 going to pay money. We are not going to build parks.
18 We don't want to do things that are more money out of
19 the customers' pockets, frankly. And I will tell you in
20 advance that we will oppose anything like that. We want
21 to build this project and spend the 50 to \$60 million,
22 but don't layer on, we are going to have -- that the
23 Committee not layer onto us.

24 The final theme is, and we have tried to coach
25 our witnesses about this, but you are going to see some

1 frustration. And the frustration is because of the
2 difficulties in working with the Town of Queen Creek.

3 The efforts with Queen Creek have been
4 absolutely huge. I counted on the contact list -- and
5 we are going to have that as an exhibit -- 73 separate
6 contacts that made the list. And these are, you know,
7 briefings, open houses, meetings with the Queen Creek
8 task force, letters, responses, a tremendous amount of
9 effort.

10 Because of Queen Creek, SRP delayed this project
11 and had a fourth phase. Because of Queen Creek's strong
12 preference, SRP avoided this obvious straight line that
13 runs through this railroad industrial area to do the
14 stair step approach up to the substation. SRP has bent
15 over backwards. Yet when we tried to resolve issues and
16 we tried to make this case easier, we have had a great
17 deal of difficulty. And I will give you some examples.

18 Queen Creek is, I believe, interested in the
19 location of the substation. They have talked about an
20 overpass on Ellsworth Road and to make sure we avoid
21 that. SRP in several meetings has said we would really
22 like to work that out with you in advance, we don't want
23 to interfere with your intersection. But we have been
24 unsuccessful in being able to work that kind of detail.

25 The second is substation landscaping. SRP's

1 standard is, of course, a chain link fence. And we will
2 admit that that is not probably the best as you start
3 having a growing urban environment. So we have offered
4 to put a substantial amount of money into a commitment
5 to Queen Creek so that Queen Creek could work with Salt
6 River Project and decide what kind of landscaping it
7 wants. I mean clearly, as time goes by, those kinds of
8 things are going to change, so we thought the best
9 approach was we will dedicate a significant of money, we
10 will say we have got, you know, \$750,000 sitting here;
11 you, Queen Creek, and us will work together to best
12 figure out how to mitigate the substation. We have had
13 no response on that, which is disappointing.

14 The third is that we know that there are some
15 preferences to sides of the road. We have, we actually
16 have a fairly narrow corridor width, 500 feet nominal
17 except for the railroad. Where you have got the gas
18 line, you have got the road, you have got flood control
19 structures, we have a thousand feet. Yet we are willing
20 to work with the cities, including Queen Creek, to come
21 up with narrower corridors if that's appropriate, or
22 even sides of the roads. We don't really want to have
23 to do that through the hearing. We tried to negotiate
24 that. We have been unsuccessful in negotiating that.
25 We are still open to it and we want to get issues

1 resolved. Queen Creek and SRP will be partners for a
2 long period of time, and we want to have that kind of
3 cooperation and we urge that.

4 In conclusion, I want to recommend to you this
5 project. I want to recommend to you the preferred
6 alignment. I think it draws the appropriate balance
7 among the participants as the appropriate cost factors,
8 the appropriate environmental factors, less impact, less
9 interference with the plans, less interference with the
10 airport. And we do recommend that to you; although, I
11 wanted to be clear to you we will build any of the
12 alignments that are in the application.

13 Thank you very much.

14 CHMN. FOREMAN: Thank you, Counsel. Let's move
15 now to the City of Mesa.

16 Oh, and with each of the cities and towns, as
17 you come along, and I guess all Pinal County should be
18 prepared for this question, at some point I would like
19 for you to indicate on the record whether or not your
20 jurisdiction has in its adopted plan corridors for
21 transmission lines anyplace, so if a utility comes to
22 you and says we need to place a transmission line across
23 a portion of your jurisdiction, do you have dedicated
24 corridors. So if you can answer that either in opening
25 statement or during your evidence presentation, I would

1 really appreciate that.

2 So start with City of Mesa. Counsel, you may
3 proceed.

4 MR. MARKS: Thank you, Mr. Chairman, members of
5 the Committee. Again, Craig Marks representing the City
6 of Mesa.

7 The City of Mesa is only taking a position on
8 the three what are called north of RS-24 alignments, and
9 these are the alignments that were identified by
10 Mr. Sundlof in his opening statement. And it is
11 basically we have the blue alignment, the yellow
12 alignment, and then I guess the one that cuts the
13 triangle on the yellow alignment in magenta that runs
14 along the railroad and Rittenhouse Road. Those are the
15 three alternatives that the City of Mesa will be
16 weighing in on.

17 Of these three alignments, City of Mesa strongly
18 opposes the Germann Road alignment. And there are many
19 reasons for this opposition, and our witnesses will go
20 into those.

21 But to summarize, first, the Germann alignment
22 presents potential safety issues for the Phoenix-Mesa
23 Gateway Airport to the north. In fact, the FAA has
24 issued a notice of presumed hazard for this alignment.

25 Two, even if the safety issues could be

1 overcome, a Germann Road transmission line could cause
2 future operational issues for Gateway Airport.

3 Three, Gateway Airport is arguably the largest
4 economic growth engine for the southeast valley. This
5 engine will power both direct airport revenue growth in
6 the billions of dollars, but even more powerfully, more
7 billions of dollars and thousands of jobs related to
8 potential commercial development attracted to this prime
9 airport location. Much of that development will be
10 located along Germann Road, and a Germann Road
11 transmission line could choke this growth engine.

12 There is more existing residential and
13 commercial development along Germann Road than any of
14 the other alignments. That's reason four.

15 Five, as I alluded to, there is potentially a
16 tremendous amount of future commercial development along
17 Germann Road which could be hindered by a transmission
18 line along that road.

19 Number six, and this is one of Mr. Sundlof's key
20 points, the Germann alignment will be significantly more
21 expensive than either the Ryan or north railroad
22 alignments.

23 Number seven, the City of Mesa and its residents
24 would disproportionately bear the increased costs
25 necessary to build along Germann Road, yet the Town of

1 Queen Creek is the primary beneficiary of the proposed
2 construction.

3 Eight, essentially the town wants SRP to build
4 outside or just along the town limits which would put
5 the major burdens on the City of Mesa and unincorporated
6 Pinal County. This would be fundamentally unfair.

7 Because it is the least expensive alignment,
8 Mesa supports building the transmission line just north
9 of the Union Pacific Railroad within an existing utility
10 corridor already occupied by a 24-inch high pressure
11 natural gas line.

12 Mesa does not recommend but would reluctantly
13 accept -- and I guess this is a slight modification,
14 perhaps a footnote to the position paper, the position
15 matrix -- would reluctantly accept the Ryan Road
16 alignment. It is more expensive than the north railroad
17 alignment, but it would otherwise be acceptable. So the
18 issue there is strictly a cost issue.

19 Mesa will present its case through the testimony
20 of three witnesses.

21 We will first call Mr. Walter L. Fix who is
22 sitting next to me today. And he is employed by the
23 Phoenix-Mesa Gateway Authority as its director of
24 planning and special projects. Mr. Fix will first
25 describe Phoenix-Mesa Gateway Airport, its plans for the

1 future, and its importance to the east valley. Second,
2 he will discuss how new structures such as transmission
3 lines affect future planning at Gateway Airport.

4 Mesa's next witness will be Bryan G. Raines, who
5 is employed by the City of Mesa as a deputy city
6 manager. He will discuss the direct cost of the three
7 alignments and how the north railroad alignment will be
8 substantially less expensive than the other two.

9 Because SRP's construction costs are ultimately
10 passed through to its customers in electric rates, Mesa
11 prefers the lowest cost alignment. Mesa does not
12 believe that it should be asked to subsidize unduly the
13 Town of Queen Creek.

14 Mesa's final witness will be Mr. Scott H. Rigby.
15 He is the City of Mesa's Mesa Gateway area project
16 manager in the City of Mesa's office of economic
17 development. He will discuss present and planned
18 development along the Germann Road corridor and how it
19 might be affected by a transmission line located along
20 Germann Road. He will discuss the importance of Gateway
21 Airport to future economic growth in Mesa and the
22 neighboring communities, and how a Germann Road
23 transmission line could stunt that growth.

24 I will note --

25 CHMN. FOREMAN: Counsel, I am sorry, you have

1 one minute.

2 MR. MARKS: Thank you.

3 I will note that the City of Mesa has filed
4 testimony summaries for all three of these witnesses,
5 which I believe have been distributed. And that
6 concludes my presentation.

7 Thank you, Mr. Chairman, and members of the
8 Committee.

9 CHMN. FOREMAN: Thank you, Counsel.

10 MR. MARKS: Oh, I am sorry, Mr. Chairman. You
11 asked about one issue, about transmission corridors. I
12 do not have the answer to that, but I will see that
13 that's provided.

14 CHMN. FOREMAN: Thank you very much.

15 Now, Mr. Fix, your attorney is not here, so
16 you -- I understand you are going to testify later. So
17 do you want to pass that baton on to Gilbert, or is
18 there -- were you planning on making some sort of
19 statement?

20 MR. FIX: Mr. Chairman, members of the
21 Committee, I will pass that baton, waive any statement,
22 any position.

23 CHMN. FOREMAN: Okay. Very good.

24 Let's go then to Gilbert. Counsel, you may
25 proceed.

1 MR. SULLIVAN: Good morning, Mr. Chairman,
2 members of the Committee. My name is William Sullivan
3 with the law firm Curtis, Goodwin, Sullivan, Udall &
4 Schwab, and we are legal counsel for the Town of
5 Gilbert.

6 Town of Gilbert wants to express appreciation to
7 SRP for the public process that it has participated in.
8 It has been extensive and Gilbert participated at every
9 opportunity. As a result, Gilbert's position here is
10 fairly clear and straightforward. Most of the
11 discussion, as has already been pointed out, will be
12 with regard to the Germann, the Ryan, and the north
13 railroad alignments.

14 Another alignment which Gilbert vigorously
15 opposes is the Ocotillo alignment. That alignment,
16 however, has very little support and it has very little
17 support on this record because it is the longest, it is
18 the most expensive, it has the greatest residential
19 density, both existing and future, and it has the most
20 environmental impacts. There are two washes and there
21 is a special planning zone, the Santan planning zone for
22 Gilbert, which would all be impacted, as well as a
23 riparian reserve.

24 Because there has been no active support for
25 that alignment, we have taken the position and put

1 Mr. Kyle Mieras' testimony, who is the planning and
2 development services manager for the Town of Gilbert, in
3 a prefiled form so that we can accelerate the
4 proceeding. He will be available and he may have some
5 supplemental information, depending on what goes on
6 before he testifies. And of course, he will be
7 available for cross-examination. But we did want to
8 accelerate the proceeding. And we would ask that you
9 read his prefiled testimony at your convenience before
10 he testifies.

11 The Town of Gilbert also has taken the position
12 that it opposes the north railroad alignment. However,
13 that's a qualified opposition. It is a recognition that
14 it is vigorously opposed by the Town of Queen Creek
15 because it goes through the town's center. However,
16 that would be far more acceptable to the town than the
17 Ocotillo alignment. And the opposition is contingent
18 upon and reflective of the fact that there is believed
19 to be two alternative alignments that serve the same
20 purpose.

21 With that, that's the -- oh, and then you asked
22 the question about transmission corridors. At this time
23 Gilbert does not have transmission corridors
24 specifically outlined within its general plan. It is
25 one of those things that it is difficult in doing a

1 general plan oftentimes because there isn't much
2 information from the utilities as to where they are
3 going to need to put transmission lines. Certainly it
4 has tried to be active in this process to develop
5 transmission corridors and certainly there is
6 transmission that goes through and around the Town of
7 Gilbert.

8 CHMN. FOREMAN: Thank you, Counsel.

9 Let's see if we can move now to the Vlachos
10 group. Counsel, you may proceed.

11 MR. NELSON: Thank you, Mr. Chairman, members of
12 the Committee. Just by way of background about my
13 client, Mr. Vlachos, Demetrios Vlachos is the owner of
14 V&P Nurseries which is, as I indicated, it is a
15 wholesale nursery located on 240 acres.

16 I believe I am in a better position to answer
17 your question about where the property is located.
18 There is the cross street of Crismon here, that is the
19 boundary on the west side of our property, and then Ryan
20 Road along the south, Germann Road along the east, and
21 somewhere about a quarter mile away from Signal Butte is
22 the boundary on the east. So that's where our property
23 is located.

24 Just a little bit of background about
25 Mr. Vlachos. He immigrated to this country shortly

1 after World War II, has been operating this nursery for
2 over 40 years, started this business from scratch. Made
3 his way to build it up to where it is today, again, an
4 employer of over 180 people, serves as a commercial
5 landscaping nursery, provides these plants to a number
6 of different nurseries in the valley as well as
7 commercial products.

8 Now, Mr. Sundlof talked about the interests of
9 some of the people that could afford to have an attorney
10 here. I believe that rather than being a negative
11 thing -- and I am not sure Mr. Sundlof was attempting to
12 make it a negative -- I believe that's actually a
13 positive, that Mr. Vlachos has shown enough interest to
14 be here, have an attorney, make sure that his interests
15 are represented, because it shows just how important
16 this process and this aspect is to him.

17 Our position, just for the record, is that the
18 Rittenhouse, the railroad corridor would be the
19 simplest, straightest, least expensive route of all.

20 With that in mind, we also would support SRP's
21 preferred alignment that would take it along the Ryan
22 Road route, which would go along the south side our
23 property.

24 Our opposition is to the Germann Road route.
25 This would substantially impact not only the other

1 commercial businesses, not only the residential
2 businesses that other parties have talked about, but my
3 client's property as well.

4 It is going to impact his ability as an
5 employer, his profitability and the operations of his
6 business. The current viability of that business
7 depends on the location of several buildings that are
8 located on the nursery property. If the line was run
9 along Germann Road, those would have to be moved and it
10 could significantly impact his operations.

11 In addition, obviously as a nursery the water
12 rights are extremely important to Mr. Vlachos'
13 operations. He has taken significant time and expense
14 to not only put together this contiguous property on
15 which to conduct his nursery, but also the water rights
16 specific to the property and the type of business that's
17 involved. Those water rights are directly connected to
18 the size and location of the property. If that was
19 disrupted, then certainly the business would be directly
20 impacted. Such a loss would impact his ability to meet
21 his obligations to his current and future customers.

22 Finally, there is a large irrigation well that
23 my client has, again, invested significant expense in
24 developing just south of Germann Road which could
25 possibly be affected by this transmission line along the

1 Germann Road corridor.

2 Now, that's the current use of the property. As
3 to future use of the property, the main arterial access
4 to Mr. Vlachos' property is along Germann Road. Having
5 these large poles and the power line running along that
6 road could impact the access to and the development of
7 any business that -- of any future development of the
8 property.

9 We understand the need for the line. We accept
10 the possibility it is going to run along our property.
11 However, we would suggest that the better route would be
12 along Ryan Road. In addition to all of the other
13 aspects that have been talked about, certainly Ryan Road
14 is going to involve less impact to the residential and
15 commercial interests that are along Germann Road.

16 The airport safety issues have been discussed.
17 We won't go into those. However, it should be noted
18 that the Ryan Road has not been opposed by any of the
19 parties for the airport safety reasons.

20 We do have a desire to cooperate. We tried to
21 work with various parties to come up with some sort of
22 agreement. We would like to find some way to make a
23 consensus if it is at all possible and unite, but I
24 believe that we are in agreement with many of the
25 parties that are here, including the applicant, in

1 accepting their preferred route.

2 As one final point of order, Mr. Chairman, I
3 would note also that my client has been called out of
4 town for this week. He is going to be unable to attend
5 the hearing. He will be our witness at this hearing and
6 we would request leave to present our evidence and his
7 testimony as these hearings are continued in the future.

8 CHMN. FOREMAN: I am sure that won't be a
9 problem.

10 MR. NELSON: Thank you very much.

11 CHMN. FOREMAN: All right. Very good.
12 Pinal County.

13 MR. ROBERTSON: Thank you, Mr. Chairman. Good
14 morning, Mr. Chairman, members of the Committee, parties
15 to this proceeding and the public. My name is Lawrence
16 V. Robertson, Junior. And I will be presenting the
17 opening statement on behalf of Pinal County.

18 As I indicated during the entry of appearance
19 this morning, Pinal County will be calling one witness.
20 That is Mr. Manny Gonzalez, an assistant county manager.
21 Mr. Gonzalez' testimony will address three geographic
22 aspects of the application that is before you in this
23 proceeding. And I will address each of those briefly in
24 my opening remarks.

25 The first one relates to the appropriate line

1 for the southern half of the project. And for purposes
2 of my comments, that dividing line between the north and
3 the south half of the project would be here with Riggs
4 Road, proceeding west from the intersection with
5 Meridian Road and Combs Road proceeding to the east.

6 On the line that Pinal County believes is
7 appropriate we are among those Mr. Sundlof indicated
8 support SRP's preferred route, which follows the Union
9 Pacific Railroad right-of-way in a southeasterly
10 direction until it intersects with the Magma Railroad
11 right-of-way which proceeds in a northeasterly direction
12 up to the Abel substation site. So Pinal County, for
13 reasons Mr. Gonzalez will be testifying to, very
14 strongly supports the preferred route south of Meridian
15 and Combs, or the railroad south route.

16 Pinal County opposes both the Combs route which
17 is shown here in the darker blue on the chart on the
18 left-hand screen, and it also opposes the Skyline route
19 which is shown in the lighter blue on the left-hand
20 screen. And we oppose that not only for reasons of cost
21 and distance and the other environmental and siting
22 criteria that you will be considering, but also because
23 both the Combs route and the Skyline route alternatives
24 represent that very form of zigging and zagging that
25 Mr. Sundlof indicated to you Salt River Project desires

1 to avoid. So we believe Salt River's recommendation in
2 this instance is a very sound one, supported by the
3 evidence to be presented in the applicable statutory
4 criteria, and Pinal County strongly supports the
5 preferred route.

6 The second geographic area of interest to Pinal
7 County is right at the intersection of Riggs and Combs
8 in an west-east direction and Meridian running north and
9 south. As the testimony in this proceeding will
10 indicate, that is going to be a major intersection in
11 the future growth and development of this area. It is
12 in that area that Salt River Project has indicated three
13 potential sites for the RS-24 receiving station. Pinal
14 County strongly opposes the site that would be southeast
15 of that intersection, or Node 27 that was on Figure 3 to
16 the original application, because of development that
17 has already occurred there on the south side of the road
18 just east of that intersection of a very high quality
19 commercial nature and anticipated future additional
20 commercial development and potentially residential
21 development in this area.

22 Similarly, because of its proximity directly
23 across the road, Pinal County also opposes the second
24 substation site identified by SRP which would be
25 northeast of that intersection or northeast of Node 27.

1 And that's again because of the project use in that area
2 which we believe a substation site would be incompatible
3 with.

4 Pinal County is supporting use of the substation
5 site northwest of that intersection that SRP has
6 identified. And in that regard, Pinal County is working
7 with Queen Creek and with Mr. Slavin's clients to come
8 up with some recommended suggestions with regard to the
9 location of the substation within that particular site
10 area, and perhaps some design and landscaping
11 considerations from an aesthetics and a sound control
12 standpoint.

13 The third aspect of Pinal County's presentation
14 relates to that portion of Meridian Road between the
15 intersection with Combs Road, Riggs Road, and Meridian
16 proceeding north along Meridian all the way up to
17 Germann Road. Pinal County and 20 other jurisdictions,
18 including 19 others in Pinal County and the City of
19 Tucson, in December 2008 adopted a final report that
20 relates to the subject of regionally significant routes
21 for safety and mobility. The acronym I will use for
22 that is RSM, RSM, because that is a mouthful. But that
23 study was undertaken by those jurisdictions to identify
24 major transportation corridors in Pinal County which
25 could be planned for in anticipation of the substantial

1 growth to occur in this area.

2 The Meridian Road in this area between the
3 intersection of Meridian and Riggs/Combs proceeding
4 north up to Germann Road is one of those identified RSM
5 routes. And because of the potential adverse impact of
6 a double circuit 230kV line in this area on the future
7 use of Meridian for RSM purposes, Pinal County opposes
8 both the Ryan Road subalternative which would extend
9 along Ryan Road and come over all the way to Meridian
10 and then come south to the intersection with Riggs Road
11 and Combs, and also the Germann Road subalternative
12 which is shown with a dotted dash that would contemplate
13 the use of Meridian Road. So Pinal County does oppose
14 any use of Meridian Road. In that respect we do part
15 company with the Town of Queen Creek; although, we are
16 endeavoring to work with the Town of Queen Creek on the
17 substation site.

18 Finally, Mr. Chairman, in his testimony,
19 Mr. Gonzalez will address the question you posed with
20 regard to Pinal County's planning and the recognition of
21 electric transmission line corridors.

22 Thank you.

23 CHMN. FOREMAN: Very good. And that brings us
24 to Queen Creek.

25 MR. BIRNBAUM: Thank you, Mr. Chairman, members

1 of the Committee, members of the public. Once again, my
2 name is Gary Birnbaum. I am appearing on the behalf of
3 the Town of Queen Creek. I am joined at the table now
4 by John Kross who is the town manager for the Town of
5 Queen Creek who has been very much involved in these
6 discussions from the outset.

7 Recognizing that I have 300 seconds in which to
8 address you, let me try to do a very, very brief but
9 important history.

10 The Town of Queen Creek was incorporated in
11 1989. It is almost exactly 20 years to the day as we
12 sit here. From the time of its incorporation, Queen
13 Creek has diligently and continuously worked on the
14 development of a strategic plan, recognizing that
15 because of its unique location and its unique
16 attributes, this was going to be a high growth, rapid
17 growth area, and that strategic planning would allow the
18 town to not encounter some of the errors that other
19 cities in Arizona and elsewhere have encountered over
20 the years.

21 That planning process has involved the town
22 staff, outside consultants, countless members of the
23 public, both industries and residents, more committees
24 than we would like to count, and input from everyone,
25 including the utility companies.

1 The town's population at the time of
2 incorporation was 2,667. As we sit here today, just 20
3 years later, the town's population is something in
4 excess of 23,000. Even the revised population
5 estimates, given the current downturn in growth in
6 Arizona generally, puts the population in roughly 2025
7 as potentially approaching or exceeding 90,000 people.

8 That relatively incredible nation leading growth
9 for a town of this size should indicate to you, as it
10 has to the town management, why strategic planning is so
11 essential. So over that period of 20 years, and in fact
12 really in the last 10, we have in Queen Creek the
13 following:

14 We have a Queen Creek strategic plan for
15 economic development. We have a committee of impacted
16 businesses and stakeholders that are intended to
17 implement that plan. They now work with an economic
18 development director, community development director,
19 specifically appointed for this purpose. The town then
20 developed a town center plan. It then developed a
21 specific five-year strategic plan, the most recent one
22 being for 2008 to 2013.

23 All of those planning activities are ongoing
24 constantly, and of course, they have led to the most
25 important single document, which is the Queen Creek

1 general plan, which was amended and readopted, updated
2 technically as recently as September of 2008.

3 And as I continue, let me ask the gentleman in
4 charge of the computer if he will just put up what will
5 be Queen Creek Exhibit 1. This is the updated 2008
6 Queen Creek general plan. And I will refer to it in
7 just a moment.

8 The general plan is, as you all know, critically
9 important as both a planning tool and a legal tool.
10 Under the Arizona statutes going back to the earliest
11 Growing Smarter resolutions, this is the plan upon which
12 the town's development is to occur.

13 Now, we also have in this particular hearing a
14 statutory overlay. As you are also aware, under A.R.S.
15 40-360.06, subsections A.1 and D for the record, under
16 that statute this Committee is to consider alternative
17 line locations and substation locations in light of the
18 existing plans of the local municipality in which the
19 line is to be located. In fact, we can argue about
20 whether the statute is supposed to be in priority order
21 or not, but it is the number one criteria listed in the
22 statute that this Committee is to consider. And
23 therefore, we will repeatedly, with our witnesses and
24 others, return to this general plan.

25 CHMN. FOREMAN: You have one minute, Counsel.

1 MR. BIRNBAUM: Thank you.

2 Here is the most important thing about the
3 general plan. If you look at the dark, I guess you
4 would call it, purple area at the top, you will see that
5 extending from Germann Road down to Queen Creek Road --
6 Ryan is in the middle, it doesn't even show on the
7 map -- is the only, the only employment area in the Town
8 of Queen Creek. It is the commerce center, the
9 industrial base of the city. You will also notice the
10 red area along the Rittenhouse or railroad alignment is
11 the only historic town center and commercial center of
12 this town.

13 SRP, through what they have described as their
14 diligent efforts, have located one alternative route
15 right through the town center and commercial core of
16 this town. That is improper planning. It is a bad
17 idea. And everybody, including SRP in our conversations
18 with them, agrees to that. As to the industrial
19 portion, their preferred route goes right through the
20 middle, destroying 20 years of planning efforts.

21 For that reason, and we have far more detail to
22 add, Queen Creek will urge a Germann alignment as the
23 east-west route with the line preferably then coming
24 south on Meridian.

25 But recognizing the concerns of Pinal County, we

1 are certainly looking hard at whether or not a Signal
2 Butte alignment would work. And therefore we strongly
3 urge adoption of the Germann alignment.

4 Mr. Chairman, with respect to transmission line
5 corridors, Queen Creek does not have, on the general
6 plan you were looking at, transmission line corridors
7 designated. That in fact would be somewhat unusual.
8 However, in this case, it is interesting to note Queen
9 Creek has considered trying to place transmission line
10 corridors but has been unable to obtain sufficient
11 information from the utility companies about their needs
12 so that we could do so. So the response to your
13 question today is there are no designated transmission
14 line corridors.

15 Thank you very much.

16 CHMN. FOREMAN: Thank you, Counsel.

17 All right. We are going to take a morning
18 recess. We will reconvene at two minutes after 11:00.
19 When we reconvene we will have the opportunity for
20 public comment. And if there are members of the public
21 who would like to make a brief comment, you will be able
22 to do so then if you fill out one of the forms. As I
23 indicated earlier, we are going to also have an evening
24 public comment session. So if you would like to come
25 back then, that's also an opportunity. So we will be

1 back here at two minutes after 11:00.

2 (A recess ensued from 10:46 a.m. to 11:02 a.m.)

3 CHMN. FOREMAN: All right, we would like to get
4 started. Let's go back on the record.

5 First of all, I think I would like to take the
6 roll call. Member Eberhart.

7 MEMBER EBERHART: Here.

8 CHMN. FOREMAN: Member McGuire.

9 MEMBER MCGUIRE: Here.

10 CHMN. FOREMAN: Member Mundell apparently won't
11 be joining us.

12 Member Noland.

13 MEMBER NOLAND: Here.

14 CHMN. FOREMAN: Member Palmer.

15 MEMBER PALMER: Here.

16 CHMN. FOREMAN: Member Rasmussen.

17 MEMBER RASMUSSEN: Here.

18 CHMN. FOREMAN: Member Whalen.

19 MEMBER WHALEN: Here.

20 CHMN. FOREMAN: Member Wong.

21 MEMBER WONG: Present.

22 CHMN. FOREMAN: Member Youle.

23 MEMBER YOULE: Here.

24 CHMN. FOREMAN: All right. Very good. Another
25 one of my important tasks that I have accomplished for

1 today.

2 Let's go now to public comment. I have had a
3 number of comment forms given to me. We have a place
4 for public comment.

5 I am assuming that the location, Counsel, that
6 you had had in mind was the podium up there.

7 MR. SUNDLOF: That's correct.

8 CHMN. FOREMAN: I would like to have the
9 following folks come forward. Ramona Moretta, and we
10 will follow with Betty Webster, looks like Levi Shill,
11 Jackie Guthrie. And then looks like Josephine Whitehead
12 did not indicate that you wanted to speak.

13 Ms. Whitehead, are you wanting to speak?

14 MS. WHITEHEAD: No, thank you.

15 CHMN. FOREMAN: Okay. Very good.

16 Now, because everything that we say here is
17 being taken down by the reporter, what I would like for
18 you to do is just tell us your name, spell your last
19 name for the assistance of the court reporter. Tell us
20 where you live and tell us what position you would like
21 to express to the Committee.

22 MS. MORETTA: All right, sir. My name is Ramona
23 Moretta, last name spelled M-o-r-e-t-t-a. I have a
24 brief comment I would like to read. I don't speak as
25 eloquently as some of the people here that have had

1 practice speaking in front of crowds.

2 Things up until now have been very clinical and
3 my comments are a bit more personal. Contrary to what
4 the attorney for the SRP implied, Rittenhouse is not
5 completely industrial in this area, as I am sure that
6 you will note on your field trip tomorrow. I live where
7 Rittenhouse and Ellsworth cross.

8 So is there a pointer I can borrow?

9 CHMN. FOREMAN: Do you want to go up -- just go
10 up to the screen if you want.

11 MS. MORETTA: To this screen? Ellsworth and
12 Rittenhouse, right there where the tip of my finger is,
13 I live right there, right there, right where the route
14 would go right in front is. My home is closer to the
15 proposed lines than the distance of this room. So that
16 gives you kind of a visual where the lines would be if
17 they were put on the Rittenhouse route.

18 I understand you can't make everyone happy all
19 the time. Ideally in my opinion these power lines
20 should be buried along the Germann route.

21 That being said, I also think that the Ryan Road
22 is a good compromise for most of the parties in this
23 venture. My reasons are Ryan Road is not very populated
24 in comparison to the Rittenhouse Road, and in my opinion
25 it appears as though the houses are set further back

1 from the line than the houses along Rittenhouse would
2 be.

3 The undeveloped areas along Ryan Road are
4 perfect for the lines. If homes are built there after
5 the lines are put up, the home buyers will have the
6 choice to buy or not. Those of us along Rittenhouse
7 weren't given that option. We bought our homes with the
8 impression that there would be no lines in close
9 proximity to our homes.

10 If the developers along the Ryan route have
11 issue with this, then they should get the same answers
12 we did from SRP. We were told that the lines do not
13 affect property values and do not cause health problems.
14 I disagree with both of those answers. I feel very
15 strongly that they can and do adversely affect a
16 person's health and they do reduce residential property
17 values by as much as 20 percent.

18 Germann is the preferred route of the Queen
19 Creek town management and most of the Queen Creek
20 residents being affected by these lines, but not the
21 airport, according to what I read. This is because of a
22 perceived hazard to flights. I personally would not
23 want to be in an airplane and wonder if the power lines
24 I was about to fly over might be too high to clear.

25 The compromise in my eyes is both financial and

1 residential as it would be more expensive to build on
2 the Ryan route than along Rittenhouse but less expensive
3 than along Germann because of the lowered line and the
4 needs for more frequent poles.

5 There are 15, plus or minus, homes affected
6 along Ryan route rather than the 1500 to 2,000 homes
7 along Rittenhouse. The Rittenhouse route could be a
8 serious safety hazard as well. Having the railroad, gas
9 lines, and electrical lines all in the same location are
10 a bad combination. There is possibility of corrosion
11 and explosion. With the close proximity to homes,
12 thousands of lives could be in danger.

13 In addition to the lines being an eyesore that
14 violates the town's height limit of three stories and be
15 an audible irritant, the property values of thousands of
16 homeowners and health of the people residing in those
17 homes would be adversely affected as well.

18 We were told that the lines had to go a certain
19 distance from the schools, but not the homes that those
20 same children live in.

21 We were told that the lines had to be set back
22 from the gas lines a certain distance to avoid corrosion
23 of the gas lines and therefore prevent gas leaks but
24 that they do not affect human biology.

25 We were told that the presence of these lines

1 would not affect the values of our homes, but Realtor
2 after Realtor has told us our property value will drop
3 by 20 percent if those lines are placed along the
4 Rittenhouse route because of the close position of the
5 lines to our homes.

6 I think the presence of the people shows an
7 interest and concern of the routes. Some of the people
8 present today, myself included, live along the
9 Rittenhouse route and we took time off work to be here.
10 I think we can all agree that there is a need for
11 additional power to the southeast of us, and I strongly
12 agree with the Ryan Road route.

13 Thank you very much for your time and
14 consideration.

15 CHMN. FOREMAN: Thank you.

16 Could you tell us approximately how far your
17 home is from the railroad track and the gas line that
18 you spoke of?

19 MR. MORETTA: I have not measured it by feet. I
20 believe the gas line is on the northern side of the
21 railroad track, and then the lines would be even closer
22 to our home. And I want to say that probably about
23 two-thirds the distance of the length of this room that
24 is how far we are away --

25 CHMN. FOREMAN: And --

1 MR. MORETTA: We have our home --

2 CHMN. FOREMAN: -- you live on the north side of
3 the line?

4 MS. MORETTA: Yes, sir.

5 CHMN. FOREMAN: Okay.

6 MR. MORETTA: We have our home, and then we live
7 in a cul-de-sac. There are homes directly in front of
8 us. The railroad track in the proposed location for
9 these lines is almost in those peoples' backyards, the
10 homes right in front of us.

11 CHMN. FOREMAN: Thank you very much.

12 I am sorry, Member Palmer.

13 MEMBER PALMER: Yes, ma'am. You mentioned a
14 desire to have the lines buried. Were you aware of the
15 cost differential of burying 230kV line requiring an oil
16 cooling system, the project would go from 50 million to
17 over 500 million --

18 MS. MORETTA: Yes.

19 MEMBER PALMER: -- almost instantly?

20 MR. MORETTA: I understand that. And I
21 understand the SRP customers in the long run end up
22 being the ones to pay for that. That's in an ideal
23 world. I think buried would be the best option, but I
24 also realize financially that's probably not a feasible
25 option.

1 MEMBER PALMER: Thank you.

2 CHMN. FOREMAN: Very good. Thank you, ma'am.

3 MR. MORETTA: Thank you very much.

4 CHMN. FOREMAN: All right. Betty Webster.

5 MS. WEBSTER: Good morning, Chairman, Committee,
6 vested groups, and also the public. I am a resident of
7 the City of Queen Creek, and I currently reside -- oh,
8 Webster, W-e-b-s-t-e-r. I reside in the proposed site
9 of Ryan Road and Rittenhouse. I am just to the west of
10 that line on Rittenhouse. I live in the Remington
11 Heights development.

12 I would, I strongly support the line on Germann,
13 Germann. I know there are FAA requirements. I have --
14 I am currently a real estate agent in the State of
15 Arizona. I do have prior history involved with projects
16 that involve being the initiating party dealing with FAA
17 as far as bringing in pipeline. I also dealt with the
18 environmental lists as well. They found an endangered
19 species during our project time, which tripled our
20 costs. But it was, it is small scale compared to the
21 50, \$60 million that SRP is proposing for the project as
22 well as your timeline of 12 years. Our project was
23 delayed several years because of that as well. So I do
24 have some experience dealing with those types of
25 projects.

1 On Germann, if you will take a drive, I believe,
2 tomorrow morning or tomorrow sometime to -- I am not
3 sure which proposed routes and I don't have all that
4 information, but at the intersection of Germann and
5 Rittenhouse, it is very underdeveloped. There is a Home
6 Depot.

7 I also believe in first in line, first in right.
8 If the power lines had existed prior to purchasing the
9 house in the community I developed, I am currently in, I
10 would have accepted that as one of the requirements, one
11 of the elements that was there. As a real estate agent
12 and with -- it does affect the property values. Already
13 most of the clients that I deal with are proposing short
14 sales because they are so underwater with their home
15 values, which will drop them even more, especially in
16 that area.

17 So I don't have any comment on the southbound
18 portion versus the Meridian or Signal Butte. I have not
19 driven that area so I cannot comment on that as far as
20 recommendation. But I do strongly support, not just
21 myself, any clients I am currently involved with, other
22 residents in the Remington Heights development, across
23 Germann Road versus the Ryan Road cross section.

24 CHMN. FOREMAN: Can you estimate for us the
25 distance from your development? Is it north of Ryan

1 Road?

2 MS. WEBSTER: No. We are just west of Ryan Road
3 where it intersects.

4 CHMN. FOREMAN: So you are --

5 MS. WEBSTER: Right there at the T. I was on
6 the southwest portion of that T section right here.

7 CHMN. FOREMAN: I am sorry. I am not --

8 MS. WEBSTER: Right here where the proposed
9 line -- here is Ryan Road and Rittenhouse. I am right
10 here.

11 CHMN. FOREMAN: So you are --

12 MS. WEBSTER: Our development butts just up
13 against that Rittenhouse and the Ryan proposed.

14 CHMN. FOREMAN: So on the south side of the
15 railroad.

16 MS. WEBSTER: South, you know, I don't know,
17 south, yes, south of the railroad.

18 CHMN. FOREMAN: Southwest?

19 MS. WEBSTER: Southwest, yes.

20 CHMN. FOREMAN: And how far from the railroad
21 are you then?

22 MS. WEBSTER: The houses, again I would say, if
23 you take that wall, our house is, again, right here
24 where I am standing.

25 CHMN. FOREMAN: Thank you very much.

1 MS. WEBSTER: You are very welcome.

2 CHMN. FOREMAN: And it is, is it Levi or Laye,
3 Levi Shill?

4 MR. SHILL: It is Levi.

5 CHMN. FOREMAN: Levi, I am sorry.

6 MR. SHILL: That's okay.

7 Good morning. My name is Levi Shill, S-h-i-l-l.
8 I am here representing Shea Homes. Our address is 551
9 East Combs Road.

10 Let me see here. Basically we have a
11 master-planned community located right here. It is on
12 the corner of Ironwood, Gantzel, and Combs. It is a
13 745-acre master planned community. It is a private club
14 community. We have a golf course and all these
15 amenities. I am also here representing from Kenworthy
16 Road to Schnepf Road, another 640 acres which is owned
17 by Wells Ranches, which is my family. So I am here to
18 represent both locations.

19 When we came into unincorporated Pinal County
20 three, three, four years ago when we master planned this
21 community, we had spent the time and the money and we
22 took the existing power lines that were on Combs between
23 Ironwood and Kenworthy and we met with SRP and we spent
24 the money and put the lines underground. We spent
25 almost a million dollars doing that.

1 We also since then put the power lines that run
2 from Combs down to Hashknife on Kenworthy Road, we also
3 spent the time and money, which was close to another
4 600-, \$700,000, and put those power lines underground as
5 well.

6 So we are in opposition of the Combs alignment.
7 We are, however, in favor of the railroad alignment
8 going from the Combs intersection south. I will stay
9 out the debacle to the north.

10 And I would like to thank SRP for their time,
11 because the process that they have done I felt has been
12 very beneficial for everybody. They spent the time to
13 come out and met with not only just the local residents,
14 but also the people that are master planning
15 communities. So I would just like to thank them for
16 that. So that's all I have got to say.

17 CHMN. FOREMAN: Questions?

18 (No response.)

19 CHMN. FOREMAN: Very good.

20 I am sorry, Member Palmer.

21 MEMBER PALMER: Just a point of clarification.
22 The lines that were buried were distribution lines, 69kV
23 and less?

24 MR. SHILL: Yes, sir.

25 MEMBER PALMER: So they didn't require cooling?

1 MR. SHILL: That is correct. And to your point,
2 the amount of money we spent was nothing near to the
3 impact you are talking about going from 50 million to
4 500 million. We spent close to almost a million on
5 Combs Road and close to three-quarters of a million on
6 Kenworthy.

7 MEMBER PALMER: Thank you.

8 CHMN. FOREMAN: Thank you, sir.

9 MR. SHILL: Thank you.

10 CHMN. FOREMAN: Jackie Guthrie.

11 MS. GUTHRIE: Good morning, Chairman Foreman and
12 Committee members. For the record my name is Jackie
13 Guthrie, G-u-t-h-r-i-e. I am here this morning
14 representing a client of mine. I am a planning
15 consultant. I am representing Kittyhawk, LLC.
16 Kittyhawk, LLC owns 240 acres at the northeast corner of
17 Signal Butte and Ocotillo Road.

18 Is it clear to everyone where that is?

19 CHMN. FOREMAN: No.

20 MS. GUTHRIE: I can't reach that far. Ocotillo
21 Road is here, Signal Butte here. So the northeast
22 corner, 240 acres here.

23 We are just here today to voice our preference
24 in the alignment as it impacts this property. The
25 property owners' first preference is to locate the power

1 line along Meridian Road between Queen Creek and
2 Ocotillo Roads. This is between Segments 14 and 27,
3 locating the power line east of the subject property.
4 If the Committee should recommend the power line be
5 located along Signal Butte Road between Segments 13 and
6 24, our preferred alignment would be along the west side
7 of the right-of-way resulting again in less impact to
8 this site.

9 We appreciate your consideration in this issue
10 and our opportunity to talk to you today. Thank you.

11 CHMN. FOREMAN: Thank you.

12 Questions?

13 (No response.)

14 CHMN. FOREMAN: Thank you very much, ma'am.

15 All right. And let's see. Ms. Whitehead said
16 she was not interested in speaking now, so I think that
17 clears up -- that gives us all of the folks that wanted
18 to make public comment now.

19 Now, before we move into testimony, I want to
20 call -- I want to check and see whether I understood
21 everybody's positions correctly. Looking at my chart,
22 it appears that there is no one supporting a route south
23 of RS-24 other than the preferred route. Is that
24 accurate? Is there anybody who favors a route south of
25 RS-24 other than the preferred route?

1 (No response.)

2 CHMN. FOREMAN: And it appears that no one
3 opposes the preferred route south of RS-24. All right.
4 Very good.

5 It appears in the placement of RS-24 that one
6 party, Pinal County, supports placement north and east
7 of the intersection of Rittenhouse and Meridian, that no
8 one else takes a position one way or another on it, and
9 Pinal County, as indicated, opposes the other two
10 possible places.

11 MR. ROBERTSON: Mr. Chairman.

12 CHMN. FOREMAN: Yes.

13 MR. ROBERTSON: If I heard you correctly, I
14 believe you misspoke. We support the location north and
15 west of the intersection of Meridian and Riggs/Combs.

16 CHMN. FOREMAN: I am sorry.

17 MR. ROBERTSON: We oppose the locations
18 northeast and southeast of that intersection.

19 CHMN. FOREMAN: Thank you for correcting me.
20 But am I correct in my understanding that there is no
21 other party to this proceeding that supports the
22 placement north and east of the intersection or south
23 and east of the intersection and that the only people
24 who have expressed a position on the placement of the
25 station have indicated a preference for west as counsel

1 has correctly pointed out? All right.

2 MR. BIRNBAUM: Mr. Chairman, the Town of Queen
3 Creek is working on engineering a specific location to
4 suggest, but we believe it will be consistent with the
5 position of Pinal County. So you asked if we had a
6 position. We do have one, but it will, we are quite
7 certain it will be consistent with the county's
8 position.

9 CHMN. FOREMAN: Okay. And hope springs eternal
10 that that joinder of interest will occur before our next
11 session.

12 MR. BIRNBAUM: We certainly believe that's the
13 case.

14 CHMN. FOREMAN: Very good.

15 Now, it also appears that there is no party that
16 supports the Ocotillo/Higley routes, the routes that are
17 south and west of Rittenhouse from the Moody substation
18 to RS-24. There are those who oppose -- Gilbert
19 opposes, strongly opposes placement there. There are
20 others who take no position. The Vlachos position says
21 they are acceptable but do not support. So it is
22 looking to me like we are able to focus our interests
23 then primarily on the routes on the northern part of the
24 project and along the railroad, along Rittenhouse Road,
25 and to the north and east of Rittenhouse. Am I correct

1 in my understanding?

2 And what I would like to then ask the members of
3 the Committee to take a look at is the protocol for the
4 route tour tomorrow morning. We will make a decision, a
5 final decision on that at the end of the day. I am
6 leaning towards the tour because of the importance of
7 eyeballing the locations. But if we do that, there are
8 a number of viewpoints that are indicated on the
9 proposed tour that the applicant has presented. And I
10 am interested in the possibility of making no stops
11 after we reach Point N on the tour. Actually point M
12 would be the last exit, the proposed exit at the
13 vehicles.

14 And I am also thinking that at point K there is
15 an indication that the tour would stop on the east side
16 of Meridian, and I am wondering at that point whether
17 there would be a vantage point that would allow the
18 viewing of the northwest quadrant that is proposed.

19 And, Counsel, can you tell us?

20 MR. SUNDLOF: Yes, the answer, I believe the
21 answer is yes.

22 CHMN. FOREMAN: Okay. All right. I just --
23 since it does not appear that the other two potential
24 sites have any support, I wanted to make sure that we
25 had a vantage point to view potential locations for

1 RS-24 that would allow us to view the north and west
2 section.

3 All right. So we will discuss that later, but I
4 wanted to call it to everybody's attention now. It is
5 looking to me it would just make sense to make this a
6 drive-by, if you will, below Position N. And I guess
7 there is always the option of just stopping after
8 position N and driving on back. Depending on the time,
9 that's a decision we might make while we are on the
10 route. But if there are people who wish to follow
11 along, we want to make sure that we receive notice of
12 that. And I guess point M would be the last place that
13 I could do that. Hopefully we will have enough time to
14 at least drive the rest of the route.

15 If there is anybody who wants to stop at
16 point U, which was the Abel substation, that's something
17 you want to think about, too. So we will revisit this
18 at the end of the day, but I wanted to call to folks'
19 attention now.

20 Member Palmer.

21 MEMBER PALMER: Thank you, Mr. Chairman. I have
22 a question for City of Mesa.

23 Under the Ryan/Meridian, we have only passive
24 acceptance. You don't have support. But you used the
25 phrase reluctant support. Could you define that for me,

1 Mr. Marks.

2 MR. MARKS: Thank you, Mr. Chairman, Mr. Palmer.
3 The City of Mesa's primary concern between the two
4 alignments, since this is a need issue predominantly
5 driven by growth in the Queen Creek area, it comes down
6 to money, which was a concern that SRP expressed
7 earlier. And there is a several million dollar
8 difference between the cost of the Ryan Road alignment
9 and the railroad alignment.

10 Recognizing that as those costs are amortized
11 over time and over the large number of customers in the
12 SRP service territory that, although the difference is
13 significant, it is not overwhelming. So as I stated in
14 my opening statement, we would support the Ryan
15 alignment if that is the wish of the Committee.

16 MEMBER PALMER: Thank you.

17 CHMN. FOREMAN: All right. Let's then begin
18 with testimony. We will start with the applicant.

19 Counsel, you may call your first witness.

20 MR. SUNDLOF: Thank you, Mr. Chairman, members
21 of the Committee. I would like to call Charles Russell
22 to the stand.

23 CHMN. FOREMAN: All right. Mr. Russell.

24 Is there an exhibit number that contains
25 Mr. Russell's testimony?

1 MR. SUNDLOF: Yes, there is, Your Honor. It is
2 Exhibit 141 in your books. And it also was prefiled
3 several days ago.

4 CHMN. FOREMAN: Okay. Mr. Russell, do you wish
5 an oath or affirmation?

6 MR. RUSSELL: Oath, please.

7 (Charles Russell was duly sworn.)

8 CHMN. FOREMAN: Give us your full name and spell
9 your last name for the court reporter.

10 MR. RUSSELL: Charles Russell, R-u-s-s-e-l-l.

11 CHMN. FOREMAN: Counsel, you may proceed.

12 MR. SUNDLOF: Thank you, Your Honor.

13

14

CHARLES RUSSELL,

15 a witness herein, having been previously duly sworn by
16 the Chairman to speak the truth and nothing but the
17 truth, was examined and testified as follows:

18

19

DIRECT EXAMINATION

20 BY MR. SUNDLOF:

21 Q. I know, Mr. Russell, you are disappointed you
22 are not going to be able to give your entire testimony,
23 because I know you worked hard on it and it is good
24 stuff. But it is filed as Exhibit 141 in the books. I
25 am sure everybody will look at it very carefully.

1 Let me start out by asking you what is your
2 occupation at SRP and what is your affiliation with this
3 project.

4 A. I am employed with SRP as a principal planning
5 engineer in the transmission planning department. My
6 role in this project is to support the transmission
7 planning and the integration functions associated with
8 it.

9 Q. Mr. Russell, your prefiled question and answer
10 testimony has been docketed and also marked as Exhibit
11 141 in this proceeding. At this time, do you have any
12 changes to your prefiled testimony?

13 A. Yes, sir, I do. SRP is still in the process of
14 preparing some revised load forecasts. The revised load
15 forecasts are normally finalized in the following year
16 after we have seen our summer peaks. However, it is
17 clear that, with the economic recovery being a little
18 slower than we had anticipated, that the forecasts that
19 were the basis of our need in my original testimony may
20 be a little lower this next time around than they were
21 originally.

22 This means that the in-service date for the
23 project may be pushed out several years. But then
24 again, if things recover quickly, it may actually come
25 in, too. For this reason I emphasize the flexibility

1 that we are asking for in the in-service date. 12 years
2 should be the minimum term for the CEC as we asked for
3 it.

4 Q. Thank you.

5 Mr. Russell, with that change, that addition, if
6 I were to ask you the questions set forth in Exhibit
7 141, would your answers be the same?

8 A. Yes, they would.

9 Q. Mr. Russell, can you very briefly summarize your
10 testimony for the Committee.

11 A. The Abel/Moody project is an approximately
12 20-mile line, double circuit 230 construction, and one
13 subtransmission substation in the Queen Creek area. The
14 main purpose of the project is to provide a central
15 source of bulk power to the Queen Creek area. The
16 project will accomplish this by bringing several lines
17 into a central point which is the RS-24 station. The
18 RS-24 station will be available then to provide reliable
19 service to the load as it grows within the Queen Creek
20 area.

21 A collateral benefit of the new station and the
22 transmission lines will be to relieve pressure on the
23 other adjacent load areas from which Queen Creek
24 currently receives its power, including particularly the
25 growing area which is surrounding the Phoenix-Mesa

1 Gateway Airport.

2 A second collateral benefit is that the system
3 additions provide to Queen Creek and adjoining areas
4 additional capacity to receive generation from multiple
5 sources, including new renewable projects that may be
6 planned to the south, to the southwest, and to the
7 southeast.

8 The construction of the project is going to be
9 phased. The first of the two circuits will be built by
10 2012 creating a new Abel to Schrader 230kV line. The
11 second 230kV circuit will be attached to the structures
12 that were built by 2012 and be installed in the 2014
13 time frame attaching to a point on an existing 230kV
14 circuit out of Santan to create the Abel to Santan 230kV
15 line. At this point SRP would have an Abel to Schrader
16 230kV circuit and an Abel to Santan 230kV circuit built
17 on structures for this project.

18 The station itself, RS-24, is envisioned to go
19 in service by 2016. Both of the lines will ultimately
20 be terminated in the station to provide service to it.

21 SRP is requesting a 12-year term for the CEC.
22 Our current plans are to finish the project before this
23 time, but with load growth being difficult to anticipate
24 and predict in the current environment, it is possible
25 that we may need to delay construction for a period of

1 time.

2 That concludes my testimony.

3 MR. SUNDLOF: Thank you, Mr. Russell.

4 I tender the witness for questions.

5 CHMN. FOREMAN: Start with Mesa.

6 MR. MARKS: Thank you, Mr. Chairman.

7

8

CROSS-EXAMINATION

9 BY MR. MARKS:

10 Q. Good morning, Mr. Russell. My name is Craig
11 Marks and I represent the City of Mesa. And I have
12 asked that a couple of the exhibits be placed up here
13 for us to refer to. I will wait until those are up
14 there. Specifically for the record it will be SRP No. 7
15 and SRP No. 8.

16 THE WITNESS: This is No. 7.

17 VIDEO TECH: Do you want to see both on the left
18 screen?

19 MR. MARKS: If I could.

20 BY MR. MARKS:

21 Q. Now, Mr. Russell, for the record, it looks like
22 SRP No. 7 is on the left, SRP No. 8 is on the right, and
23 those to my eye look the same now with the overlays
24 applied as what was submitted by SRP, is that correct?

25 A. Yes, sir.

1 Q. Mr. Russell, on Exhibit SRP-7, this shows, with
2 the various boundaries there, the various SRP receiving
3 service areas, is that correct?

4 A. Yes, sir.

5 Q. And RS-24 is the only one of those that are
6 identified on the map. Approximately how many other
7 receiving service areas are on the map?

8 A. Without counting them, 13 or 14, I believe.

9 Q. Now, you testified that each of these -- I am
10 going to call them RSAs, is that okay?

11 A. That's fine.

12 Q. Each of these RSAs has or will have a 230kV to
13 69kV substation located within it ultimately, is that
14 correct?

15 A. That's our plan, yes.

16 Q. Now, on SRP-7, what do the blue squares
17 represent?

18 A. The blue squares represent the 230/69kV
19 substations that exist today.

20 Q. So for the RSAs on the map, we have the overlay,
21 then, of the blue squares. We also have some blue
22 squares that are not filled in. What do those
23 represent?

24 A. Those represent stations to which were connected
25 outside of the area to which -- from which we receive

1 bulk power from some of the generating stations that are
2 remote to the valley.

3 Q. And for the three substations that are the
4 subject of -- well, technically let me just back up.
5 RS-24 is the only substation that is the subject of this
6 application, is that correct?

7 A. Correct.

8 Q. And you don't have a blue square on the map for
9 that at this time?

10 A. Yes, this is true.

11 Q. And then there are, from what I have been able
12 to gather, two more substations that have been
13 previously approved, one in the Abel/Moody area and then
14 one down to the southeast that are also not on the map,
15 is that correct?

16 A. Well, actually those are the squares that are
17 not filled.

18 Q. All right. So those are the planned, or planned
19 and approved but not yet constructed --

20 A. Yes.

21 Q. -- substations. All right. Thank you. That
22 helps.

23 Approximately how many of the existing
24 substations, the 230 to 69kV substations, are located
25 within the city limits of the City of Mesa?

1 A. I am not completely familiar with the City of
2 Mesa's boundaries, but I am thinking that you have two
3 SRP substations.

4 Q. The substation -- I am looking at, there is a
5 hole in your service territory there just west of where
6 it says Mesa. Do you know what that is?

7 A. If I could excuse myself for just a minute. I
8 will get a pointer and I can help highlight some of
9 these.

10 Q. Thank you.

11 A. Thank you, Mr. Robertson.

12 The empty space that you are talking about is
13 right here.

14 Q. Yes, sir.

15 A. Okay. That is the City of Mesa boundaries.

16 Q. And there is a substation associated with that
17 area?

18 A. Yes. Let me clarify that. That is the area
19 within the City of Mesa that SRP does not serve.

20 Q. But the substation there is owned by SRP?

21 A. Yes, it is.

22 Q. And that's sited within the City of Mesa?

23 A. Yes, it is.

24 Q. As we go east on that yellow line, the next
25 substation there, is that located within the City of

1 Mesa?

2 A. I believe it is. That's our Thunderstone
3 substation.

4 Q. Then if we go southeast to that substation
5 there, is that located within the City of --

6 A. That's the Browning substation. Yes, I believe
7 it is. So I need to correct myself. It is three
8 stations.

9 Q. And then if we go west, are either of those two
10 substations located within the city limits?

11 A. I am not sure this is within -- no, this one is
12 not. This is the Santan substation. That's within the
13 Town of Gilbert. And this substation is the Corbell
14 substation. And it is, I am sure it is immediately on
15 the border of the City of Mesa and the Town of Gilbert.

16 Q. Okay. So we would agree that three of the
17 substations are located within the City of Mesa and one
18 of them at least on the border of City of Mesa, is that
19 correct?

20 A. Yes, sir.

21 Q. Now, I would like you to look then at the
22 transmission lines that are depicted on SRP No. 7. And
23 the first one I would like you to look at is the yellow
24 line that comes from the east, roughly bisects the map
25 as it runs west.

1 A. Is this the one you are indicating?

2 Q. We could start with that one, sure.

3 A. Okay.

4 Q. Sure. What is the voltage of that line?

5 A. It is a 230kV transmission line.

6 Q. And that line runs right through the City of
7 Mesa, does it not?

8 A. Yes, it does.

9 Q. And approximately where is that located?

10 A. This would be between University and -- what is
11 the street north of University?

12 MEMBER WHALEN: Brown Road.

13 THE WITNESS: Pardon?

14 MEMBER WHALEN: Brown.

15 THE WITNESS: Brown. And then it follows an
16 angular alignment up to approximately where it would be
17 Goldfield mining town is from that point. It doesn't
18 have a road alignment.

19 BY MR. MARKS:

20 Q. Thank you.

21 Now, there is a second yellow line that runs
22 together with a red line east and west but south of that
23 Brown Road line, is that correct?

24 A. Yes, sir.

25 Q. Now, is that -- what sort of construction do we

1 have on those two lines? Is that an underbuild
2 situation or are those two separate lines?

3 A. The yellow line is a double circuit 230kV
4 transmission line with at least a portion of it 69kV
5 underbuild. The red line is a single circuit 500kV
6 line. They are stand-alones.

7 Q. Approximately where are those two lines located?

8 A. Halfway between Elliot and Guadalupe Roads.

9 Q. And those traverse through the City of Mesa
10 also, is that correct?

11 A. Yes, for at least a portion of it.

12 Q. Now, if we look over at SRP No. 8, at the top of
13 the slide the colors are different, but you have a 500kV
14 to 230kV line. Is that the same line that we are just
15 discussing?

16 A. Yes, sir.

17 Q. Approximately how tall are the towers on the two
18 lines there?

19 A. I am not entirely sure of their height. I
20 wouldn't want to hazard a guess.

21 Q. I see two other lines coming south from the
22 500kV/230kV line that we previously discussed. One runs
23 down from to the Santan generating station and then
24 continues on. Could you describe that line.

25 A. Those are 230kV lines also that connect with

1 that line in the corridor connecting into the Santan
2 generating station. They are constructed double
3 circuit. I think one of them is -- they are being
4 operated as single circuits now, jumpered. The other
5 line that's coming down south of the Santan substation
6 is a double circuit 230kV line that is being operated as
7 a single circuit. The two circuits are constructed and
8 there are jumpers between the phases creating a single
9 circuit. That is the Santan to Schrader 230kV line.

10 Q. Thank you.

11 Now, to the east of that I see another black
12 line identified as 230kV. Is that an existing line?

13 A. Yes, sir, it is. That is the Western Area Power
14 Administration 230kV line.

15 Q. So that is not a line that's owned by SRP?

16 A. No, sir.

17 Q. It appears that that, at least for a portion of
18 it, runs also through the City of Mesa, is that correct?

19 A. Yes, it does.

20 Q. With your pointer, could you show me
21 approximately and show the Committee approximately the
22 location of the Phoenix-Mesa Gateway Airport.

23 A. Let's see. It would be approximately this area,
24 which is north and east of what is termed the RS-17
25 Moody station on SRP-008.

1 Q. So SRP then has a transmission line you have
2 identified for the record that runs essentially west,
3 runs north, and southwest of the airport, is that
4 correct?

5 A. Yes.

6 Q. It has another double transmission line, the
7 500kV and the 230kV lines that run north of the airport,
8 is that correct?

9 A. A distance north, yes.

10 Q. And then we have identified the federally owned
11 line that runs north and southeast of the airport, is
12 that correct?

13 A. Yes.

14 Q. So presently the only approach to the airport
15 that does not have to pass over a transmission line
16 would be from the south, is that correct?

17 A. No transmission lines. There are the 69kV and
18 the 12kVs in the area.

19 Q. But no 230 kilovolt or higher voltage lines in
20 the south, correct?

21 A. Correct.

22 Q. And in this case, SRP does propose to construct
23 a 230kV line running generally west to east south of the
24 airport, is that correct?

25 A. Yes.

1 Q. Mr. Russell, do you have your testimony with
2 you?

3 A. Yes, sir, I do.

4 Q. Give me a moment to get my copy.

5 If you turn to page 6 of your testimony, please.

6 A. I am there.

7 Q. In your question and answer beginning on line 1,
8 you discuss SRP's receiving service areas, is that
9 correct?

10 A. Yes, sir.

11 Q. And I think we covered this, but just because it
12 is separately covered in your testimony, you state at
13 line 4 that most of SRP's RSAs already have a 230 to
14 69kV substation, correct?

15 A. Yes, sir.

16 Q. And that would include the four that we have
17 agreed that are located in the City of Mesa, correct?

18 A. Yes.

19 Q. In what other cities, to your knowledge, does
20 SRP currently have 230 to 69kV substations located? If
21 you could refer back to Exhibit SRP-7, that would be
22 helpful.

23 A. I will go back to 7, then. We have, in the Town
24 of Gilbert we have the Schrader substation. We have, in
25 Tempe we have the Kyrene substation. The City of

1 Chandler we have the Knox substation. Phoenix, we have
2 the Anderson and the Orme substation. Avondale we have
3 the Rudd substation. I believe this is Phoenix again.
4 That's the White Tank substation. City of Peoria we
5 have the Agua Fria substation associated with the Agua
6 Fria power plant. I believe the City Phoenix, again,
7 has the Alexander substation. The City of Scottsdale
8 has the Papago Buttes substation as well as the Brandow
9 substation.

10 And then to name those that we didn't name
11 before, we have the Rogers substation in City of Mesa,
12 the Thunderstone substation in City of Mesa, the
13 Goldfield substation, that's actually in Apache
14 Junction -- I am not sure that's incorporated Apache
15 Junction, but it is close to it -- then the Browning
16 substation in the City of Mesa, Dinosaur substation,
17 which is an unincorporated portion of Pinal County
18 currently, and then the future Abel substation and then
19 the future RS-17 substation.

20 Q. All right. Thank you. I am impressed that you
21 could reel those off like that, I must say.

22 A. Many years.

23 Q. And again so that the record is clear, you would
24 agree then that there is no, there is currently no 230
25 to 69kV substation located within the town boundaries of

1 Queen Creek?

2 A. There is none.

3 Q. Are there any high voltage lines 230kV or higher
4 located within the Town of Queen Creek?

5 A. Except for the Santan to Schrader line which may
6 go through a portion of the Town of Gilbert on that
7 northwest edge, I am not sure there is.

8 Q. I am sorry, the Gilbert?

9 A. The Santan/Schrader line, there may be a portion
10 of the Town of Queen Creek at that point.

11 Q. And you also testified that Queen Creek is
12 served entirely at present with 69 kilovolt distribution
13 lines, is that correct?

14 A. Yes.

15 Q. And I believe you testified at pages 8 and 9
16 that major growth in Queen Creek cannot be reliably
17 served without construction of a 230kV line, is that
18 correct?

19 A. Yes.

20 Q. And that also, again, to reliably serve future
21 growth within the Town of Queen Creek that there will
22 be -- let me start over.

23 I think you have also testified that to serve
24 future growth in the Town of Queen Creek it will be
25 necessary to construct a substation within the RS-24

1 receiving area, is that correct?

2 A. Yes.

3 Q. Mr. Russell, I just have one other subject to
4 cover, and that is planning a project like this. I
5 wonder if you could turn to page 7 of your testimony.
6 Let me see if I can give you a line reference. I forgot
7 to write it down.

8 You state, beginning on line 7 and continuing on
9 line 8, that SRP cannot and will not take lightly any
10 capital expenditure, but particularly one of this
11 magnitude. What did you mean by this magnitude?

12 A. The 50 to \$60 million investment to build the
13 additional capacity by constructing this station.

14 Q. And of course, SRP undertakes new investment all
15 the time to serve future growth. Is this a relatively
16 large magnitude project compared to some of the other
17 projects?

18 A. It is not compared to the EHV, the extra high
19 voltage projects that we have undertaken. But the
20 construction of a transmission line of this -- 20 miles,
21 it is greater than our expenditures would be for simply
22 expanding a substation.

23 Q. And overall you would agree that SRP wants to
24 minimize the cost of this project as best as it can
25 consistent with its obligation to provide reliable

1 service, is that correct?

2 A. Yes, sir.

3 Q. And that's a bit of a balancing act, isn't it?

4 A. Yes, it is.

5 Q. Now, who ultimately pays for capital investments
6 of this magnitude?

7 A. Our customers, through the rates.

8 Q. And you referenced, I believe you testified and
9 it is also in your direct testimony, that the cost
10 estimate for this project is in the neighborhood of 50
11 to \$60 million, is that correct?

12 A. Yes, sir.

13 Q. And if the difference -- this is a simple math
14 question. If the differences in cost for two of the
15 proposed alignments were \$6 million, that would amount
16 to approximately 10 percent of the overall project cost,
17 is that correct?

18 A. That's what my math comes up with, yes.

19 Q. And who would be responsible, again, for paying
20 that additional \$6 million?

21 A. The additional cost would be rolled into the
22 rates for our customers.

23 MR. MARKS: Thank you, Mr. Russell. That's all
24 I have for you.

25 THE WITNESS: Thank you, Mr. Marks.

1 CHMN. FOREMAN: All right. We are almost to the
2 lunch hour. Let's see, Counsel for the airport is not
3 here.

4 How long do you anticipate your examination will
5 last for the Town of Gilbert?

6 MR. SULLIVAN: None. I have no questions.

7 CHMN. FOREMAN: Okay. Then that makes that
8 easy.

9 Counsel for the Vlachos entities.

10 MR. NELSON: I will continue to make it easy.
11 We don't have any either.

12 CHMN. FOREMAN: Does Pinal County have
13 questions?

14 MR. ROBERTSON: I have perhaps four or five,
15 Mr. Chairman.

16 CHMN. FOREMAN: All right. Why don't we
17 ruminate on those over lunch and begin again -- let me
18 ask. Is one 1:15 a time we could all make? Would 1:30
19 be better?

20 MEMBER PALMER: Probably 1:30.

21 CHMN. FOREMAN: All right. We will resume then
22 at 1:30 with Pinal County's examination.

23 (A recess ensued from 11:55 a.m. to 1:29 p.m.)

24 CHMN. FOREMAN: Let's go back on the record. We
25 were in the midst of various cross-examining efforts

1 from various parties of Mr. Russell. Let's start this
2 afternoon with Pinal County.

3 Counsel, you may proceed.

4 MR. ROBERTSON: Thank you, Mr. Chairman.

5

6 CROSS-EXAMINATION

7 BY MR. ROBERTSON:

8 Q. Good afternoon, Mr. Russell.

9 A. Good afternoon, Mr. Robertson.

10 Q. I have asked Roy to place up on the left screen
11 behind you SRP Exhibit 138. And I would like to turn to
12 that for a few moments.

13 Earlier today during the course of his opening
14 statement, Mr. Sundlof indicated that SRP would be
15 willing to build utilizing any of the various routes
16 that have been encompassed within its exhibits that
17 would include both its preferred route and the various
18 alternatives. But I would like to get a little bit of
19 specific testimony to support one of those routes in
20 which I have interest. And since you are the first
21 witness I might have occasion to pose those questions
22 to, that's what I will do, using SRP-138 as a
23 background.

24 You indicated earlier in your direct examination
25 the purpose for this particular project. And I would

1 like to ask you, directing your attention to the map, if
2 the Siting Committee and the Arizona Corporation
3 Commission select what has been called the railroad
4 south route, or the preferred route which begins at Abel
5 and would go in a southwesterly direction on the Magma
6 Railroad line to where it intersects with the Union
7 Pacific and then heads in a northwesterly direction
8 along the Union Pacific right-of-way up to the
9 intersection roughly of Riggs and Combs Road and
10 Meridian Road, would that particular alignment satisfy
11 the project needs for that portion of the project?

12 A. Yes, sir.

13 Q. Now, directing your attention similarly to the
14 substation site which has been identified as a potential
15 site in the northwest area from the intersection of
16 Riggs/Combs Road and Meridian Road, would the RS-24
17 receiving station constructed on that site satisfy the
18 project needs?

19 A. Yes, sir.

20 Q. Now, let me -- Roy, if you could put up SRP
21 Exhibit 20 on the left screen and SRP-23 on the right
22 screen, I would appreciate it.

23 Mr. Russell, directing your attention to SRP-20,
24 would you describe what that particular exhibit depicts.

25 A. Yes, sir. That's a one line diagram of the

1 layout of the 230, the 69, and the 12kV portions of the
2 RS-24 station.

3 Q. Now, does that diagram depict how RS-24 would
4 look as fully built out?

5 A. Yes, sir.

6 Q. And directing your attention just mentally, I
7 won't have the chart pulled back up, to the substation
8 site which has been identified directly northwest of the
9 intersection of Meridian Road and Riggs/Combs Road, is
10 that site large enough to accommodate the RS-24
11 receiving station fully built out?

12 A. As I understand, yes.

13 Q. Now, let me direct your attention to the
14 right-hand screen and the photograph which is depicted
15 there on SRP Exhibit 23. What does that photograph
16 depict?

17 A. That is our Schrader 230/69kV substation that is
18 on Ocotillo Road just east of Arizona -- is it boulevard
19 or 87? Avenue, thank you, Arizona Avenue.

20 Q. Does that photograph depict what RS-24 would
21 look like fully built out?

22 A. No, sir. That is a station in development.
23 What you are seeing there is essentially what RS-24
24 would look like in its initial stages.

25 Q. Okay. And do you recall what the total amount

1 of acreage involved is for RS-24?

2 A. No, sir, I do not recall the amount of acreage.

3 Q. Okay. Are you familiar with the Browning
4 substation?

5 A. Yes, sir, I am.

6 Q. Is it analogous to what RS-24 would look like
7 functionally when RS-24 is built out?

8 A. No, sir. The Browning station has a 500kV
9 component.

10 Q. Okay. Are there any other receiving stations
11 within the area that would depict what RS-24 would look
12 like fully built out?

13 A. The Rogers substation, which is at Stapley, near
14 Stapley and University Road. It would be a larger
15 substation because it is a joint venture with Western
16 Area Power Administration, City of Mesa, and SRP. Then
17 the next nearest one would possibly be our Brandow
18 substation in south Scottsdale, which is at McClintock
19 and about McKellips Roads.

20 Q. Mr. Russell, in your prepared direct testimony
21 as you were discussing the project overall you indicated
22 that with regard to RS-24 that the plan contemplated an
23 in-service date of 2016 date. Do you recall that?

24 A. Yes, sir.

25 Q. Earlier today Mr. Sundlof asked you to

1 supplement your direct, and you indicated with a
2 slowdown in growth it is conceivable that the need to be
3 served might slip a year or two. Do you recall that?

4 A. Yes, sir.

5 Q. Do you currently anticipate that the in-service
6 date for RS-24 might slip further back from the date of
7 2016 indicated in your prepared testimony?

8 A. There is a possibility, given the current
9 economic status and the forecasts for that economic
10 improvement.

11 Q. Do you have any estimate of how many years it
12 might slip from that date?

13 A. Not yet, sir. We are still preparing that load
14 forecast to give us that information, and that forecast
15 won't be completed until the summer peak is reached.

16 MR. ROBERTSON: Okay. Mr. Russell, that's all I
17 have. Thank you very much.

18 Mr. Chairman, thank you.

19 CHMN. FOREMAN: Queen Creek.

20 MR. BIRNBAUM: Thank you, Mr. Chairman.

21

22

CROSS-EXAMINATION

23 BY MR. BIRNBAUM:

24 Q. Good afternoon, Mr. Russell.

25 A. Good afternoon, Mr. Birnbaum.

1 Q. Mr. Russell, let me just pick up where
2 Mr. Robertson left off on RS-24 so we can close up that
3 subject. And I only have a few subjects to discuss with
4 you at all, so we will get you back to the golf course
5 by 2:00.

6 A. Thank you.

7 Q. First, with respect to RS-24, have you
8 personally been involved in the examination or
9 evaluation of the selection of the alternative sites
10 that have been presented by SRP?

11 A. No, sir, I haven't.

12 Q. Are you familiar in any way with the, what
13 Mr. Robertson called that northwest corner of the
14 intersection?

15 A. It has been awhile since I have been out in the
16 area to look at that. I have seen it once or twice. I
17 am not that familiar with it.

18 Q. Mr. Robertson asked you something about the size
19 of the project. In the notice of hearing for this
20 hearing the following sentence appears: The project
21 consists of approximately 20 miles of new 230kV double
22 circuit transmission line and a 230/69kV substation
23 referred to as RS-24, which will be located on
24 approximately 25 acres near the intersection of Combs
25 Road and Meridian Road.

1 Is that rough estimate of 25 acres consistent
2 with your understanding?

3 A. Yes, it is.

4 Q. Okay. Now, are you aware as you sit here
5 whether SRP has, in fact, negotiated to acquire any land
6 at or near that northwest quadrant, that northwest
7 quadrant of the intersection for the purpose of possibly
8 locating the RS-24 facility?

9 A. I am not aware of those negotiations.

10 Q. Are you aware of any option rights that SRP has
11 acquired?

12 A. No, sir, I am not aware of those either.

13 Q. Based on your understanding of the potential
14 locations, if the evidence were to reveal that -- and by
15 the way, is Mr. Novy the person I should ask about that?

16 A. Yes, sir.

17 Q. If Mr. Novy were to testify in a few minutes
18 that in fact SRP has acquired option rights for
19 approximately 34 acres within that designated or
20 crosshatched area in the northwest, approximately a half
21 mile from the actual intersection, is it your
22 understanding that the acquisition of that property, if
23 it is in that quadrant, and if it is 34 acres, and if it
24 is in the crosshatched area, that that would in fact be
25 adequate and appropriate for SRP for the construction of

1 the RS-24 facility?

2 A. Yes, I believe it would be.

3 Q. Have you had any discussions with the Town of
4 Queen Creek regarding the future construction plans for
5 that intersection of Combs and Meridian and Rittenhouse?

6 A. No, sir, I haven't.

7 Q. Are you aware whether Queen Creek has in fact
8 for many years planned the future modification of that
9 interchange?

10 A. I am not aware of that.

11 Q. Have you ever seen the Queen Creek general plan?

12 A. The one you flashed up earlier this morning,
13 yes.

14 Q. Okay. That's the updated Queen Creek general
15 plan. I am happy to put it back up if it will help you.
16 But do you recall, sir, whether that plan in fact
17 designates that intersection with a little yellow star
18 which on the legend says future interchange
19 modifications or something of that effect?

20 A. I didn't look at it in that detail.

21 Q. Okay. So recognizing your limited knowledge
22 then, let me just close up this subject. As far as you
23 know, if SRP has in fact optioned property within the
24 northern portion of that northwest quadrant about a half
25 a mile from the actual interchange of the arterial

1 roadways, and if that is in fact acceptable to everyone
2 else, that option parcel should be an appropriate and
3 buildable location for RS-24?

4 A. That's my understanding, yes.

5 Q. Okay. Thank you.

6 Now, let's go to a related subject.

7 Mr. Robertson asked you about the Browning station --

8 A. Yes.

9 Q. -- substation. You are familiar with that, I
10 assume, sir?

11 A. Yes, sir.

12 Q. Okay. And can you describe the screening walls
13 that have been constructed around the Browning
14 substation?

15 A. There have been walls constructed. CMU,
16 concrete masonry units, have been erected around that
17 station.

18 Q. Are those what are referred to as structural
19 walls?

20 A. I believe that's correct, yes.

21 Q. And approximately how high are they?

22 A. I don't have that information.

23 Q. And do you know what the cost per lineal foot of
24 those walls is?

25 A. No, sir, I don't.

1 Q. Do you have an approximate cost?

2 A. I wouldn't hazard a guess.

3 Q. Is the -- I don't remember if I asked you, sir.
4 How high are they?

5 A. I don't know that --

6 Q. Okay.

7 A. -- off the top of my head.

8 Q. Is the wall -- we can get pictures of it and
9 bring it in. Is the wall that surrounds the Browning
10 substation -- sorry, let me take a step back.

11 The Browning station is in what municipality?

12 A. City of Mesa.

13 Q. And was the screening wall height, design,
14 configuration all agreed to by Mesa and SRP?

15 A. I don't know that.

16 Q. Was it requested by Mesa?

17 A. I don't believe that is the case.

18 Q. Okay. And if Queen Creek were to request a
19 similar height, similar structural wall to surround
20 RS-24, would that in fact be an appropriate screening
21 wall, in your judgment?

22 A. Screening is typically considered when an area
23 is in its, in its initial development or when it is
24 beginning its development so that you can mask or mirror
25 the architecture in the area.

1 Q. I understand that, sir. But let's assume that
2 the Town of Queen Creek and Pinal County and the
3 adjacent landowners are extremely concerned about the
4 screening of this substation. I want you to make that
5 assumption.

6 A. Okay.

7 Q. Have you ever heard of the, what is sometimes
8 referred to as the Meridian corridor in Queen Creek?

9 A. No, sir.

10 Q. Do you know anything about the planned
11 development at or near the intersection of Rittenhouse
12 and Meridian and Riggs?

13 A. No, sir, I do not.

14 Q. Do you know whether there is a designation
15 regional mall site that is owned by Westcor Macerich,
16 the state's leading mall developer, at that location?

17 A. No, sir, I don't.

18 Q. Okay. Now, let's just assume, in fact I want
19 you to feel free to assume, that that is in fact a
20 regional mall site on the town's general plan, that it
21 is in fact owned by the state's largest, if not only,
22 mall developer, and that it has proceeding with plans
23 for ultimate construction of a super regional shopping
24 center and adjacent commercial uses, and all of those
25 parties are real concerned about the screening of this

1 substation.

2 All right. If those parties, including the
3 town, collectively approached SRP with the same walls,
4 the same screening walls and the same height and the
5 same structural stability as exists at the Browning
6 substation, would that in fact be an appropriate
7 screening for the RS-24 facility?

8 A. I would think that would be a negotiating point,
9 yes.

10 Q. Okay. Well, who is it who can tell me at SRP
11 whether that would be appropriate in the circumstances?

12 A. I will have to get you that information.

13 Q. Well, who is it at SRP who can tell me what the
14 cost per lineal foot is or tell the Committee what the
15 cost per lineal foot would be?

16 A. I would have to get you that information also.

17 Q. In terms of the height at Browning --

18 A. Yes.

19 Q. -- that's also additional information you would
20 have to get for me?

21 A. Yes, sir.

22 Q. Mr. Novy is not the individual with knowledge of
23 those issues?

24 A. I am not sure Mr. Novy would know the
25 particulars of the Browning wall.

1 Q. Okay. Is there any reason that you know of as
2 you sit here today that a screening wall of the type
3 utilized at Browning would not be appropriate for the
4 RS-24 substation given the circumstances I have asked
5 you to assume?

6 A. Given the circumstances that, you know, the
7 architecture, the area, and you are able to incorporate
8 that architecture into the screening wall, I would see
9 no reason, but that's my personal opinion.

10 Q. Thank you. I appreciate that, sir. Let me go
11 back to a different issue.

12 Is it fair to say that the project that brings
13 us here, substation, transmission lines, related
14 facilities, is it fair to say that this is a project of
15 regional significance?

16 A. Both locally and regional, yes.

17 Q. Okay. And when we talk about -- and it is a
18 project of regional benefit as well, is it not?

19 A. Yes, it is.

20 Q. And when we talk about regional significance or
21 regional benefit, I want you to help me define the
22 region. Does it include the northern part of
23 unincorporated Pinal County?

24 A. Yes, it does.

25 Q. Does it include the portions of the City of Mesa

1 that, for example, lie immediately south of the Williams
2 Gateway Airport?

3 A. I would think it does, yes.

4 Q. Does it include the future development area that
5 sometimes is referred to as the General Motors or Mesa
6 proving grounds area?

7 A. It would be a part of that region, yes.

8 Q. And does it include portions of the Town of
9 Gilbert?

10 A. Yes.

11 Q. And it does, of course, include portions of the
12 Town of Queen Creek, does it not?

13 A. Yes.

14 Q. Let's just go back a little bit, because there
15 has been talk already about the benefits to Queen Creek.
16 I would like you to help me again, sir, with the
17 benefits of this system first to Mesa, okay, in
18 particular the area surrounding the Williams Gateway
19 Airport and including the proving grounds.

20 Can you itemize for us again -- and I know you
21 touched upon this, but you did it pretty quickly --
22 analyze again the direct and collateral benefits to Mesa
23 that comes from the project that brings us here.

24 A. With the inclusion of the 230kV line you are
25 expanding the 230kV system in the area to provide a

1 redundant path for energies to flow. In the event that
2 you have a segment of the transmission line out, you can
3 still serve your customers without loss of that customer
4 load. That's of the regional benefit to this.

5 The collateral benefit of providing additional
6 capacity in the area currently, if you -- I pointed out
7 the Schrader substation and the Santan substation and
8 the Browning substation. This area of Queen Creek is
9 currently served from those over 69kV lines. And the
10 capacity of those stations is limited. You design a
11 station for a certain amount of transformation capacity.
12 As those stations, areas, the areas that they serve,
13 grow, they start using that capacity, and you have to
14 provide additional capacity. The best place to provide
15 that capacity is within a load center. RS-24 load area
16 is what we are attempting to serve here from a load
17 perspective.

18 By placing the transformation, by building the
19 transmission line and placing the substation we are in
20 the middle of that load pocket providing a more
21 efficient service. By putting that there we then
22 relieve the loading on those other substations allowing
23 those substations to grow into their natural load.

24 Q. So in terms of intelligent management of the
25 grid, for want of a better phrase, this project is, in

1 your view, critical on a long-term basis for proper
2 management of the Queen Creek area, but also critical
3 for proper management of electricity in northern Pinal
4 County and in Mesa?

5 A. Yes, sir.

6 Q. And specifically in that portion of Mesa which
7 surrounds Williams Gateway Airport and includes the
8 future Mesa proving grounds, is that right?

9 A. It is there, but it also encompasses the
10 southeast valley, however far the southeast valley goes.

11 Q. Let me just go one step further and now let's
12 talk about statewide. This project is part of a
13 statewide system, is it not?

14 A. It can be considered that, yes.

15 Q. Well, specifically, one of the collateral
16 benefits or purposes of this project is to allow -- and
17 I will try to use your words -- the facilitation of
18 increased import from the southern Arizona system?

19 A. Right.

20 Q. Would you explain that to us.

21 A. We have, as I am sure you have read and others
22 have read, there is a lot of interest in developing
23 renewable resources. And those renewable resources,
24 some of them, have been announced in the Pinal County
25 area and Pima County area. Some of those resources have

1 been announced in western New Mexico and central New
2 Mexico.

3 And we are looking at SRP being, requiring
4 resources. As load goes up, you have to rebalance your
5 resources with your load. We are looking at the
6 potential of those resources for serving our customers.
7 Those resources will more than likely come into the Abel
8 station. Since this line is connected to Abel into the
9 remainder of the system, it provides access to those
10 resources.

11 Q. Thank you.

12 Now, you have also been asked a couple of
13 questions about substations in Queen Creek and
14 substations in other cities. There are some
15 municipalities larger than Queen Creek that have no
16 substations in them, isn't that true, sir? Fountain
17 Hills, for example?

18 A. Well, Fountain Hills does not yet. But there is
19 a project underway to site facilities to provide a
20 resource to them.

21 Q. Now, when you site facilities, is it a fair
22 statement to say that SRP attempts to avoid locations of
23 substations in the middle of the town center or central
24 business district of the municipality?

25 A. I wouldn't characterize it that way. We look at

1 opportunities.

2 Q. Have you built any substations recently in the
3 central business district of a town?

4 A. Not that I am aware of.

5 Q. Reference was made to, I think it is, the three
6 substations that are built in Mesa. Are any of those
7 built within the Mesa city center or central business
8 district?

9 A. Not central business districts, but in areas
10 where business is being held.

11 Q. Are you aware of the location of the town center
12 or central business district of Queen Creek?

13 A. I know where the stoplight is.

14 Q. Where is that?

15 A. It is on Rittenhouse and Ellsworth.

16 Q. Okay. Do you know if that's part of the
17 designated town center of Queen Creek?

18 A. No, sir.

19 Q. Okay. The what you have called the railroad
20 alignment, I believe that goes through, I won't call it
21 the town center because you are not familiar with it, it
22 goes right by the light that you just referred to,
23 doesn't it?

24 A. I believe so, yes.

25 Q. And physically just from observation, that is in

1 fact the historic town center of Queen Creek, is it not?

2 A. I will take your word on that.

3 Q. Do you know that today it is also the retail and
4 commercial center of Queen Creek?

5 A. I know there is a large amount of retail in that
6 area, yes.

7 Q. Does SRP consider as part of its routing process
8 the location of designated town centers?

9 A. I am sure that it is part of the inventory taken
10 for land uses, yes.

11 Q. You personally in your work didn't review any of
12 the existing Queen Creek general or economic or town
13 center development plans, did you, sir?

14 A. I did not.

15 Q. Finally, there has been some testimony and some
16 presentations regarding alleged concerns about safety
17 and the airport, Williams Gateway Airport. Were you
18 involved in any way in assessing the existence or
19 nonexistence of safety concerns?

20 A. No, sir, I was not.

21 Q. Are you aware of any safety concerns?

22 A. I am, just through the discussions of our
23 coordination meetings.

24 Q. Well, as a result of your in-house SRP
25 coordination meetings, are you now aware, sir, that SRP

1 is prepared to build on either a Germann alignment or a
2 Ryan alignment and does not believe that either one of
3 them, if the poles are placed at appropriate heights and
4 spacing, neither one of them involves any type of
5 airport hazard?

6 A. As Mr. Sundlof characterized it in his opening
7 statement, we are willing to build any alternatives that
8 are on the map.

9 Q. Well, I want to make sure that the Committee
10 understands that, because I know that is a common line
11 that is expressed in these hearings. What that means is
12 SRP is not aware of any hazard relating to the Phoenix
13 Gateway Airport that would preclude your building either
14 the Germann line or the Ryan line, isn't that correct,
15 sir?

16 A. As I understand the opening statement, yes.

17 MR. BIRNBAUM: That's all I have. Thank you
18 very much, Mr. Russell.

19 THE WITNESS: Thank you.

20 MR. BIRNBAUM: Thank you, Mr. Chairman.

21 CHMN. FOREMAN: Redirect.

22 MR. SUNDLOF: Thank you, no redirect.

23 CHMN. FOREMAN: I am sorry, Member Eberhart.

24 MEMBER EBERHART: Thank you. Is it appropriate
25 for the Committee members at this time to ask some

1 questions?

2 CHMN. FOREMAN: Absolutely, absolutely.

3 MEMBER EBERHART: Thank you.

4

5

EXAMINATION

6 BY MEMBER EBERHART:

7 Q. Mr. Russell, I was a little confused. I have
8 read your prefiled testimony and I wasn't sure exactly
9 if I understood what your role in this project was.
10 Could you elaborate for the Committee members a little
11 bit?

12 A. Well, I work with, I work for the transmission
13 planning group. So my job was to help explain why it is
14 that we need this project, when it is that we need it,
15 and how we are going to integrate that into the
16 remainder of the system.

17 Q. Good, because that's what I want to know first.
18 Thank you.

19 So you were involved in the planning and the
20 electrical engineering portion of determining the need
21 and how this project would enhance reliability for the
22 southeast valley, is that right?

23 A. Yes, sir.

24 Q. Could you put up on the screen SRP-11 for me,
25 please, on the right-hand screen. On the left-hand

1 screen, that's fine.

2 Could you explain for the Committee what this
3 graphic means, and interpret how we can determine need.

4 And also one thing I am concerned about is I am
5 reading between the lines on your testimony, of the
6 testimony so far, that seven years for the CEC may not
7 be long enough. So when is it SRP thinks they really
8 may need this thing.

9 A. Well, under the last load forecast that we have
10 used for our planning purposes, we are looking at the
11 2012 for the first 230kV line, 2014 for the second, and
12 2016 for the station itself being installed.

13 Now, what this graphic is showing is that the
14 two load forecasts that were used when this project was
15 originally envisioned, the first load forecast is the
16 one in blue, which shows that we were looking at
17 aggressive growth in this area and that we needed to
18 address that growth. And you do that by adding
19 capacity. The decision was to look at a line in a
20 station rather than build capacity at another station
21 and put off building this project for a few more years.

22 The second graph, or the second portion of the
23 graph, the red portion there, shows what the forecast is
24 that we use to determine those dates, the 2012, 2014,
25 and 2016. What this was meant to express was the

1 relation of the two forecasts to show that indeed we
2 still need the station -- there is load growth there, it
3 is just that that load growth has slowed, and that we
4 would like the flexibility to possibly put off
5 development of that station until it is needed.

6 Q. Now, you mention the project will apparently be
7 built in phases?

8 A. Yes, sir.

9 Q. Could you describe that for the Committee a
10 little bit in more detail.

11 A. Yes, sir. By phasing the -- in 2012, we will
12 need the first of the 230kV lines from Abel into the
13 system. What we will do then is we will construct the
14 structures. We will put the poles in place and we will
15 hang one conductor on one of the poles connecting into a
16 230kV line that exists today near the Moody substation,
17 the Santan/Schrader line.

18 In 2014 what we will do is we will hang that
19 second set of conductors from Abel to that same point,
20 approximately the same point, cutting into another
21 circuit that we have there. And that would create the
22 Santan to -- I am sorry, the Abel to Santan. The first
23 would be the Abel to Schrader line.

24 And then in 2016, we would break that line or
25 lines and bring it into the station as we need it.

1 Q. Is there -- let me back up, SRP Exhibit 12, if
2 we could bring the next slide up, all of it. There we
3 go.

4 This is a slide apparently showing the project
5 and how it will enhance reliability for the grid?

6 A. Yes, sir, this is.

7 Q. Is there a connection now between the Dinosaur
8 substation and Abel?

9 A. Not yet. It will be built. I believe the
10 timing is 2011, I believe, 2012, somewhere in that time
11 frame.

12 Q. Of course there is not a connection because Abel
13 is not --

14 A. Abel is not there yet.

15 Q. -- not there yet. And Abel will be built when?

16 A. Abel will also be staged. Initially, there will
17 be a 230kV station built at Abel. And when we identify
18 the requirement, we will then open the 500kV station
19 installing a 500/230kV transformer to provide the
20 additional support to the area.

21 Q. One last question I have is there was a Western
22 500kV line going through the area north and south.

23 A. 230, sir, that was a 230.

24 Q. 230?

25 A. Yes.

1 Q. Is there any advantage, or would there be any
2 reason to promote reliability to the grid for an
3 interconnection between the SRP lines and Western lines?

4 A. Whenever Western would like to do that we would
5 entertain the thought.

6 Q. Okay. I just wondered if based on reliability
7 modeling and so forth that I know you have to do on an
8 annual basis --

9 A. We have not studied that particular item. It is
10 something to be given thought, but Western is the one
11 that would actually control looping that in and out
12 between any of the stations. It would be at their
13 request.

14 MEMBER EBERHART: Okay. I think that's all my
15 questions for now. Thank you.

16 THE WITNESS: Thank you.

17 CHMN. FOREMAN: Member Wong.

18 MEMBER WONG: Thank you, Mr. Chairman.

19

20

EXAMINATION

21 BY MEMBER WONG:

22 Q. Mr. Russell, how are you today?

23 A. Fine, thank you, sir. How are you?

24 Q. Thank you. Thank you.

25 A couple questions dealing with, first one,

1 about the renewable energy. You mentioned earlier that
2 this proposed transmission line is built to also be a
3 possible connection for renewable energy, is that
4 correct?

5 A. It is a connection to any energy that will be
6 built in the south and east of the station. Renewables
7 are some of the ones that have been announced.

8 Q. Which projects are you aware of on the renewable
9 side?

10 A. Right now what I am aware of is the Sun Zia
11 project connecting to renewables in central and eastern
12 New Mexico, geothermal and solar and some wind energies
13 over there.

14 Q. In New Mexico?

15 A. In New Mexico, yes.

16 Q. What about in Arizona, in that --

17 A. I am not aware of any specific projects in
18 Arizona. I have heard rumors that there are people who
19 are looking at it, but I am not privy to the
20 information, to the requests.

21 Q. As to substation location, there was a number of
22 questions posed to you earlier about the proposed
23 substation. Could you talk a little bit more about
24 siting substations. I am familiar with one particular
25 substation in the City of Scottsdale that is involved in

1 redevelopment of a certain corner, specifically
2 Scottsdale Road and Camelback Road. And there is a
3 substation there. I believe it is your company. Is
4 that correct?

5 A. Yes, it is, yes.

6 Q. And is that in the northeast corner of that
7 intersection?

8 A. I believe that's correct. And the station you
9 are referring to is a 69/12kV. It is a distribution
10 substation, neighborhood substation. And the station
11 that we are speaking of here as part of this project is
12 a 230/69. It is a much larger footprint.

13 Q. I raised the issue because of the process of
14 siting substations. Is that -- when you sited the one
15 in Scottsdale on Camelback Road and Scottsdale Road
16 intersection, how long ago was that and was that
17 considered a hub of economic activity at the time?

18 A. Mr. Wong, I am not familiar with the background
19 of that substation. I do know that that substation
20 predates me as far as being at SRP, and it was
21 associated with one of our water facilities. We have a
22 well in that area that serves the canal. So I am not
23 sure exactly what mechanism, what machination was done
24 to site that at that particular place.

25 Q. Presently it is my understanding, is that that

1 substation will be relocated. Is that correct?

2 A. I understand that the owner of the property has
3 asked SRP to relocate that substation, yes.

4 Q. So SRP, there is flexibility in working with
5 property owners as well as local governments to relocate
6 substations once they are sited?

7 A. There is, I would say that there is always that
8 opportunity. There is always open discussion.

9 Q. And bringing you back to the current
10 application, since Mr. --

11 Is it Birnbaum? Sorry.

12 MR. BIRNBAUM: Yes.

13 BY MEMBER WONG:

14 Q. -- had posed a number of questions to you about
15 Town of Queen Creek's concerns and their development
16 plans for that intersection, would it be an
17 inconvenience to SRP to now move that location,
18 understanding what the concerns are of your proposed
19 site?

20 A. Within a general area you can move it several
21 feet; you can move it several hundreds of feet. The
22 issue is where the property is available to put
23 something of this footprint.

24 Q. And I heard earlier that there is a suggestion
25 of a northwest corner of that intersection. Is that --

1 A. I understand that's one of the three sites that,
2 or one of the three areas that were being investigated,
3 yes.

4 Q. So would you say that SRP would not be in
5 opposition to working with the affected parties to
6 relocate that proposed site to address their concerns?

7 A. It is a point of discussion, yes. I think that
8 we would be willing to discuss that.

9 MEMBER WONG: Thank you.

10 And Mr. Chairman, I just raise the issue because
11 I think it would be more cost effective to, for their
12 customers and ratepayers in the long run, if we put it
13 in a location -- that is talking about the substation --
14 a location that is agreeable to all parties, especially
15 if there is planned economic activity or some important
16 core function of the Town of Queen Creek or Pinal County
17 in that area, so that we can avoid relocation of that in
18 the future.

19 I brought up the Scottsdale situation because
20 that area developed over time. So that is being
21 relocated now. So if we know information in advance and
22 we can address that issue today rather than five or ten
23 years down the line, I think that would be cost savings
24 for everybody.

25 Thank you.

1 CHMN. FOREMAN: And I certainly agree with that.
2 According to the opening statements and the preferences
3 raised by the parties, my understanding is that
4 northwest option has no opposition and, we will call it,
5 appears to be the least bad alternative from the point
6 of view of those who are affected by it.

7 It is my understanding, though, that -- and
8 Mr. Russell, perhaps you can help us here -- the
9 northwest area that is set forth on the materials that
10 we have been given, and I am referring now to exhibit or
11 Figure 3 to Exhibit 1, shows an area that is larger than
12 the 30 acres or 25 acres that would be needed to build
13 the substation. And so the question becomes where
14 within the noticed area would be the least bad option
15 for those around. And I take it your discussions with
16 Mr. Birnbaum on the option related to the location
17 within that area, is that correct?

18 THE WITNESS: Yes.

19 CHMN. FOREMAN: And to your knowledge, has there
20 been a particular portion within the northwest quadrant
21 that you indicated you are more or less favorable to, or
22 from an engineering point of view would be more or less
23 desirable?

24 THE WITNESS: From an engineering perspective it
25 makes no difference to me.

1 CHMN. FOREMAN: Okay. Well, good. Let's try to
2 see if we can put that in there in the place that would
3 be the least bad option for everybody.

4 MEMBER WONG: Just a follow-up to that,
5 Mr. Chairman.

6 CHMN. FOREMAN: Sure, Mr. Wong.

7 BY MEMBER WONG:

8 Q. The northwest corner, how available is that
9 parcel? Is that vacant now? Or who controls that
10 today?

11 A. I don't have that information.

12 CHMN. FOREMAN: We will have an opportunity --

13 THE WITNESS: You will have it soon, though.

14 MEMBER WONG: Very good. Thank you.

15 CHMN. FOREMAN: All right. Very good.

16 Any follow-ups, Counsel?

17 MR. SUNDLOF: No. Thank you.

18 CHMN. FOREMAN: During the testimony of
19 Mr. Russell, Exhibits SRP-1 through SRP-23 and SRP-137
20 and 138 were referred to. Do you want to offer those
21 exhibits now or --

22 MR. SUNDLOF: Your Honor, my thought was to
23 offer them all at the end of our direct case. But I can
24 do them a few at a time if you would like.

25 CHMN. FOREMAN: Well, it is helpful for me to

1 pick them up as we make reference to them. Is there any
2 objection to the admission of Exhibits SRP-1 through
3 SRP-23, SRP-137 and 138?

4 MR. ROBERTSON: No objection.

5 MEMBER WONG: I am sorry, Mr. Chairman, just a
6 point of information. Is that, was that motion, was
7 that requested by the applicant or we are just going to
8 make it as a Committee, on our own decision?

9 CHMN. FOREMAN: Well, since we already looked at
10 the exhibits, as somebody who is concerned about the
11 record, I just want to make sure that everything that we
12 have referred to in the hearing is something that is in
13 evidence. And if it is not, then that creates a problem
14 at the end of the case. Because this is likely to go
15 for a couple of sessions, I don't want to lose track of
16 exhibits as we go along. And so I am trying to
17 encourage counsel to move them now so that my steadily
18 failing memory cells don't lose track of any of them by
19 the end of the hearing.

20 MEMBER WONG: And thank you, Mr. Chairman, for
21 the clarification. With that, then, I think the
22 Chairman has strongly requested the counsel for the
23 applicant to make the motion. I haven't heard it yet.

24 MR. SUNDLOF: Your Honor, I would move the
25 admission of Exhibit 141, which you didn't mention,

1 which is Mr. Russell's prefiled testimony, plus the
2 other exhibits that you just referenced.

3 CHMN. FOREMAN: Okay. And I assume there is no
4 objection to Exhibit 141 either?

5 (No response.)

6 CHMN. FOREMAN: All right. Good cause
7 appearing, then it is ordered admitting Exhibits SRP-1
8 through 23, 137, 138 and 141.

9 (Exhibits Nos. SRP-1 through 23, 137, 138, and
10 141 were admitted into evidence.)

11 CHMN. FOREMAN: All right. Very good. Thank
12 you, Mr. Russell.

13 Counsel, you may call your next witness.

14 MR. SUNDLOF: Thank you.

15 Your Honor, I would like to call two witnesses
16 who will testify as a panel, and they are Tom Novy and
17 Mike Warner. And as I mentioned in my opening, they
18 will be going through the route alignments.

19 While they are taking the stand, Chairman
20 Foreman and members of the Committee, as this develops,
21 I see there doesn't seem to be a lot of interest in the
22 Ocotillo alignment and the Skyline and Combs alignment.
23 And I wonder if you want us to cut our testimony a
24 little short by not going through those in detail, or if
25 you would like us to go through all of the routes.

1 CHMN. FOREMAN: Well, let me ask members of the
2 Committee. Is there anybody on the Committee who would
3 like to hear testimony concerning the Ocotillo routes?
4 And those are the ones that are in -- correct me if I am
5 wrong on this, please -- those are the ones that are in
6 purple that are south and west or to the lower left on
7 the northern part of the exhibit that's before you,
8 which is Exhibit SRP-137, and those that are to the
9 right of the railroad tracks on the southern or lower
10 part in blue and lighter blue. Is there anyone who
11 wants to hear testimony on those?

12 Member Eberhart.

13 MEMBER EBERHART: Mr. Chairman, not to prolong
14 this any more than it has to be, if we could just get a
15 two-minute overview of each of those alternatives and
16 perhaps the reasons why there is no support for those,
17 that's all I would like to hear, and primarily so it is
18 on the record.

19 CHMN. FOREMAN: Okay. And we have had
20 references to those in the opening statements of counsel
21 and I will trust them to fill that information in as we
22 go along. So --

23 MR. SUNDLOF: Thank you.

24 CHMN. FOREMAN: -- I think the consensus is
25 focus on the preferred route on the southern part, and

1 on the northern part focus on the three routes that seem
2 to be -- three routes with variations that seem to be of
3 most interest, the preferred route including the Ryan
4 cutoff, the -- is it Germann or Germann Road? -- Germann
5 Road --

6 MR. MARKS: Germann.

7 CHMN. FOREMAN: -- options, and then the
8 railroad options. Go ahead and mention the other ones
9 in passing but I think you can do those safely in a
10 summary fashion.

11 All right. Gentlemen, Mr. Novy, do you wish an
12 oath or affirmation?

13 MR. NOVY: Oath.

14 (Thomas Novy was duly sworn.)

15 CHMN. FOREMAN: Mr. Warner.

16 MR. WARNER: An oath, please.

17 (Michael Lloyd Warner was duly sworn.)

18 CHMN. FOREMAN: All right. For the record,
19 starting with Mr. Novy, please give us your full name,
20 spell your last name for the court reporter.

21 MR. NOVY: My name is Thomas Novy. I go by Tom.
22 Last name is spelled N-o-v-y.

23 CHMN. FOREMAN: Mr. Warner.

24 MR. WARNER: My name is Michael Lloyd Warner,
25 last name W-a-r-n-e-r.

1 CHMN. FOREMAN: All right. Counsel, you may
2 proceed.

3 MR. SUNDLOF: Thank you very much, Your Honor.
4

5 THOMAS NOVY and MICHAEL LLOYD WARNER,
6 called as witnesses, having been previously duly sworn
7 by the Chairman to speak the truth and nothing but the
8 truth, were examined and testified as follows:
9

10 DIRECT EXAMINATION

11 BY MR. SUNDLOF:

12 Q. Mr. Novy, let me start with you. You have
13 already given your name. Can you talk about your
14 occupation and professional background.

15 A. BY MR. NOVY: Yes. I have a degree in civil
16 engineering with emphasis in project management. I have
17 29 years working experience, 24 of those are with SRP.
18 11 of those years with SRP are in the transmission line
19 siting. I was the assistant project manager on both the
20 Palo Verde to Southeast Valley 500kV project, as well as
21 the Carrel 115kV project. I was also the project
22 manager on the Desert Basin 230kV siting process.

23 Q. And is SRP-24 a summary of your background?

24 A. BY MR. NOVY: Yes, it is.

25 Q. Mr. Novy, can you discuss your role with respect

1 to the Abel/Moody project.

2 A. BY MR. NOVY: Yes. I am the project manager.
3 This means I am responsible for the overall coordination
4 and permitting of the project.

5 Q. Mr. Novy, was the application in this case,
6 which has been marked as SRP-001 for identification,
7 prepared under your direction?

8 A. BY MR. NOVY: Yes, it was.

9 Q. And based upon your knowledge and experience in
10 the siting process, does the application in this case
11 accurately respond to the requirements of the statutes
12 and rules that govern this siting process?

13 A. BY MR. NOVY: Yes, it does.

14 Q. Mr. Warner, let me turn to you. On the screen
15 is SRP Exhibit 025. Using that as a guide, can you talk
16 about your current occupation and professional
17 background.

18 A. BY MR. WARNER: Yes. I am the owner and founder
19 of Transcon Environmental Consulting Company. I have a
20 master's degree in landscape architecture and a
21 bachelor's degree in agronomy. I am a member of the
22 American Institute of Certified Planners, and I have
23 been a consultant for about 20 years.

24 I have been involved in permitting or siting
25 about 30 transmission lines in my career. And I have

1 had the privilege of presenting before this Committee,
2 as in testimony, on four different occasions: Case 125,
3 which is the Sandario project; Case 129, which is the
4 Carrel substation project; Case 137, which is the Vail
5 area project; and Case 144, which was the Vail to
6 Valencia project.

7 Q. Thank you.

8 Mr. Warner, can you please describe Transcon.
9 And refer to Exhibit SRP-026.

10 A. BY MR. WARNER: Transcon Environmental,
11 Incorporated was established in 1999, and we do
12 environmental consulting. We have offices -- our main
13 headquarter office is in Mesa, Arizona, and we have
14 offices in California and in Utah.

15 We are populated with professional planners. We
16 have other specialists, biologists, cultural resource
17 specialists, and scientists, that are involved in
18 writing environmental documents and routing and siting
19 projects. We also have more specifically perform
20 resource management activities for cultural resources
21 and specific biological reports and impact studies.

22 Q. Okay. Mr. Novy, using SRP Exhibit 137, could
23 you please present an overview of the route alternatives
24 that are provided in this application.

25 A. BY MR. NOVY: Yes. As Mr. Russell previously

1 testified, the objective of this project is to connect
2 the Abel substation located at the intersection of Judd
3 Road and the Central Arizona Project Canal to the
4 Santan/Schrader line between Pecos Road and Queen Creek
5 Road, and to provide a 230/69kV substation near the
6 intersection of the Union Pacific Railroad, Meridian
7 Road, and Combs Road to serve the load center in and
8 around Queen Creek.

9 On the screen, Exhibit SRP-137 is a map showing
10 the possible routes and substation locations presented
11 in the application.

12 Q. And Mr. Warner, what is Exhibit SRP-138?

13 A. BY MR. WARNER: SRP-138 --

14 Q. I meant to ask Mr. Novy that question.

15 Mr. Novy, please describe Exhibit 138.

16 A. BY MR. NOVY: Yes. On the right-hand screen,
17 Exhibit 138, is also one side of your placemat. It
18 shows all the route alternatives, including
19 subalternative segments, any potential segment sites
20 that were included in the application. It is divided in
21 the panel that we will use to show the routes in more
22 detail.

23 Q. And Mr. Novy, have you grouped these
24 alternatives into different route options?

25 A. BY MR. NOVY: Yes. For ease of discussion, we

1 have grouped these alignments into seven route options
2 divided into north and south of the potential substation
3 site.

4 Q. And would you describe the route options
5 northwest of the substation site.

6 A. BY MR. NOVY: Yes. Exhibit SRP-027 on the
7 right-hand screen indicates that we are going to drop in
8 these routes one at a time. They are generally
9 described as Ocotillo, the north railroad, Ryan, and
10 Germann.

11 Q. Please describe the Ocotillo alignment.

12 A. BY MR. NOVY: Okay. Again refer to the screen
13 on the right, SRP-027. The Ocotillo alignment exits the
14 Santan/Schrader line at Queen Creek Road. It follows
15 the Roosevelt Water Conservation District canal south to
16 Ocotillo Road, takes Ocotillo Road east just past or
17 just near Power Road to the intersection of Sonoqui
18 Wash. It then takes the wash southeast to Riggs Road,
19 and then follows Riggs Road east all the way into the
20 potential substation sites.

21 Q. Let's to go the second route option in the
22 northwest, the railroad alignment. Can you describe
23 that one.

24 A. BY MR. NOVY: Yes. Again on SRP-027 the
25 railroad alignment exits a point adjacent to the Moody

1 substation site and parallels the Roosevelt Water
2 Conservation District canal and the Maricopa County
3 Flood District channel northeast until it intersects
4 with the Union Pacific Railroad. Then it follows the
5 railroad southeast all the way into the potential
6 substation sites.

7 Q. Then let's move on to the third alternative in
8 the north, the Ryan alignment.

9 A. BY MR. NOVY: Okay. The Ryan alignment starts
10 out the same as the railroad alignment until the
11 intersection where the railroad passes the Ryan
12 alignment. It then takes the Ryan alignment east until
13 it intersects the Signal Butte alignment, takes Signal
14 Butte south until it joins back with the Union Pacific
15 Railroad, then takes the railroad southeast into the
16 potential substation sites.

17 Q. And finally describe the fourth alternative in
18 the northwest, the Germann alternative.

19 A. BY MR. NOVY: Once again, this exits the same as
20 the railroad and the Ryan alternative. This one exits
21 the railroad alignment at Germann Road and follows
22 Germann Road east all the way to the intersection of
23 Meridian, then follows Meridian all the way into the
24 potential substation sites.

25 Q. Let's move to RS-24. Would you just describe

1 the potential substation alternatives.

2 A. BY MR. NOVY: Yes. Again on the right screen,
3 SRP-027, we have highlighted three areas that are
4 contiguous to each other as potential substation sites.
5 They are all adjacent to the intersection of the
6 railroad, Meridian Road, and Combs Road.

7 Q. Okay. Let's move to the area southeast of the
8 substation site. And how many route options do you have
9 there?

10 A. BY MR. NOVY: There are three. They are
11 generally referred to as south railroad, Combs, and
12 Skyline.

13 Q. Can you describe the south railroad alignment.

14 A. BY MR. NOVY: Yes. Again on the right-hand
15 screen, SRP-027, the south railroad alignment exits the
16 potential substation sites, parallels the Union Pacific
17 Railroad south until the intersection of the Magma
18 Railroad, then it follows the Magma Railroad northeast
19 into the Abel substation site.

20 Q. And what is the Combs alignment?

21 A. BY MR. NOVY: Combs alignment exits the
22 potential substation sites directly east along Combs
23 Road until the intersection of Schnepf Road, follow
24 Schnepf south to Skyline, take Skyline east to Quail Run
25 Lane, takes Quail Run Lane south to Judd, and Judd east

1 into the substation site.

2 Q. And what about the Skyline alignment?

3 A. BY MR. NOVY: It starts out same as the
4 railroad, southeast to the intersection of the Skyline
5 alignment and takes Skyline east. And once it gets to
6 Schnepf Road, it follows the same alignment as the Combs
7 alignment.

8 Q. Thank you.

9 Can we put all the alignments up on the
10 Exhibit 027. Does 027 as it appears in the book show
11 all the route alternatives, including subalternatives
12 that SRP has proposed?

13 A. BY MR. NOVY: Yes, it does.

14 Q. And is the highlighted portion on there the
15 preferred alternative?

16 A. BY MR. NOVY: Yes, the yellow highlighted
17 portion is the preferred alternative.

18 MR. SUNDLOF: Thank you.

19 Mr. Novy and Mr. Warner will provide a tour,
20 little more of a close-up. And normally you Committee
21 members, you would see a Google maps feature. The
22 problem here is that this area is growing so quickly
23 that the Google maps that are available don't show all
24 the features that have been built recently.

25 So we are going to use a different format that

1 is more recent, and that is just aerial photography.
2 And what I am going to ask the witnesses to do is go
3 through, using aerial photography, showing the features
4 in some detail. And we can zoom in if we need to. And
5 on your placements and on the screen are exhibit numbers
6 that correspond to panel maps that are in your exhibit
7 books. So, for example, SRP-029 would be an example of
8 a panel map. We will, of course, show them on the
9 screen, but I wanted to let you know that in your books
10 there are these specific exhibits that show close-ups of
11 the area.

12 BY MR. SUNDLOF:

13 Q. Mr. Warner, let's start with the northwest
14 routes. And we will start with Ocotillo. And I think
15 we need to go through this somewhat, although we can do
16 it in an abbreviated way. Discuss the Ocotillo
17 alignment in a little more detail.

18 A. BY MR. WARNER: Beginning at what we call
19 Node 16, and we will be referring to SRP-051, which
20 depicts the line in purple and uses the aerial
21 photography as a background, the regional water, excuse
22 me, the Roosevelt Water Conservation District canal
23 intersects with Queen Creek Road. And at that location,
24 the Santan/Schrader line exits and is tabbed for the
25 connection point for the Ocotillo alignment.

1 The alignment follows the Roosevelt Water
2 Conservation District to the south. And on the east
3 side of the Roosevelt Water Conservation District area
4 is an area controlled by Maricopa Flood Control
5 District. And because they are managing it for flood
6 control, it restricts some development in there. So it
7 is open. As you approach Ocotillo and move to the east,
8 portions that you cross over that area, that is managed
9 by the Maricopa Flood Control District. And so it is
10 open on both sides of the road.

11 Continuing east, development begins to appear,
12 residential development, both on the north and the south
13 side of the alignment. It is currently open a little
14 bit more onto the south side, but it is quickly
15 developing into homes.

16 As you approach with the beginning of Sonoqui
17 Wash, residential development exists on both sides of
18 the alignment. But the wash itself is broad. It is
19 channelized in the upper portions and free flowing on
20 the lower sections, but residential exists on both
21 sides.

22 When the line appears or the alignment appears
23 out on Riggs Road, more agricultural development exists
24 on both the north and south sides of the alignment, and
25 there is sort of spotted development along Riggs Road.

1 Continuing to the east, large agricultural
2 property exists especially on the south side. And we
3 will talk about that parcel a little bit later as what
4 the future development plans are. But on the north side
5 are residential developments, and then Schnepf Farm, and
6 then it intersects into the substation sites at Node 27.

7 Q. Mr. Warner, using SRP-052, just kind of quickly
8 go through the planned future uses, recreational uses,
9 you know, what the future holds for this area.

10 A. BY MR. WARNER: As I begin, I would like to take
11 a moment and introduce Exhibit SRP-052. This is an
12 aggregate map of all of the comprehensive plans for each
13 of the communities. And what we have done here is try
14 to paint a picture, because each of the jurisdictions
15 use their own terminology in explaining what they are
16 planning for.

17 We have aggregated into five categories. And
18 you can see in the legend they are depicted as
19 commercial, industrial, mixed use, public/quasi-public,
20 recreation, and residential. So regardless, as an
21 example, regardless of the density of residential, it is
22 depicted as yellow. So we can at a glance quickly see
23 some of the planned uses for the different communities
24 and jurisdictions.

25 So let me begin by pointing out again, starting

1 at the same location that I described a moment ago at
2 Node 16, you will notice on the west side of 16 that's
3 depicted as yellow residential exists on the other side
4 of the Roosevelt Water Conservation District canal. And
5 on the east side you can see this green portion, which
6 is an open space park planned in the area where there is
7 flood control district facilities. The Town of Gilbert
8 plans a conservation area in this blue area, wetland, an
9 active wetland development.

10 And then as you continue further to the east you
11 can see it is dominated on both sides of the alignment
12 by residential. On Power Road there is a small portion
13 of commercial development planned, and then as you
14 follow Sonoqui Wash, residential on both sides. And
15 then that is pretty much the most dominant theme along
16 Riggs Road.

17 And then this large red parcel here is a
18 commercial development. And that's the regional mall
19 that was referred to by some. And we will talk a little
20 bit more there about what is being planned. But
21 basically this is in the future, a very large scale
22 regional mall.

23 Q. Thank you.

24 Mr. Warner, are there biological, cultural,
25 historic, scenic, or environmental features that are

1 along the Ocotillo alignment?

2 A. BY MR. WARNER: The Ocotillo alignment is
3 distinctive because it has more of many of those
4 features than the other alignments.

5 First of all, from a biological standpoint, the
6 drainage area that is out here accumulates water,
7 although it is dry most of the time. Migratory birds
8 are more common there. And of course, with the plans of
9 developing the wetland, that will attract more
10 biological species, especially migratory birds.

11 Along the alignment itself on Sonoqui Wash, it
12 is channelized on the northern portion and has a paved
13 trail on it. But the lower portion is still free
14 flowing. It is an ephemeral wash, doesn't carry a lot
15 of water, but only runs in flood conditions or in rain
16 conditions. But it is a drainage.

17 There are known large habitation cultural
18 resources in the area. And the lower portion is not yet
19 excavated. It hasn't been channelized. So it is
20 possible that cultural resources could be encountered in
21 that area.

22 In regards to scenic resources, the most
23 prominent scenic resource in the study area is the
24 Santan Mountains. They are to the south. And this is
25 the closest alternative to them. There is the park

1 that's located down here, too.

2 As far as historic features, the canal, the
3 Roosevelt Water Conservation District is a historic
4 feature, but it is not expected that the line would
5 impact that. And there aren't other significant
6 cultural resources along the alignment.

7 Q. Thank you.

8 Mr. Novy, we will get into the public process
9 later, but can you describe the public input on the
10 Ocotillo alignment.

11 A. BY MR. NOVY: Yes. There has been very little
12 to no support for this route alignment. It is still on
13 the map because it follows prominent linear features.
14 And with a few exceptions, there is existing residential
15 on only one side or the other.

16 The Town of Gilbert has indicated in meetings
17 and through two letters that they oppose the Ocotillo
18 alignment. We have received a petition with over 600
19 signatures from the residents at a residential
20 development called Trilogy expressing their opposition
21 to Ocotillo and their support for the preferred
22 alignment on Ryan.

23 We have received some opposition to the Sonoqui
24 Wash, but even more opposition to the subalternative
25 that follows Power Road to Riggs Road. We have received

1 little residential opposition to the stretch of Riggs
2 Road from the wash to Meridian, but strong opposition
3 from developers on the last mile of Riggs due to the
4 planned shopping mall on the southwest corner of Riggs
5 Road and Meridian Road.

6 Q. Thank you.

7 Mr. Novy, what is the approximate distance and
8 cost for the segment -- and I will tell you we will get
9 back to the summary of that at the end of the
10 testimony -- but on this segment, what is the
11 approximate distance and cost?

12 A. BY MR. NOVY: It is the second longest
13 alternative at the north at 10.44 miles. And the cost
14 is \$25.6 million. If we were to take the subalternative
15 instead, that would increase the length to 11.59 miles.

16 Q. Thank you.

17 Committee members, I think I will skip the
18 detailed tour unless somebody is interested. Okay.

19 Let's --

20 A. BY MR. NOVY: Excuse me, Ken. One thing I
21 should point out. This route, to get to the substation,
22 it would require two double circuit lines going north
23 and south from that intersection.

24 Q. From which intersection?

25 A. BY MR. NOVY: From the intersection of Meridian

1 Road and Combs Road, if we got the substation site in
2 the northwest quadrant here, we would have to take a
3 double circuit 230 line up to that substation, and then
4 another one back down to continue on the south half of
5 the route.

6 Q. Thank you.

7 Let's now move to the railroad alignment in the
8 northwest. And we will slow back down a little bit for
9 this one.

10 Let's start with you, Mr. Warner. And please
11 describe the current land uses for the north railroad
12 alignment.

13 A. BY MR. WARNER: Let me refer to Exhibit SRP-053
14 which is on the right-hand screen and begin at the Moody
15 substation. Where the line exits the existing site
16 where the Moody substation is located, you follow the
17 Roosevelt Water Conservation District canal to the north
18 until you intersect with the railroad alignment. On the
19 north side of the railroad alignment it is open with
20 desert land and occasionally sparse development as you
21 approach to the south.

22 The open desert land is -- sometimes there are
23 some developments, or I should say some commercial
24 developments, with housing and things like that, that
25 are sparsely located in that area, and then it is large

1 agricultural plots.

2 As you approach closer to the town center on the
3 north side of the railroad, the density of development
4 increases, and there are commercial developments located
5 down at the intersection of Ellsworth Road where it
6 crosses into the Queen Creek town center, which is
7 located on the south side of the tracks.

8 There is residential development that is
9 burgeoning on the north side, and it is being developed
10 along the railroad right-of-way and also throughout some
11 of these areas. And then again, as you continue further
12 south, it begins to open up and it has those
13 agricultural fields again.

14 On the south side of the alignment, there is a
15 lot more development of all kinds. Historically
16 Rittenhouse Road paralleled the railroad alignment. In
17 fact, the original Town of Queen Creek was called
18 Rittenhouse before it became Queen Creek. And so the
19 development, naturally, fed off Rittenhouse Road.

20 Attempts have been made to separate, to create a
21 condition where it doesn't have that strong alignment in
22 that location anymore, and so they have broken
23 Rittenhouse Road up. But for the most part the road
24 still parallels the railroad on that side. So
25 development is separated from the railroad generally by

1 a road in that location.

2 In the town, in the town center, the city has or
3 the town has recently developed a new alignment for
4 Ellsworth Road. And so now development is beginning to
5 orient itself with that change in the town center. The
6 town center itself, as I previously mentioned, is
7 located and the original town site is on the south side
8 of the alignment.

9 Q. Thank you.

10 Mr. Warner, would you describe the future land
11 uses for the railroad alignment area.

12 A. BY MR. WARNER: Again using Exhibit SRP-052, you
13 can see on the south side of the railroad alignment
14 there are large yellow areas which are residential.
15 There are commercial developments that are close to the
16 railroad, some industrial areas.

17 On the north side of the railroad you can see
18 that large tracts are dedicated for industrial type
19 uses. And as you approach the town center, there is
20 some residential development planned and then some mixed
21 uses. And then it is residential again as you get real
22 close to the town center and directly across the
23 railroad tracks.

24 And then as you can see when you get down
25 towards the bottom of the alignment after crossing Queen

1 Creek, there is again some industrial development
2 planned in the location of the substation sites.

3 Q. Thank you.

4 Mr. Warner, would you describe some of the
5 existing and planned recreational features found along
6 this alignment.

7 A. BY MR. WARNER: The recreation features are
8 depicted in green. And on the north side of the
9 alignment near the Moody substation, between the
10 Roosevelt Water Conservation District and Power Road
11 there is a large regional park that is being planned by
12 the Town of Gilbert. There are no other recreation
13 features along the railroad line.

14 Q. Mr. Warner, move to the -- please describe the
15 biology, cultural, historic, scenic, and environmental
16 features of the north railroad alignment.

17 A. BY MR. WARNER: There are few biological
18 concerns along this alignment. This area is either
19 agricultural or doesn't contain the kind of support
20 mechanisms for biological diversity. So you won't find
21 much biological concerns in these areas.

22 From a cultural resource standpoint, the town
23 of, or the areas around Queen Creek do have some
24 significant cultural resources throughout this area, and
25 their boundaries are not always well defined. And

1 because agricultural has -- agriculture has occurred,
2 sometimes the surface artifacts are not easy to detect.
3 The railroad is among those kinds of places where that
4 kind of condition exists. So you might find significant
5 cultural resources along those, but they may not be
6 immediately evident from surface examination.

7 The railroad itself is a historic feature, but
8 the railroad access road and the transmission line
9 right-of-way is not planned to be within the railroad
10 right-of-way. So it would be unaffected.

11 Q. Thank you.

12 Mr. Novy, let me turn to you. Can you describe
13 the input of the public during the public process on the
14 north railroad alignment.

15 A. BY MR. NOVY: Yes. Early in the project there
16 was overwhelming public support for this alignment. To
17 the public, some jurisdictions and others, the railroad
18 appeared to be an obvious choice since it's an existing
19 facility typically associated with industrial use. It
20 is basically a straight line connecting the two
21 substation end points and cuts almost through the center
22 of the area to be served. In addition to these factors,
23 supporting the railroad was an easy way to keep the line
24 away from the many spread out areas of existing and
25 planned residential development.

1 As we progressed through the process and
2 educated the public, opposition to the railroad
3 increased. The Town of Queen Creek has opposed at least
4 a portion of this route since July 2008. Then in
5 October 2008 the town passed a resolution opposing the
6 railroad on the northern portion of the study area.

7 Subsequently in 2009, a group called Rittenhouse
8 Residents Against Transmission Lines, or RRATL,
9 representing homeowners associations along both sides of
10 the railroad in Queen Creek and the Remington Heights
11 group on the south side of Rittenhouse Road, expressed
12 their opposition to portions of the railroad through
13 petitions and letters containing over 1500 signatures.

14 A number of developers have stated that the
15 railroad was their preferred alternative. They have
16 also said they could support the Ryan alternative.

17 The Town of Gilbert has a strong preference for
18 the line to be on the south side of the railroad from
19 the canal to Power Road in order to underbuild two
20 existing 69kV circuits there. We have worked with
21 Gilbert to accommodate this preference. And on the
22 Exhibit SRP-137 on the left screen, the light green area
23 represents the Town of Gilbert, and the area we are
24 talking about is the section of the railroad from Pecos
25 and Roosevelt Water Conservation District canal to Power

1 Road.

2 Q. Mr. Novy, was that a segment that is common to
3 the three of the north alignments there?

4 A. BY MR. NOVY: Yes, it is.

5 Q. Okay. Go ahead.

6 A. BY MR. NOVY: That's the end of the public
7 comment.

8 Q. Okay. Mr. Novy, I would like you to go through
9 the close-ups, and using the panel maps, and kind of go
10 through segment by segment of the railroad alignment.

11 A. BY MR. NOVY: Okay. We are going to go through
12 a series of panel maps on the left-hand screen. The
13 first one is Exhibit SRP-028.

14 And this slide is common to the railroad and
15 Germann and Ryan alternatives. So these alternatives
16 start adjacent to the Moody substation site. It
17 parallels the existing Santan/Schrader line and the
18 canal until it intersects the Union Pacific Railroad.

19 At that point it turns southeast, and this first
20 portion, until it goes to Power Road, is the portion
21 that we said we would work with Gilbert to be on the
22 south side here.

23 On the right-hand screen we have a simulation,
24 Exhibit SRP-062. And this is looking south on Power
25 Road at the railroad tracks. So the top photograph is

1 existing conditions, and lines you see there now, these
2 are existing 69kV structures. There is also a number of
3 light poles and 12kV poles in the background. So the
4 bottom half of that exhibit now shows a simulation of
5 what a double circuit 230 with a double circuit 69kV
6 underbuild would look like from a short distance north
7 of the intersection.

8 So back on the screen on the left, SRP-028, at
9 this point the railroad alternative continues southeast
10 along the railroad. You can see the northern portion of
11 the railroad is clear in this area. There is some new
12 shopping area on the south side at this point.

13 So continuing southeast along the railroad onto
14 Exhibit SRP-031, we pick up, upper left-hand corner
15 here, again it is raw desert on the north side of the
16 tracks. There is platted and existing medium
17 residential on the south side until we get to the
18 intersection of Germann. There is one industrial
19 facility on the north side. It is currently fairly open
20 on the left, I mean on the south side of the tracks.

21 Approaching Ryan Road, there is still some open
22 areas on the north, but there is low to medium density
23 residential and some planned residential on the south
24 side. Once we get to the intersection of Ryan Road, we
25 would intend from Ryan Road all the way down to the

1 intersection of Signal Butte to be on the north side of
2 the railroad.

3 So there was at least one public comment that,
4 you know, talked about being south of Rittenhouse. The
5 south side of Rittenhouse has a buffer of Rittenhouse,
6 then the railroad, then a Maricopa County county flood
7 control channel, then another 50 feet of easement for
8 the gas line. So there is quite a buffer between folks
9 south of Rittenhouse and north of the railroad in this
10 area.

11 So we continue southeast along the railroad.
12 You can see it is agriculture on the north and then some
13 undeveloped properties all the way continuing until we
14 get to Ellsworth Road.

15 We have two simulations -- well, actually we
16 have three simulations in this vicinity. The first one
17 is taken from the new shopping area on the south side of
18 Rittenhouse Road. This is taken from the parking lot,
19 in the northeast portion of the parking lot.

20 So on the right-hand screen, it is SRP-063,
21 shows a photograph of existing conditions. And we are
22 looking almost straight east, a little bit northeast.
23 And in the distance these are some of the school
24 district offices and storage facilities. This underpass
25 you see is the new Ellsworth loop road, and the Union

1 Pacific Railroad crosses over it.

2 So the bottom photograph shows what it would
3 look like if we built a double circuit 230kV line. This
4 shows one circuit 69 underbuild, and this would be on
5 the north side of the tracks.

6 So we have two more simulations.

7 CHMN. FOREMAN: I am sorry, before you move on,
8 where is it that -- and I must have missed this -- that
9 you intend that the preferred route have the line cross
10 from the south side of Rittenhouse to the north side?

11 MR. NOVY: Right now we are, since we worked
12 with Gilbert, we would propose it is on the south side
13 from the Roosevelt Water District canal to Power Road.
14 From Power Road to Ryan Road, we would prefer to keep
15 our options open until we get to the design and
16 right-of-way acquisition stage. Then from Ryan Road to
17 Signal Butte, we could commit to already being on the
18 north side of the railroad.

19 So now --

20 BY MR. SUNDLOF:

21 Q. Can you, Mr. Novy, that was sort of a little
22 open-ended answer. Can you describe why you would like
23 to keep your options open on that side?

24 A. BY MR. NOVY: Well, currently there is raw
25 desert or, say, planned commercial development and a

1 very small amount of low density residential on the
2 south side. The planned, future planned industrial is
3 on the north side, so that's why we would like the
4 option to, if we were to be given that route, to
5 approach landowners and see which one is, could be
6 worked out immediately with either one of the parties on
7 the north or south.

8 But there is no physical restrictions. It is
9 basically coming down to, you know, which party would be
10 more willing to sell us right-of-way. But we could
11 construct the line on either side of the railroad tracks
12 for that short segment.

13 Q. Okay. Mr. Novy, you were talking about the
14 portion of the railroad south of Ryan. Please proceed.

15 A. BY MR. NOVY: So we have a second set of two
16 simulations at Ellsworth Road now shown. The first one
17 is Exhibit SRP-64 on the right-hand screen. This first
18 one is taken essentially from the railroad tracks
19 looking northwest along the tracks. And the bottom
20 photograph then again shows what a double circuit 230
21 line with 69kV underbuild would look like.

22 This first pole on the right-hand part of the
23 screen is the same pole that was seen from the previous
24 simulation. Again, it would be located just immediately
25 west of Ellsworth Road and north of the Union Pacific

1 Railroad tracks. We have another exhibit taken from
2 essentially the same point looking southeast along the
3 Union Pacific Railroad tracks. And again, the bottom
4 photograph shows a simulation of that same double
5 circuit 230 with 69 underbuild structures on the north
6 side of the railroad proceeding southeast.

7 So now we are going to continue on the left-hand
8 screen, Exhibit SRP-037. We just left Ellsworth Road,
9 which is in the upper left-hand corner of this exhibit.
10 As we continue down Union Pacific Railroad we do
11 encounter planned area developments, residential
12 developments, on the north side of the railroad up to
13 Ocotillo.

14 From Ocotillo heading southeast there is one
15 small industrial facility, then a few other industrial
16 facilities a little bit further north of the tracks, and
17 then another planned area development with several large
18 residential planned residential lots on the north side.
19 The last third of the mile to Signal Butte is fairly
20 clear.

21 Q. But Mr. Novy, on those planned area
22 developments, are those homes in there yet or are those
23 just platted lots?

24 A. BY MR. NOVY: To the best of my knowledge they
25 are just platted lots right now.

1 Q. Please proceed.

2 A. BY MR. NOVY: The railroad alternative has a
3 very low house count at 250 feet from the centerline of
4 the linear feature, but it becomes a large number when
5 expanded to a quarter mile. So the signatures from the
6 concerned parties, they aren't what we consider
7 immediately impacted, but when you do get out to a
8 quarter mile and more, then the number of residents,
9 residences increases significantly.

10 From this Node 24 we continue southeast, and you
11 can see that there is agriculture. And then this is
12 Queen Creek Wash.

13 Then we continue to Exhibit SRP-042, which has
14 us coming into one of the potential substation sites,
15 and on into the intersection of Meridian Road and Union
16 Pacific Railroad and Combs Road.

17 CHMN. FOREMAN: Counsel, would this be a
18 convenient time to take the afternoon recess?

19 MR. SUNDLOF: It would. Thank you, Your Honor.

20 CHMN. FOREMAN: We will take a 15-minute recess.
21 We will resume again shortly before 3:15.

22 (A recess ensued from 2:56 p.m. to 3:14 p.m.)

23 CHMN. FOREMAN: Let's go back on the record.
24 Let's resume our examination.

25 BY MR. SUNDLOF:

1 Q. Mr. Novy, were you finished with your panel map
2 tour?

3 A. BY MR. NOVY: Yes, I was.

4 Q. Okay, good. Now, Mr. Novy, you mentioned that
5 the line would parallel a natural gas pipeline in this
6 area. Has SRP examined any potential impacts from
7 locating the line adjacent to a natural gas pipeline and
8 determined if any mitigation is necessary?

9 A. BY MR. NOVY: Yes. SRP hired a consulting
10 engineer, Sargent & Lundy, to prepare an induction
11 analysis report. The primary concerns with the pipeline
12 are the shock potential and the acceleration of
13 corrosion of the pipeline. The report recommended
14 mitigation measures to address these concerns.

15 These are common measures that we have used in
16 the past such as phasing, which means alternating the
17 sequence of the lines to prevent induction, insulation
18 of a gradient wire for cathodic production, in addition
19 to grounding at valve stations. The report is marked
20 SRP-134 and is included in your notebooks.

21 Q. Mr. Novy, what is the approximate distance and
22 cost of this north railroad alignment?

23 A. BY MR. NOVY: This is the shortest alignment at
24 the north at 8.44 miles. The estimated cost is
25 \$18.7 million.

1 Q. Okay. Let's move on to the third alignment,
2 which is the Ryan alignment. And I will start with you,
3 Mr. Warner. Would you describe the current land use on
4 the Ryan alignment.

5 A. BY MR. WARNER: I will be using SRP-054. It is
6 located on the right-hand screen.

7 Routes for the Ryan alignment are common to the
8 railroad alignment for the first portion of it, so I
9 will begin describing it from what we call Node 11,
10 which is where the line departs from the railroad
11 alignment and goes to the east.

12 As you go east along the Ryan alignment, it is
13 open on both sides for a short distance and then
14 residential development exists on the north side of the
15 alignment. On the south it is open land of currently
16 farmed and agriculture right now.

17 As you pass through the residential areas and
18 continue to the east, it is open agricultural land on
19 both sides with, you know, a farmhouse popped in
20 occasionally. And then as you go south along the Signal
21 Butte alignment, it is open on both sides as
22 agriculture, and then there are some developments that
23 begin to appear on the west side, residential
24 developments. It is open agriculture on the west, on
25 the east side down to the railroad, and then it follows

1 the railroad alignment into Node 27.

2 Q. And Mr. Warner, can you describe the planned
3 future uses around the Ryan alignment?

4 A. BY MR. WARNER: On the left-hand screen you will
5 see again Exhibit SRP-052, which depicts the aggregate
6 land uses in this area. And you can see beginning at
7 Node 11 where the line -- where the Ryan alternative
8 departs from the railroad and continues to the east.
9 The first portion is designated as one of the industrial
10 uses. It continues and has residential use planned on
11 the north and on the south, with some mixed uses down
12 here on the south side of the alignment. Continuing to
13 the east is this purple area that is an industrial
14 designation.

15 And for purposes of providing a little bit of
16 background on this alignment, I would like to reference
17 part of the application. There is a resolution that was
18 provided to us by the Town of Queen Creek when we were
19 going through this exercise of identifying routes. And
20 on July 16th it was provided to us, and provides some
21 criteria that they shared with us. And I will read just
22 a couple of these criteria.

23 Q. Mr. Warner, can you move the microphone a little
24 closer? I think we are losing you.

25 CHMN. FOREMAN: Could you tell us to what

1 portion of the application you are referring.

2 MR. WARNER: Yes. It is in Exhibit J. And you
3 will find it in the portion with the yellow tab. And I
4 think it is the third section back that is titled
5 Exhibit J-3, agency coordination and leadership
6 responses.

7 The first part of that, the first three pages is
8 a summary of some of the meetings that occurred, and
9 there were about three pages of that. And the very next
10 page is resolution 748-08 and it is three pages. The
11 last page of that is Exhibit A which is referred to in
12 the resolution as line siting criteria.

13 And it says when evaluating alternatives for the
14 location of the proposed Abel/Moody 230kV transmission
15 line, SRP should consider the following criteria. And
16 then it reads the town would favorably view the
17 placement of the line in -- and the first item is A --
18 areas designated for employment use in locally adopted
19 general and comprehensive or master plans.

20 Employment A and B are aggregated together in
21 the industrial designation, so those are the purple
22 areas.

23 It also references another thing that is
24 relevant when looking at both the Ryan and Germann
25 alignments. And it says furthermore -- later on, after

1 giving three other favorable considerations, it says
2 furthermore, the proposed line should not be placed in,
3 and the first item is adjacent to entryway roads,
4 through the community, or placement across both gateway,
5 unquote, entrances of the town. In this area, the
6 gateway is Ellsworth Road. We do cross over Ellsworth
7 Road, but do not parallel it. So I wanted to
8 acknowledge the fact that this is crossing over that
9 gateway.

10 Continuing on through that industrial
11 designation, you can see a portion of residential area
12 that borders the south side of that area. And then as
13 you go north/south, residential areas are planned on the
14 west side of Ellsworth continuing down to the railroad.
15 The railroad has residential on both sides again. And
16 we have looked at that previously when the railroad
17 alternative was viewed.

18 BY MR. SUNDLOF:

19 Q. Thank you.

20 Mr. Warner, please describe some of the existing
21 and planned recreational features found along this
22 alignment.

23 A. BY MR. WARNER: Mentioned previously was the
24 large regional park that paralleled the railroad
25 alignment. Underneath the alignment east of the park is

1 a recreational strip that appears to be a separation
2 between the residential, the existing residential uses
3 and what is planned as a more dense residential
4 development further to the south in some of this mixed
5 use.

6 Another noteworthy area of recreation that's
7 planned would affect the alternative alignments or the
8 subalternatives further along the east side of the Ryan
9 Road. And this is a large 130-acre park that has active
10 recreation and ball fields and organized sports
11 activities. And it is a very sizable and infrastructure
12 park in that location.

13 Q. Let me ask you about the purple area. What is
14 that again?

15 A. BY MR. WARNER: The purple areas are an
16 aggregate depiction of the different communities,
17 industrial zones. In the Town of Queen Creek, their A
18 zone, which is most of this area, allows heavy industry.
19 So we are talking about manufacturing, 24-hour
20 warehousing, chemical plants, those kinds of uses.

21 Q. Is that compatible with some utility lines?

22 A. BY MR. WARNER: We view that as a compatible
23 use, yes.

24 Q. Mr. Warner, please describe other biological,
25 cultural, historic, scenic, and environmental features

1 of the Ryan alignment.

2 A. BY MR. WARNER: This route has few biological
3 concerns. The cultural resource concerns are similar to
4 those that we saw in the railroad alignment. There are
5 known sites that exist throughout this area. The
6 surface disturbance prevents you from knowing sometimes
7 the boundaries of where those are, but there are
8 significant sites in the region.

9 In regards to historic resources, there aren't
10 any historic resources apart from the railroad alignment
11 along this route.

12 In regards to scenic resources, this area is not
13 known for its scenic quality other than the beautiful
14 agricultural fields that are out there.

15 Q. Thank you.

16 Mr. Novy, let me return to you. And can you
17 describe the public input relative to the Ryan
18 alignment.

19 A. BY MR. NOVY: Yes. This route has been
20 supported by much of the public as well as by the
21 Phoenix-Mesa Gateway Airport and the Vlachos nursery,
22 which is bounded by both Germann and Ryan. It is in
23 between the two. Developers in the area have also
24 expressed their preference of Ryan over Germann if their
25 first choice of the railroad was not selected.

1 Some of the larger landowners with holdings
2 along both Meridian and Signal Butte express preference
3 for the usage of Signal Butte over Meridian.

4 The route has been opposed by only a few
5 residents on the north side of Ryan Road. Other
6 jurisdictions have not commented on Ryan as it lies
7 completely within Queen Creek.

8 Q. Mr. Novy, I want to now ask you to go into the
9 panel maps, but first I just want to ask you about the
10 opportunity to do long spans without road crossings.
11 Just comment generally on the opportunity of doing long
12 spans along Ryan Road.

13 A. BY MR. NOVY: Yes. As soon as we depart from
14 the railroad, we could build a continuous tangent road
15 with no road crossings on the south side of Ryan all the
16 way east until the intersection of Signal Butte. Then
17 we can do the same thing, stay on the east side of
18 Signal Butte all the way back down to the railroad with
19 no road crossings.

20 Q. Okay. Mr. Novy, please go through the panel
21 maps and give us a more detailed view of the Ryan
22 alignment.

23 A. BY MR. NOVY: Okay. Since I mentioned earlier
24 the first portion of the railroad was common to the
25 railroad, Germann and Ryan, so we are going to pick up

1 the Ryan alternative on SRP, panel map SRP-031 on the
2 left-hand screen.

3 Again, Ryan Road departs the Union Pacific
4 Railroad. As soon as it starts heading east there is
5 agriculture on the north, raw desert on the south. Once
6 we get to Hawes Road, there is a one-mile section of low
7 density housing. There is 16 five-acre home sites on
8 the north side of Ryan and agriculture on the south
9 side. We have got a simulation taken from this point at
10 Hawes and Ryan Road. It is on the right-hand screen.
11 It is Exhibit SRP-066.

12 The top photograph shows the existing condition.
13 Again, this is Ryan Road looking east. There is the low
14 density home sites on the north side and agriculture on
15 the south side. The bottom slide shows a simulation of
16 a double circuit 230 line, no 69 underbuild. These
17 poles are simulated to be 110 feet tall. And they would
18 be on the south side of the Ryan Road alignment all the
19 way to Signal Butte.

20 So as we continue east on the left-hand screen
21 to panel map SRP-32, you can see as soon as we cross
22 over Ellsworth to the east, once again it is agriculture
23 for the entire route on the south side all the way to
24 Signal Butte. And it is actually agriculture on the
25 north side for the entire route until you get to the

1 half mile from Crismon Road to Merrill Road, and that's
2 where the Vlachos nursery is located on the north side.
3 But we would be prepared to locate the line on the south
4 side there.

5 We have got another simulation at the
6 intersection of Merrill and Ryan Road. It is on the
7 right-hand screen, SRP-067. Once again the top
8 photograph shows the existing conditions. This is
9 actually a 12kV pole. We probably could have picked a
10 better position to take that photo from, but you can see
11 the Vlachos nursery on the right, on the north. And
12 then you can see the south side of the Ryan Road
13 alignment is clear as far as the eye can see.

14 The photograph on the bottom includes a
15 simulation of approximately 110-foot 230kV double
16 circuit poles on the south side of the alignment.

17 Going back to the left-hand screen, SRP-032, as
18 we continue east once again it is agriculture on both
19 sides of Ryan Road until we get to the intersection of
20 Signal Butte Road. Once we hit Signal Butte and
21 continue south, we had proposed to be on the east side
22 of Signal Butte.

23 The west side has a lot of agriculture, but
24 there are a couple homes near the intersection of Queen
25 Creek. Once you get south of Queen Creek, this is raw

1 desert, and then a distance away on the west is a dairy.
2 And then about a quarter mile south of that we do get
3 into some low and medium density residential.

4 So continuing south onto Exhibit SRP-037, as we
5 continue south, there is a planned area development --
6 actually roads and some utilities are already installed,
7 but no houses -- on the west side of Signal Butte. And
8 on the east side of Signal Butte it is currently
9 agriculture.

10 One of the folks that gave public comment,
11 Jackie Guthrie, was speaking about this parcel right
12 here. She proposed that if Signal Butte was the awarded
13 route that she preferred the line to be on the west side
14 of Signal Butte. We are proposing the east side.

15 We have got two simulations at the intersection
16 of Signal Butte and Ocotillo. The first one looks north
17 along the Signal Butte alignment from Ocotillo Road.
18 The top photograph shows Ocotillo Road running east to
19 west. The Signal Butte alignment goes off to the north.

20 The bottom photograph shows a simulation of
21 double circuit 230kV structures with no 69 underbuild on
22 the east side of the Signal Butte alignment heading
23 north. That's Exhibit SRP-068.

24 We have got another simulation taken from the
25 same area except looking south. It is Exhibit SRP-069.

1 And you can see the medium density residential on the
2 west side of Signal Butte in the top photograph, and the
3 bottom photograph shows a simulation of a double circle
4 230 line on the east side of Signal Butte Road. And as
5 you can see it is all agriculture. There is no existing
6 residents on the east side of Signal Butte Road.

7 Continuing on the left screen, SRP-037, that
8 point, again you can see the planned area development on
9 the west, agriculture on the east all the way to the
10 intersection of the railroad. Once we get to the
11 intersection of the railroad it is agriculture, and then
12 Queen Creek Wash until we continue southeast onto panel
13 map SRP-042. And this portion is the same as the
14 railroad route on into one of the potential substation
15 sites.

16 So to summarize that little tour, a transmission
17 line could be built on the south side of Ryan Road, then
18 on the east side of Signal Butte Road without impacting
19 a single existing residence.

20 Q. Thank you.

21 Mr. Novy, what is the approximate distance and
22 cost for this segment?

23 A. BY MR. NOVY: This is the second shortest
24 alternative in the north at 10.06 miles. The estimated
25 cost is \$21.6 million.

1 Q. Thank you.

2 Let's turn to the final alignment in the north
3 which is the Germann alignment. And I want to start
4 with you, Mr. Warner, and start with discussing the
5 current land use in the Germann alignment.

6 A. BY MR. WARNER: Let me again refer you to
7 Exhibit SRP-055 on the right-hand screen similar to
8 those that we have shown before for other alignments and
9 depicts the Germann alignment.

10 The northern portion of the Germann alignment is
11 common to the railroad, so I will begin where it departs
12 from the railroad at -- I can't read that node number.
13 In any case, it is the node that I can't read. And I am
14 pointing to it here; 43, I am told.

15 As the line goes to the east from the railroad
16 alignment, on the north side is agricultural land and on
17 the south there is a couple of industrial uses in that
18 location. Agricultural land dominates the north and
19 south portions of the line as it continues on until it
20 comes to the residential area.

21 Now, this is an area of scrutiny that we are
22 going to be talking about for a few minutes, because
23 this alignment is unique because both sides of the
24 right-of-way, or the potential right-of-way, the
25 corridor have residences, and then there is a commercial

1 development also located in this area. And Mr. Novy
2 will show you some details about that in a better
3 photograph. But there is developed residential on both
4 sides of the road.

5 And then after you get through that area, there
6 is a commercial development area on the north, and then
7 it is open agriculture for much of the area. There are
8 some industrial facilities located in front, off of
9 Germann, but for the most part, it is either open on one
10 side or the other.

11 When you get to -- and then in regards to the
12 Signal Butte alignment, we have talked about that.

13 Let me just touch on the Meridian alignment.
14 This alignment is located further west and has open
15 agricultural areas on both sides.

16 Q. Thank you.

17 Mr. Warner, please describe the planned future
18 uses around the Germann alignment.

19 A. BY MR. WARNER: I will use to describe this
20 alignment Exhibit SRP-052. Again beginning at Node 43,
21 you will see the depiction of purple color. Both in the
22 Town of Queen Creek on the south and Mesa on the north,
23 Germann is the boundary line between the two cities, but
24 they both have large portions of industrial planned
25 developments on the north end and on the south. Where

1 the existing residential development exists, it is
2 depicted here as yellow, which is residential.

3 As we go down Meridian, on the east side of
4 Meridian you will see the industrial zoning on much --
5 about half of the east side of Meridian. And on the
6 west side you will see industrial zoning, and then both
7 sides of the road, of the alignment, of Meridian, are
8 residential until you cross Queen Creek. And then there
9 is mixed development, mixed use development planned on
10 the east side of the Meridian alignment, and then some
11 industrial zoning and residential and commercial all
12 sort of tied into that, into that node.

13 The division between the county and the city is
14 on Meridian Road. So this is county jurisdiction on
15 this side. And it is city jurisdiction on that side, on
16 the west side.

17 Q. Okay. Mr. Warner, what are some of the existing
18 and planned recreational features along this alignment?

19 A. BY MR. WARNER: We mentioned the park, but the
20 park would not be affected by the Germann Road. And
21 that's really the only recreational feature of substance
22 in this area.

23 Q. Mr. Warner, please describe the biology,
24 cultural, historic, scenic, and environmental features
25 of the Germann alignment.

1 A. BY MR. WARNER: The biological sensitivities are
2 similar to that of Ryan, and they are very low.

3 In regards to the cultural resources, again,
4 they are quite similar to the Ryan alignment, which is
5 cultural resources are going to be found. The use of
6 the railroad, which is common to the railroad alignment,
7 and Ryan share the same sensitivity in regards to it is
8 a historic feature.

9 In regards to its scenic quality, you would
10 expect it to be very similar to what you would observe
11 in Ryan, which is that there aren't notable scenic
12 features in this area.

13 Q. Okay. Mr. Novy, let me turn to you. Can you
14 explain the public input on the Germann alignment.

15 A. BY MR. NOVY: Yes. This alignment is supported
16 by the Town of Queen Creek. The Town passed a
17 resolution in October 2008 in support of the Germann
18 alignment. This route is opposed by residents on both
19 sides of Germann Road. The Phoenix-Mesa Gateway Airport
20 has expressed serious concerns about this alternative.
21 The City of Mesa also opposes Germann.

22 Other jurisdictions not directly impacted have
23 been neutral or silent on this alternative.

24 Q. Mr. Novy, please proceed to go through the panel
25 maps and describe this alignment in more detail.

1 A. BY MR. NOVY: Okay. We are going to start on
2 the left-hand screen, Exhibit SRP-031. Once again we
3 have already described the railroad route from Moody to
4 this point. The Germann alternative would exit the
5 railroad at Germann Road, of course. And it continues
6 east. There is an industrial facility on the south side
7 immediately after the intersection.

8 Continuing east there is some amount of
9 agriculture on both sides and then another industrial
10 facility on the north until we get to the intersection
11 of Hawes Road. Beginning at Hawes Road, there is a
12 series of 16 five-acre lots adjacent to Germann Road on
13 the south side. A little further down Germann, there is
14 a series of ten one-acre lots on the north side. There
15 is 100 one-acre lots altogether and 64 five-acre lots
16 altogether on the south side.

17 We have got a couple simulations for this area.
18 The first one is taken just as we enter this area of
19 homes on both sides. It is on the right-hand screen,
20 Exhibit SRP-070.

21 The top photograph is the existing conditions.
22 Again you can see, you know, low density housing on both
23 sides of Germann Road in this area.

24 The bottom photograph shows a simulation of a
25 double circuit 230kV line in this area. And we are

1 going to talk in a little more detail, but you can see
2 this line is coming over the tops of some of these
3 structures that are located on the north side.

4 And then there is enough congestion on the north
5 side after this that a particular rough design we have
6 done crosses over to the south side for three spans
7 until we run into more obstacles on the south side, and
8 then the simulation shows it crossing back over to the
9 north and continuing north for some time. The poles in
10 the simulation are also noticeably shorter than the
11 poles in the previous simulations.

12 So continuing east on Germann, when we get past
13 these existing homes on the north side we have another
14 simulation looking back to the west. That's the
15 right-hand screen, Exhibit SRP-071.

16 Again, the top is a photograph of the existing
17 conditions. There is low density residential on the
18 south. And the low density residential on the north
19 begins in the background of this photo. And in the
20 foreground is a new restaurant. And it is also, as you
21 can see it says south gate, a gateway type of entrance
22 to an industrial commercial facility on the north side
23 of Germann.

24 The photograph on the bottom again shows a
25 simulation of what a double circuit 230kV line would

1 look like in this area. And this is a point where in
2 the design that initial -- preliminary potential design
3 we are going to show, it shows crossing from the north
4 to the south in this area to avoid these structures.

5 So back to the left-hand screen, continue on
6 Exhibit SRP-031. Once we get past that commercial
7 industrial area on the north there is agriculture until
8 we get to Ellsworth Road. And here we would continue
9 east on Ellsworth Road. However, Ellsworth Road is a
10 point on the map where we would have to have the
11 shortest pole.

12 Q. I know you are going to get to this, Mr. Novy,
13 but why do you say the shortest pole? Because of the
14 airport?

15 A. BY MR. NOVY: Yes.

16 Q. Please.

17 A. BY MR. NOVY: Our aviation expert will go into
18 much more detail in his testimony, but I can confirm
19 there would be an impact on the number of poles and pole
20 heights in this area, some as low as 75 to 80 feet, due
21 to the airport's one engine inoperative, or OEI,
22 procedure.

23 So continuing on from this point just east of
24 Ellsworth Road we encounter three nurseries, a few
25 residences, and a TRW industrial facility. The first

1 thing we get to is a nursery on the north side of
2 Germann, agriculture on the south. Then at the
3 intersection of Crismon Road we encounter the Vlachos
4 nursery on the south, but we have agriculture on the
5 north until we get to the intersection of Merrill Road
6 where there is a residence. From Merrill Road to Signal
7 Butte, the south side is agriculture, but the north side
8 has another nursery.

9 Continuing east on Germann Road, as this
10 alternative does, we are clear on the south side with
11 agriculture. The north side we get into the TRW
12 industrial facility.

13 Continuing east onto Exhibit SRP-033, again the
14 last mile, last mile has agriculture on the south side
15 of Germann and the TRW facility and raw desert on the
16 north side. Once we get into the intersection of
17 Germann Road, the west side has agriculture for about a
18 mile and a half. The east side, this is a dairy.

19 Q. Mr. Novy, you are referring to Meridian Road. I
20 think you said Germann Road.

21 A. BY MR. NOVY: I did, I am sorry. Germann Road
22 intersects Meridian and then the alignment turns south.
23 And then there is agriculture for a mile and a half on
24 the west side of Meridian. There is a dairy on the east
25 side of Meridian and then agriculture or raw desert.

1 Continuing south along Meridian, to
2 Exhibit SRP-038, again this option is fairly clear on
3 both sides until we approach Ocotillo Road. At Ocotillo
4 Road, there is several small businesses on the east side
5 of the alignment but it is clear agriculture on the west
6 side.

7 We have got two simulations in this area. On
8 the right-hand screen you can see this is a view
9 looking, it is Exhibit SRP-072, the top photograph shows
10 existing conditions of the Meridian Road alignment
11 heading north with the businesses on the east side and
12 agriculture on the west. There is an existing 69kV line
13 and 12kV line on the west side of Meridian there. The
14 bottom photograph shows a simulation of a double circuit
15 kV pole with that 69kV underbuild. The 12kV in the area
16 would remain until the road was widened.

17 Q. Go ahead.

18 A. BY MR. NOVY: We have another simulation taken
19 essentially from the same point but looking south.
20 Again this is the intersection of Meridian Road and
21 Ocotillo Road looking south along Meridian. This area
22 for the first quarter mile or less has low density
23 residential on both sides of Meridian.

24 Top photograph also shows existing 12kV circuit.
25 Bottom photograph shows potential or simulation of a

1 double circuit 230 line with 69 underbuild. We just
2 happen to be showing it on the west inside of the
3 alignment. But again, there is low density residential
4 on both sides for a short stretch, and then a brand new
5 church was also built on the west side in this area.

6 Q. Mr. Novy, while we are at Meridian, there is
7 obviously north-south options of Meridian and Signal
8 butte. Can you discuss the public reaction to one
9 versus the other? In other words, what was the public
10 reaction to Signal Butte versus Meridian?

11 A. BY MR. NOVY: It was little opinion from the
12 public, but there was opinions from developers in the
13 area. A group of developers actually own property that
14 spanned Signal Butte to Meridian Road, and even some of
15 the holdings go a little bit to the east of Meridian
16 Road. So those developers are supporting the Signal
17 Butte alignment over the Meridian Road alignment for
18 those reasons.

19 Q. And what about Pinal County, did it express a
20 view on Signal Butte versus Meridian?

21 A. BY MR. NOVY: Yes. They cited a study that was
22 being done as far as making Meridian a major arterial,
23 and Pinal County supports Signal Butte Road over
24 Meridian Road.

25 Q. Thank you.

1 Mr. Novy, let me go back to Germann Road. And
2 you talked a little bit about road crossings. And first
3 let me ask you, what happens when you have a road
4 crossing? Can you use a standard pole or do you have to
5 use something different?

6 A. BY MR. NOVY: When we have a road crossing,
7 several things happen. First, obviously, we can't go in
8 a straight line; we have to cross at an angle. The
9 bigger angle we cross at, the closer the poles are. So
10 we try and stretch that angle out as slight as we can.

11 But any angled structure, that has a
12 significantly higher cost than a tangent structure. It
13 has a bigger diameter shaft and it is heavier steel.
14 Also the arms are typically longer and heavier. And
15 depending on the angle of the crossing, you may have to
16 double up on the insulators to support the angle of the
17 conductor.

18 During construction, there is several factors.
19 When you are doing a tangent line on one side of a road
20 or another, we could typically construct the line
21 without impacting traffic. When you have road
22 crossings, it is very likely that we could have to, you
23 know, barricade one lane of the roadway at a time to do
24 the crossings.

25 Also, when you are pulling conductor through

1 several towers, if you have a tangent run, you can
2 string up to two miles of conductor all in one pole
3 because it is all in a straight line. When you have
4 angles, you can only pull through a cumulative total of
5 about 90 degrees. A typical road crossing might cross a
6 road on an angle of about 30 degrees. So as soon as you
7 have three of those structures in a pole, that's the
8 longest you can make that pole. So you have more
9 set-ups, more construction costs.

10 Another thing you have to do is any time you
11 cross a roadway, the contractor has to set up temporary
12 barricades. So in the unlikely event that the conductor
13 would drop to the ground during construction, it would
14 be supported on both sides of the road by these
15 temporary structures.

16 So there is several factors that make it more
17 complicated, more unsightly, and much higher cost.

18 Q. Mr. Novy, using Exhibits SRP-75 through SRP-83,
19 can you talk about a likely design along Germann Road
20 and talk about what road crossings would occur.

21 A. BY MR. NOVY: Yes. On the left-hand screen we
22 are going to show a series of exhibits. They are going
23 to be labeled SRP-075 through SRP-083, and this is going
24 to show one possible design that we came up with to try
25 and avoid the existing facilities on Germann.

1 Now, I would caution that we have not done the
2 type of detailed engineering to determine the exact line
3 location in this area, but we did some preliminary work
4 so we could give members of the Committee a good idea of
5 what would be necessary to construct a line along
6 Germann.

7 So this hypothetical design begins, once again,
8 at the railroad and Sossaman Road where Germann exits to
9 the east. This design proposes for us to be on the
10 north side immediately as we leave the railroad to avoid
11 the industrial facility on the south.

12 As soon as we pass that, continuing on to
13 Exhibit SRP-076, we are proposing to cross over to the
14 south side where we would remain all the way until we
15 pass by the second industrial facility on the north
16 side.

17 Continuing east on Exhibit SRP-077, this is
18 where we get into the area where there is existing homes
19 on both sides of Germann Road. There is absolutely no
20 way for us to avoid being in several front or backyards
21 in this stretch of Germann Road. So this design
22 proposes crossing back over to the right side, to the
23 north side right before we encounter the homes on the
24 south side of Germann at Hawes.

25 And again, this particular design shows us

1 continuing through these eight backyards on the north
2 side of Germann Road until a point right before this
3 large, large garage shed type structure. At that point
4 we cross to the south side and move east to Exhibit
5 SRP-078. And that move was to avoid mainly this
6 restaurant, which comes up almost all the way to the
7 existing road right-of-way dedication.

8 This structure looks like it is right in the
9 middle of somebody's front yard. This aerial is a
10 little bit dated. And this was a mobile home and it is,
11 right now it is an empty lot. The structures have been
12 taken away.

13 So as soon as we avoid this facility on the
14 north, we cross back over to the north to avoid the rest
15 of the homes on the south side of Germann. At that
16 point, we are able to stay on the north side of Germann
17 a distance east of Ellsworth, continuing on to Exhibit
18 SRP-079 until, you know, this design shows us crossing
19 back to the south when we encounter this nursery to the
20 north side. It is just not the nursery, but then the
21 next slide you will see that there is also a couple
22 residences right there on the east side of the nursery
23 itself.

24 From this point, you know, we didn't want to go
25 too crazy with crossings and make it too unbelievable or

1 too unsightly, really, with all the crossings. So this
2 design shows it continuing right across the northern
3 portion of the Vlachos nursery until we continue east to
4 Exhibit SRP-081. And there we stay on the south side
5 all the way beyond Signal Butte onto Exhibit SRP-080.
6 And again we continue on the south side.

7 I think you went backwards. From 81 we go to
8 SRP-082. Stay on the south side, where the TRW facility
9 is on the north, but we have clear agriculture on the
10 south and we stay on the south side all the way to
11 Meridian Road.

12 Q. Mr. Novy, how many crossings is that in your
13 hypothetical design in total along Germann Road?

14 A. BY MR. NOVY: This particular design has five
15 road crossings.

16 Q. Thank you, Mr. Novy.

17 What is the approximate distance and cost for
18 the Germann Road alignment?

19 A. BY MR. NOVY: This is the longest alternative on
20 the northern section at 11 miles even. The estimated
21 cost of this route is \$25 million. This alignment has a
22 low overall house count, but the impact to these homes
23 is the most substantial.

24 Q. Okay. Before we move to the south alignments,
25 let's talk about the substation sites. And we will

1 start with you, Mr. Warner. Please describe the current
2 land use for the areas where the alternative substations
3 are depicted.

4 A. BY MR. WARNER: Let me direct your attention to
5 SRP-042, which is one of the panel maps that you have
6 already seen. The area depicted in that detailed map or
7 that detailed aerial photograph in pink are the areas
8 where the substation sites are proposed.

9 The area you can see has several types of
10 development that exist. You see on the northern portion
11 of this east of the railroad right-of-way that there is
12 some agricultural lands. And then there is an area of
13 disturbance on that very northern boundary. This is an
14 area where clean fill is being pummeled and distributed
15 throughout this area, so they are collecting concrete
16 and material and then laying it down by raising the
17 elevation of that area and processing material.

18 This is an agriculture area right now. Down
19 here is an operation for an olive mill. It is a
20 commercial operation. South of Combs Road is a
21 residential development that was platted and the
22 infrastructure was laid out. You can see the scratching
23 on the aerial photography that depicts where the roads
24 were cut in. This area just outside of the substation
25 area is the new Banner Hospital that is being developed.

1 And it fronts on Gantzel and is on the corner of Gantzel
2 and Combs Road on the south side.

3 Other noticeable features in the area on the
4 east side -- or on the west side of the Union Pacific
5 Railroad or Schnepf Farm is over here. And this is the
6 intersection of Meridian Road, and I will mention --
7 talk about that when we talk about planned uses in a
8 moment.

9 Q. Thank you.

10 Well, let's talk about that. What are the
11 future and planned uses around the substation sites?

12 A. BY MR. WARNER: On the left-hand screen again is
13 the exhibit you have seen before, SRP-052. And it shows
14 the aggregate planned land uses in this area. That
15 northern portion, and I am going to point you to this,
16 where the pattern is hatched where the substation is,
17 where the substation sites were planned, that northern
18 portion, it abuts Queen Creek. The actual creek is -- I
19 am pointing to the exhibit on your right, Exhibit
20 SRP-042 -- is that northern portion right here. So
21 that's the industrial area. This area right here, you
22 can see there is a little residential area that's also
23 part of the planned land use in here.

24 You can see the red areas depicted in 052, a big
25 parcel located to the west of the railroad. That's that

1 regional commercial development that's being planned.
2 And then if you look over on 042 you see that that's,
3 that's across the railroad in open agricultural area.

4 Let me see if I have missed something I wanted
5 to talk about. Oh, in regards to the roads, Meridian
6 has already been identified as one of these areas where
7 you have a major crossing.

8 You have heard us speak to the separation on
9 Ellsworth that was developed at some expense by the Town
10 of Queen Creek. Getting over railroads is also a
11 difficult thing if you have got a community that's built
12 on one side or the other. And in this area, this is
13 planned as a major crossing. And so they intend to have
14 a separated grade in this location. And right now I
15 think the plans are to raise the crossing rather than to
16 go under the railroad. So this would be an elevated
17 crossing at this location.

18 Q. Let me just interrupt you for a second, go to
19 Mr. Novy.

20 Mr. Novy, you don't have any problem of leaving
21 room for the future planned elevated crossings that may
22 exist over the railroads at that point?

23 A. BY MR. NOVY: No. We have previous experience
24 dealing with raised and lowered intersections, and we
25 don't feel like it would be to much of an engineering

1 challenge to design around that location.

2 Q. Mr. Warner, let me go back to you. Are there
3 any recreational uses in the area?

4 A. BY MR. WARNER: No.

5 Q. What are the biological, cultural, historic,
6 scenic, and environmental features of the substation
7 sites?

8 A. BY MR. WARNER: Because it is not affecting
9 Queen Creek, there is a riparian zone in Queen Creek,
10 but none of the sites are affecting Queen Creek. There
11 aren't biological concerns.

12 The cultural resource concerns are similar to
13 those of the area where you might encounter them, but
14 surface artifacts are going to be hard to see.

15 And then in regards to scenic issues, there
16 aren't any at this location.

17 Q. Okay. Mr. Novy, please proceed and give a tour
18 of the substation sites.

19 A. BY MR. NOVY: Okay. We are going to be using
20 Exhibit SRP-042 on the right-hand screen. To begin
21 with, I would like to talk about the process we used to
22 locate the potential substation sites.

23 SRP land department sent letters to, at the
24 least, 17 property owners in the general area of
25 Node 27 -- which is the intersection of Meridian Road

1 and Combs Road, which is approximately the center of the
2 area to be served -- to see if we could find a willing
3 seller. Initially we received only one response;
4 subsequently we were contacted by two additional
5 parties.

6 We are currently only looking at the shaded
7 areas to the northwest and to the east of this
8 intersection. The current owner of the shaded area to
9 the south of Combs Road is Maracay Homes. We have met
10 with them and they have stated that they are not
11 interested in selling 25 acres of that property for the
12 substation site. We are no longer pursuing this site.
13 SRP currently has an option to purchase a 34-acre site
14 approximately one half mile north of the intersection.

15 Q. Can you show where that is with the pointer? I
16 can't see the pointer.

17 A. BY MR. NOVY: This is the intersection of
18 Meridian at Combs. And it is 2200 feet to the very
19 bottom of this greener agriculture area. The site we
20 are looking at, actually it is not rectangle, it is kind
21 of an odd shape, but it is this darker green area, about
22 half a mile north of the intersection.

23 Q. And please proceed.

24 A. BY MR. NOVY: This site can be accessed by the
25 transmission line from either the railroad or Meridian

1 Road.

2 The other site we are considering is the east 25
3 acres of a 40-acre parcel on the northeast corner of the
4 intersection of Meridian and Combs Road. So that's this
5 property. This shaded area is actually -- it is even
6 bigger than 40 acres, but the 40-acre parcel is a
7 rectangle in this area.

8 We are only looking at 25 acres of the 40 acres
9 on the east side. So we would have -- there would be
10 495 feet from the edge of the property we are
11 considering to that intersection. This site would also
12 work well with the Ryan, Germann, and railroad
13 alternatives. And actually, that site I just pointed
14 out is also more accessible from the Ocotillo
15 alternative. All the southern alignments are convenient
16 to any of the alternative substation sites.

17 Q. Mr. Novy, what is the public and other
18 jurisdictional input on the various substation options?

19 A. BY MR. NOVY: The only public and developer
20 input has been in opposition to the site south of Combs
21 Road, and that's the Maracay Homes. There has been no
22 opposition to the two other sites north of Combs Road.
23 Just recently the Town of Queen Creek expressed a slight
24 preference for the northern site.

25 Q. Mr. Novy, during the process has anybody

1 suggested that none of these sites are good?

2 A. BY MR. NOVY: No.

3 Q. Mr. Novy, what is the approximate cost of the
4 230/69 substation?

5 A. BY MR. NOVY: The initial cost of the
6 substation, including the land cost, is about 21 and a
7 half million dollars.

8 Q. Thank you.

9 Now I would like to move to the south
10 alignments, and I will basically just focus on the
11 railroad alignment. Mr. Warner, start with you. Talk
12 about the current land use for the south railroad
13 alignment.

14 A. BY MR. WARNER: Exhibit SRP-056 is similar to
15 the other exhibits that you have seen which details the
16 alignment. And you can see the railroad alignment
17 depicted in orange on that exhibit. The alignment
18 departs from Node 27, which is in the intersection of
19 Combs Road and Meridian, and then continues south. You
20 will notice that areas are open mostly on both sides of
21 the alignment with either agriculture, which in some
22 cases you can see the irrigation on the aerial
23 photograph, and in some cases raw desert.

24 I am going to point you to the Exhibit SRP-137.
25 Some of the reasons that there is raw desert out there,

1 you are going to see a pattern on that exhibit that
2 depicts the state lands. This is an area, this lower
3 portion is an area of the study area that has state
4 lands in it, and they are depicted in a shaded pattern.
5 And you can see that the railroad alignment in the south
6 crosses through several of these parcels as it follows
7 the railroad south.

8 Once it reaches the bottom and turns back to the
9 east, it follows another railroad alignment. And there
10 is agriculture on both sides. And you can see the Magma
11 Railroad alignment coming up to the Moody substation.

12 Q. Mr. Warner, can you describe future planned land
13 uses in the area.

14 A. BY MR. WARNER: This area -- this is a map
15 similar to the one that depicted just the northern area.
16 It is an aggregate map. It is criteria for developing
17 the categories. It is identical to the one we used in
18 the north, and it is SRP-057. And it is a planned use
19 compilation south, and depicts the southern alignment.

20 The railroad alignment departing at Node 27, you
21 can see the red area that shows the commercial
22 development planned on the south side of the railroad.
23 You can see the Maracay property that was pointed out in
24 Mr. Novy's testimony a moment ago. And that's a
25 residential area.

1 The commercial development that's a little bit
2 further east that contains the hospital is depicted as
3 red here, but following the railroad alignment. Both
4 sides are depicted as a mixed use.

5 Mixed use, the county uses that term to describe
6 urban development, which allows activity, uses that are
7 associated with community development. So residential
8 would be allowed and commercial development, industrial
9 would all be allowed within that use type.

10 Let me point out just one other thing, because
11 we are changing jurisdictions here. The jurisdiction
12 changes where you have got -- this is primarily all in
13 the town, or I mean in Pinal County's jurisdiction. It
14 is in the area of influence both for Queen Creek on the
15 north and Florence on the south.

16 Q. Mr. Warner, any recreational uses along here?

17 A. BY MR. WARNER: You will notice there isn't any
18 green along this alignment and so there are none.

19 Q. Dove hunting?

20 A. BY MR. WARNER: Yes, there is dove hunting.
21 Yes, you are right. Yes, these areas are used for
22 hunters during dove season.

23 Q. What about the biological, cultural, historic,
24 scenic, and environmental aspects?

25 A. BY MR. WARNER: There are doves out there.

1 Also, there aren't significant concerns about biological
2 features there. It is agricultural land.

3 The cultural resources are the same as what I
4 have talked about in other alternatives. There is
5 concerns for those, especially buried undiscovered
6 things.

7 In regards to the scenic areas, this is
8 agricultural land. It doesn't happen to have the same
9 kind of scenic sensitivities that you would find in
10 areas that are closer to the Santan Mountains.

11 Q. And Mr. Novy, let me turn to you. Can you
12 describe the public input on the south railroad
13 alignment.

14 A. BY MR. NOVY: Yes. The public supports this
15 route almost exclusively. This portion of the railroad
16 is in Pinal County and crosses some state land. State
17 Land Department did not express opposition to the
18 alignment.

19 Pinal County staff has expressed a preference
20 for the railroad alignment south of the substation
21 sites, and specifically indicated that the new
22 transmission line right-of-way alignment along the
23 railroad would help to provide a separation or buffer
24 between the railroad operations and future residential
25 development. Florence supported this alignment over the

1 Combs and Skyline alignments also.

2 Q. Mr. Novy, go through kind of quickly the aerial
3 photography on this alignment.

4 A. BY MR. NOVY: Okay. On the left-hand screen we
5 are going to begin with panel map 042 which shows the
6 potential substation sites.

7 In discussions with Maracay Homes, we have told
8 them that we plan to put the line on -- we would cross
9 over the railroad immediately after the intersection and
10 proceed on the south side of the tracks until we got
11 past their planned area of development. Then shortly
12 after we pass by their development, we would cross back
13 over to the north side of the tracks and stay on the
14 north side of the tracks all the way to the intersection
15 of Magma Railroad.

16 Continuing on to the next panel map, SRP-044,
17 again the north side of the railroad is either
18 agriculture or raw desert for the entire length.

19 As we continue to Exhibit SRP-045, it just shows
20 a short portion of the line again. It goes through raw
21 desert or agriculture, continues southeast on the panel
22 map SRP-047, and you can see agriculture almost
23 exclusively on both sides, except for a medium to high
24 density residential development on the south side of the
25 tracks south of Bella Vista Road. And also a new high

1 school was constructed on Gantzel Road, which is well
2 south of the tracks.

3 So we continue southeast on the exhibit SRP-049.
4 Again, we have agriculture on the north side. But we do
5 have some medium and high density planned area
6 developments on the south side.

7 Continuing southeast on to panel map 050, the
8 railroad alignment again goes through another stretch of
9 agriculture on both sides until we get into the
10 intersection of Magma Railroad. Once we get to the
11 Magma Railroad, we would propose constructing the line
12 on the north side of the Magma Railroad tracks as we go
13 into the Abel substation site. That's due to an
14 existing SRP easement for a 500/230kV line on the south
15 side of the tracks in that vicinity.

16 Q. Mr. Novy, what is the approximate distance and
17 cost of this alignment?

18 A. BY MR. NOVY: This is the shortest alternative
19 in the south at 9.61 miles. The estimated cost of this
20 segment is \$17.2 million.

21 There were simulations along the railroad; I
22 don't know if anybody cares to see those.

23 Q. Go ahead and show them.

24 A. BY MR. NOVY: First of all point to the
25 left-hand screen, SRP-137, to show you these were taken

1 on panel map SRP-44 just north of Gantzel Road. So this
2 is, the top photograph on Exhibit SRP-085 shows a view
3 of Gantzel Road looking southeast. Railroad tracks are
4 to the east of Gantzel Road.

5 The bottom photograph shows a simulation of a
6 double circuit 230 line with -- this has one circuit of
7 69 underbuild, and simulated to be on the north or east
8 side of the railroad tracks in this area. These other
9 poles are 12kV poles.

10 Another simulation taken from essentially that
11 same point just looking north on Gantzel Road. So the
12 top photograph is existing conditions. You can see the
13 Western Area Power Administration existing 230kV line on
14 lattice towers in the background. Bottom photograph
15 shows a simulation of the 230 line with 69 underbuild on
16 the north or east side of the tracks in this area.

17 That's the end of the railroad tour.

18 Q. Okay. Mr. Warner, let's go real quickly, kind
19 of do Combs and Skyline together and discuss the
20 existing land uses on those two.

21 A. BY MR. WARNER: Okay. Beginning at Node 27 and
22 on your right-hand screen you will see Exhibit SRP-058.
23 Again, it is similar, depicting the Combs alignment and
24 the Skyline alignment as dark blue and light blue,
25 respectively.

1 Beginning at Node 27, the alignment departs from
2 that node and continues down Combs to the east. There
3 is some residential development that occurs on the south
4 side of that alignment, and then you will also note that
5 the Banner Hospital is located along that alignment.

6 Mr. Novy will detail some of the particulars of
7 what you can see along the road, but what you will see
8 is a lot of agricultural, and then some developments
9 that exist along these alignments and in pockets and
10 that come up to the alignment, but they are usually open
11 on one side of the road or the other to allow moving the
12 line to one side or the other.

13 The difference between these two alignments
14 principally is that some of the concerns about going
15 adjacent to the hospital and some of these developments
16 are not a problem for the Skyline alternative, because
17 it uses the railroad alignment in this area and then
18 bypasses that. But both alignments will hit some of
19 these developments you will see in a minute down here,
20 or bypass them I should say.

21 I think that's it.

22 Q. Okay. Talk about the future land uses, please.
23 About the same as the other one?

24 A. BY MR. WARNER: Yes, very similar. Again, this
25 crosses over to an area called transitional, which we

1 have aggregated again into this mixed use, but very
2 similar. There is residential developments that you can
3 see popping up along the alignment, and some of them are
4 under development or developed.

5 Q. And recreational, biological, cultural,
6 historic, scenic, environmental about the same?

7 A. BY MR. WARNER: Very similar. You will see a
8 very large green parcel here. This is adjacent to the
9 CAP canal on the other side, but its use is
10 undetermined. It is just a parcel right now and they
11 haven't determined how they are going to use that
12 recreation area.

13 Q. Mr. Novy, what was the public input on Combs and
14 Skyline?

15 A. BY MR. NOVY: Neither of these two were
16 supported by the public. Both of these alternatives
17 were originally identified by Pinal County and Florence
18 staff as alternatives for further study as part of the
19 jurisdictional working group.

20 The Combs alignment is opposed by Maracay Homes;
21 Encanterra, a representative from and Encanterra talked
22 in opposition to this route earlier; and Banner
23 Hospital. The Skyline alignment is opposed by a
24 developer of a property at Bella Vista Road and Quail
25 Run Road. And that's located near the substation site

1 just north of the intersection of Judd.

2 Q. Mr. Novy, what are the approximate costs and
3 distances of these alternatives?

4 A. BY MR. NOVY: One thing I would like to point
5 out on this route is that this alternative has a very
6 high house count. Most of it is low or medium density,
7 although there is some high density, but the residences
8 exist on either one side or the other of the
9 alternative. There are very few areas where there is
10 residences on both sides, but there is a fairly high
11 house count. But most of them are at a distance 250
12 feet or greater from the alignment.

13 The distance for the Combs alignment is 11.24
14 miles, and cost is estimated at \$21 million. The
15 Skyline alternative is a little shorter, 10.14 miles
16 with a cost of \$18.7 million.

17 Q. Thank you.

18 CHMN. FOREMAN: Counsel.

19 MR. SUNDLOF: Yes.

20 CHMN. FOREMAN: I would like to take a
21 ten-minute recess here for our court reporter, allow the
22 blood to resume circulation to her fingertips. We will
23 resume at 4:30.

24 MR. SUNDLOF: Thank you, Your Honor.

25 (A recess ensued from 4:20 p.m. to 4:31 p.m.)

1 CHMN. FOREMAN: Counsel.

2 MR. SUNDLOF: Thank you, Your Honor.

3 CHMN. FOREMAN: Let's see if we can wrap things
4 up here in the next 15 minutes or so. We need to do
5 some discussing about the tour schedule for tomorrow
6 before we end the day.

7 MR. SUNDLOF: We are through the hard part.

8 BY MR. SUNDLOF:

9 Q. Mr. Novy, in the application, SRP is seeking a
10 nominal 500-foot corridor on most of the alignments and
11 a thousand foot on the railroad alignment. Can you
12 explain why you have chosen those corridor widths and
13 what that means?

14 A. BY MR. NOVY: Yes. Let me begin by saying that
15 the actual right-of-way required for this project will
16 only be about 100 feet. We are seeking corridor widths
17 of a thousand feet along the railroad and 500 feet in
18 all the other areas.

19 When you account for facilities within these
20 corridors such as gas pipeline, the railroad, irrigation
21 canals, and flood control facilities, there is actually
22 not that much space available. For example, if we look
23 at one side of a typical road right-of-way, they range
24 anywhere from 33 feet to 75 feet, leaving SRP about 175
25 feet for which to place our 100-foot easement.

1 So everywhere except the railroad, you know, we
2 are looking at only about 175 feet in which to put the
3 100 foot right-of-way, the easement. The corridor
4 widths we are seeking would give SRP the flexibility to
5 find the right location for the line.

6 CHMN. FOREMAN: Let me break in just to make
7 sure I understand the situation here. As I understand
8 it, the corridor width requests are centered on the
9 centerline of the railroad or the road along which the
10 route is requested, is that correct?

11 MR. NOVY: Yes. We refer to the centerline of
12 the linear feature, which is the railroad or section
13 line.

14 BY MR. SUNDLOF:

15 Q. And Mr. Novy, why do you want this flexibility
16 instead of just specifying 100 feet?

17 A. BY MR. NOVY: Our experience in building these
18 types of projects has taught us when we get into the
19 field to do detailed design and engineering necessary to
20 construct the line that we encounter a variety of
21 conditions that require us to shift the line within a
22 corridor. For example, cultural sites, engineering
23 conditions, differing widths of roadways all could
24 require to shift the alignment.

25 The corridor width also gives us the flexibility

1 to work with property owners to find a location that is
2 appropriate.

3 Finally, as we have seen time after time,
4 conditions change. Houses get built within corridors.
5 Municipalities change their plans for road alignments or
6 widths. These corridors give us the flexibility to
7 accommodate those changes.

8 Q. Okay. Mr. Novy, let me go to Exhibit SRP-87.
9 And I would like you to use that exhibit and just kind
10 of give us a quick comparison of the various route
11 alignments that are presented in this application,
12 summarizing basically what you and Mr. Warner testified
13 about.

14 A. BY MR. NOVY: Okay, I will try to do it quick.
15 There is a lot of information. The first three columns
16 is information that you already heard during the
17 presentation. It gives the name of each route
18 alignment, the mileage the second column, and the cost
19 in the third column. The fourth column says cost
20 factors. So some of the routes are high cost, some are
21 low cost, and these are factors that led to it being
22 either high or low. And then the last column is what we
23 call other factors, pros and cons of each of the route
24 alignments.

25 So beginning with the Ocotillo route, it is

1 fairly long. It is high cost. Things that lead to the
2 high cost, besides the length, are there is many angles
3 in that alternative. There are several large angles as
4 well as many smaller angles through the wash.

5 Some of the pros of this alignment are that it
6 follows strong linear features such as the canal, the
7 wash, existing 69kV lines. It does have some long
8 tangent lines especially along Riggs Road.

9 The cons, once again, are the high number of
10 residences and the high number of angle structures.

11 The second alignment, the north railroad, is the
12 shortest at 8.44 miles, \$18.7 million. Some of the
13 things that lead to a little bit higher cost per mile on
14 the railroad are some of the engineering challenges that
15 may occur along the way, and also the handful of planned
16 area developments along the north side of the railroad
17 in some areas would tend to drive the right-of-way
18 acquisition costs up.

19 Some of the pros of this route is that it is
20 short, it has long tangent runs, very few angles as
21 existing and potential 69kV along it. There is a very
22 low residential count up to at least 250 feet either
23 side; when you get beyond the 250 feet, then you have a
24 fairly high house count.

25 The biggest con for this route is the resolution

1 by Queen Creek, in addition to homeowner petitions and
2 letters that also oppose it. Again, mentioning the
3 engineering challenges and the high number of residents
4 once you get to the quarter mile and out range.

5 The third alternative is Germann Road. It is
6 the longest one on the north at 11 miles. It is also
7 fairly high cost at \$25 million. The factors that lead
8 to that is, besides the length, it has several short
9 spans in the area of the homes. It says many road
10 crossings. We don't know exactly how many road
11 crossings, but there will be road crossings and those
12 also have several angles associated with them.

13 Some of the pros associated with this route
14 alternative is it has -- actually this says four. Since
15 then I have updated. There are six miles of existing
16 69kV that could be collocated. And once again, there
17 are a small number of homes; there is just a large
18 impact to those homes.

19 Some of the cons are the potential impacts on
20 the airport, high impact to the few homes that are
21 there. We would have short spans, many angles, several
22 road crossings. And those also cause negative
23 aesthetics concerns.

24 The fourth alternative to the north is Ryan
25 Road, 10.06 miles, \$21.6 million. There are no unusual

1 factors that add to the cost of this route. The big pro
2 for this route is that there is no residential on the
3 south side of Ryan and there is no residential on the
4 east side of Signal Butte Road. It goes through
5 existing agriculture and planned industrial and
6 agriculture. So we haven't identified any negative
7 features associated with this alternative.

8 Q. Mr. Novy, is that the reason you have chosen
9 Ryan as the preferred alternative?

10 A. BY MR. NOVY: Yes.

11 Q. Mr. Novy, please proceed to the alternatives in
12 the south.

13 A. BY MR. NOVY: Okay. In the south the railroad
14 route is the shortest, 9.61 miles, \$17.2 million.
15 Again, there are no factors that influenced additional
16 costs in this route alternative.

17 The pros, it is the shortest distance, long
18 tangent runs, existing and potential future 69kV, and no
19 residential existing on the east side of the railroad.
20 Most of the area is currently agricultural or
21 undeveloped. And we have found no negative features
22 associated with this alternative.

23 The Combs and Skyline alternatives, again, we
24 just went through the length and the cost. They both
25 have similar cost factors. They have several large

1 angles. Other factors that lead to increased costs is
2 the existing 69. Both of those routes follow existing
3 69kV lines almost the entire length. This is a pro when
4 you are looking at it aesthetically, where you could
5 collocate the 69 with the 230. However, it is a
6 negative factor because of the additional cost that it
7 adds.

8 Much of both of these routes goes through raw
9 desert or agriculture. However, there are several low
10 and medium density residences on one side or the other.

11 Q. And Mr. Novy, your preferred alignment is the
12 south railroad alignment?

13 A. BY MR. NOVY: Yes. And I do have a summary I
14 would like to read that summarizes this table and my
15 entire testimony.

16 Q. All right.

17 A. BY MR. NOVY: To summarize this table, all of
18 the routes in the application are based on line segments
19 that follow prominent linear features identified at the
20 beginning of the project. Examples are existing
21 electric facilities, major roadways, section and half
22 section lines, canals, washes, and railroads.

23 We have listed and talked about existing
24 features along each route that could have an impact on
25 the public, such as proximity to existing residential

1 areas. We also address criteria associated with other
2 existing facilities such as the airport, commercial and
3 industrial facilities.

4 Other factors that contributed to our selection
5 of a preferred alternative were cost, constructibility,
6 and aesthetics of the proposed line.

7 Using all these criteria, plus balancing the
8 input from towns, cities, counties, the public,
9 developers, and other stakeholders, we firmly believe
10 that the Ryan and the south railroad alternatives are
11 the best routes for this line. This is true for the
12 specific routes and in comparison to the other
13 alternatives in the application.

14 The Ryan to south railroad is one of the
15 shortest alternatives, is one of the least expensive
16 alternatives. It has the least impact on existing
17 residential. It has no impact on the airport. It
18 accommodates access to all the potential substation
19 sites. It has received minimal opposition.

20 For these reasons we urge the Committee to
21 accept the preferred alignment of Ryan and the south
22 railroad alternatives.

23 Q. Thank you.

24 Mr. Novy, a question has come up from the
25 Committee, and the question is, if you can answer it:

1 You showed a number of panel maps which were aerial
2 photography; can you give us an approximate date of
3 those maps, in other words, when the aerial pictures
4 were taken?

5 A. BY MR. NOVY: Yes. A flight was taken over that
6 area in the April, May 2008 time frame.

7 MR. SUNDLOF: Thank you.

8 I have no further questions for these witnesses,
9 and at this time I would like to offer into evidence
10 Exhibit 24 through 87 and Exhibit 134. And I will note
11 that Exhibit Nos. 074 and 084 actually are blank
12 numbers. So I will exclude those. But other than those
13 two, I am offering 24 through 87 and 134 into evidence.

14 CHMN. FOREMAN: Are there any objections?

15 MR. SULLIVAN: Your Honor, Mr. Chairman, if they
16 could also identify the time frame when the existing
17 pictures were taken for the simulations that they did.
18 And I believe those are Exhibits 059 through 073.
19 Again, I don't need exact dates for them, but a range,
20 because they say it is existing conditions, and if this
21 is three years ago it is different than if it was six
22 months ago.

23 MR. WARNER: Yes. They were taken within the
24 last year, most of them taken fall or winter last year.
25 Some may have been taken as early as the first part of

1 this year.

2 MR. SULLIVAN: Thank you.

3 CHMN. FOREMAN: Any objection?

4 (No response.)

5 CHMN. FOREMAN: No objection, it will be ordered
6 admitting Exhibits 24 through 87, 134, excepting
7 Exhibits 74 and 84.

8 MR. SUNDLOF: Correct.

9 CHMN. FOREMAN: Very good.

10 (Exhibits Nos. SRP-24 through 73, 75 through 83,
11 85 through 87, and 134 were admitted into evidence.)

12 MR. SUNDLOF: I have no further questions of
13 this witness, tender the witness for cross.

14 CHMN. FOREMAN: I think we are going to hold the
15 cross-examination until after the tour.

16 Now, we have some members of the Committee who
17 are interested in going on the tour. We have others who
18 are not interested or not able to go on the tour. Is
19 there anyone who thinks we ought not to take the tour?

20 (No response.)

21 CHMN. FOREMAN: Okay. I am going to then go
22 ahead and make the decision that I had indicated that I
23 was leaning towards earlier, which is to go ahead with
24 the tour. The tour is scheduled to start at 8:30 in the
25 morning, I am sorry, 8:00 in the morning. We have a

1 tour itinerary that's set forth on SRP-140. And I
2 wondered, there are a couple things that I would like to
3 address.

4 One is the fact that at spot or location B, H,
5 K, M, O, and U there was an indication that it was
6 planned that people would get out of the vehicle and
7 then there was also a rest stop that was scheduled at
8 location L. What is at location L by the way.

9 MR. NOVY: It is a shopping area where there is
10 facilities.

11 CHMN. FOREMAN: Okay. And I think that that's a
12 good idea. The earlier estimate that we had of the
13 potential time that this might take was, I believe, four
14 hours or half day. Is that --

15 MR. SUNDLOF: Mr. Novy, what do you believe this
16 will take?

17 MR. NOVY: I think a maximum four hours. If we
18 eliminate some of the places where we stop and get out,
19 I think it can be done in three.

20 CHMN. FOREMAN: All right. I noted that there
21 were just two spots on the southern portion of the
22 route. And what I would propose is that we just do a
23 drive only where the vehicle stops at locations L
24 through V and not get out.

25 Is there anybody who would like to get out at

1 locations O and U or actually any location after
2 location N? O would be on the Ocotillo route.
3 Everything after O would either be on the Ocotillo route
4 or on the southern alternatives.

5 (No response.)

6 CHMN. FOREMAN: All right. Let's just plan on
7 that being the plan of attack for tomorrow.

8 Now, we will have a court reporter. The court
9 reporter will be available at the stops, stop B, H, K,
10 and M. Is there anyone that would like to stop in one
11 of the other locations?

12 MEMBER PALMER: Mr. Chairman, could you clarify.
13 Earlier you mentioned that the southeastern portion of
14 this route is not controversial and you had intimated
15 that you might eliminate it or just stop.

16 CHMN. FOREMAN: My thought was eliminate the
17 stops on the southern portion.

18 MEMBER PALMER: Okay.

19 CHMN. FOREMAN: Just go along, drive along the
20 areas that we have seen, go along the route that is
21 listed, but not get out of the vehicle.

22 MEMBER PALMER: That's only an eight or nine
23 mile stretch by appearance.

24 CHMN. FOREMAN: I think that would be a fair
25 estimate.

1 Now, does that sound -- and I think for purposes
2 of the record, we should try and get a view of all of
3 the portions of the route. But obviously it seems to me
4 our interest is focused on the areas where there is the
5 most dispute. And it seems to me that that's going to
6 be in the northern alternative before we get to stop N
7 or stop O. So let's do that.

8 Now, I would like to ask that the applicant
9 provide us in the morning with a list of the exhibit
10 numbers that would refer to the stops on the route so
11 that we can find out, we have been going through not
12 only aerial photographs but ground level simulations
13 that refer to portions the route, it would be very
14 helpful to me tomorrow to be able to take my notes and
15 the exhibits along and be able to figure out where we
16 are on the route and where these pictures were taken,
17 both the aerial photographs and the ground level
18 photographs. So if we could have that done, I would
19 appreciate that, and a copy for each member of the
20 Committee that appears.

21 Let me get a nose count. How many of you
22 anticipate you will be able to be here tomorrow at 8:00?
23 One, two, three, four, five, okay. So we should have
24 about five or six members.

25 We will also have the court reporter, so that

1 means there will be six people plus the driver on one
2 van or whatever vehicle you have arranged for us. I am
3 assuming that it will be air conditioned.

4 MR. SUNDLOF: I hope so, Your Honor.

5 CHMN. FOREMAN: We do, too.

6 And I think what we will plan on doing, then, is
7 doing this in the morning, however long it takes, and
8 then starting in the afternoon at 1:30 with testimony,
9 and then we will be able to ask questions concerning the
10 route and also, well, concerning what we have seen and
11 also what the testimony has been so far.

12 Let me ask and see if there are representatives
13 of the parties who plan on following along. All right.
14 So we have got Mesa and Mesa Gateway. The applicant
15 will be coming along. Okay. We have got several
16 members who will be coming along. Please be here at
17 8:00 in the morning to get the directions and then plan
18 on following along.

19 At the stops that we make we will get out, the
20 court reporter will set up. We will ask that Mr. Novy
21 or Mr. Warner advise us where we are, what it is we are
22 seeing. If there is an exhibit that we have seen today
23 that was a picture that was taken at this location or
24 referred to this location, I would appreciate it if you
25 could make reference to that. If there are questions

1 from the Committee members about where we are or what it
2 is we see, then those are questions that I think that we
3 could go ahead and ask.

4 Let's just remember it is going to be, number
5 one, hot out there, and number two, it is a lot easier
6 to address the questions in here with all of the
7 other -- with the computer simulations and everything
8 available. So I think it will make more sense to hold
9 as many of the questions as possible until we get back.

10 As far as the parties go, the ground rules are
11 if there is something that you want to raise as we go
12 along, you can approach me and we can talk about it. If
13 you want to say I would like for the Committee to take a
14 look at this direction and look at that landmark over
15 there, because we will talk about that later, that's
16 something that we will accommodate.

17 I am not going to allow cross-examination of the
18 witnesses by attorneys for the parties at the locations,
19 number one, because of the time factor, and number two,
20 because the cross-examination can be more appropriately
21 done here in the hearing room.

22 Everybody understand the ground rules?

23 And you are on your own as far as following
24 along. We will expect you to be able to follow along
25 behind us.

1 MR. SUNDLOF: Chairman Foreman, can I ask a
2 number of questions?

3 CHMN. FOREMAN: Sure.

4 MR. SUNDLOF: There are a number of different
5 letter stops indicated on the map, and if you are not
6 going to get out, do you want us to instruct the driver
7 to announce we are at the stop, or do you want to figure
8 that out, try and slow down, or what is your preference?

9 CHMN. FOREMAN: My preference is for the driver
10 to drive the route and communicate with us as little as
11 possible --

12 MR. SUNDLOF: Okay.

13 CHMN. FOREMAN: -- except for things like where
14 is the water and stuff like that. I do not want to get
15 into the problem that we have had before with counsel
16 for the Commission being concerned about what is said on
17 these tours.

18 So, you know, one of the reasons that I would
19 like that sheet that identifies the locations of the
20 photographs, both aerial and ground level, in
21 relationship to the stops on the tour is so that each
22 member of the Committee will be able to have that
23 available should they so choose to look at it, and so we
24 will be able to avoid referring to anything relating to
25 the substantive testimony in the case while we are in

1 the van or the bus. If there are questions that
2 Committee members want to ask about where we are, what
3 we have seen or what we are about to see, those
4 questions can be asked on the record at the stops.

5 MR. SUNDLOF: Thank you.

6 CHMN. FOREMAN: Other questions? Yes.

7 MR. MARKS: Your Honor, Craig Marks for City of
8 Mesa. I would like to make a request, given that there
9 are going to be fewer actual exit the vehicle and
10 viewings and in light of the testimony today, that there
11 be an exit the vehicle and viewing, and I am not sure
12 which would be the best, but at either point C or
13 point D on the Germann Road alignment where the
14 residential development has been identified on both
15 sides, both the north and south sides of the road.

16 CHMN. FOREMAN: Is there any member of the
17 Committee that would like to stop at point C or point D
18 on the route?

19 (No response.)

20 CHMN. FOREMAN: The vehicle will stop at the
21 location. There will be a stop and view. There will
22 not be an exit the vehicle.

23 MR. MARKS: Thank you.

24 CHMN. FOREMAN: Yes, Counsel.

25 MR. ROBERTSON: Mr. Chairman, in the tour

1 protocol at the beginning it referenced meeting at the
2 Student Union parking lot. Just so I don't get lost, I
3 would like to inquire through you of SRP, is that the
4 parking lot east of the building where we are at the
5 moment, or is it another parking lot?

6 CHMN. FOREMAN: I sure hope it is the one east
7 of here, because it is the only one I know about it.

8 MR. SUNDLOF: I think that's right.

9 MR. ROBERTSON: Thank you.

10 CHMN. FOREMAN: Counsel.

11 MR. NELSON: Mr. Chairman, just so I understand
12 what is going to go on at these stops that we are
13 discussing where it will simply be a stop and not an
14 exit the vehicle, will there be questioning that takes
15 place of Mr. Novy and Mr. Warner, and will those of us
16 following along be privy to hearing those questions and
17 answers when we are not going to be exiting the vehicle?

18 CHMN. FOREMAN: Very little, and yes.

19 MR. NELSON: Thank you.

20 CHMN. FOREMAN: I will expect one or the other
21 of them when we get out of the vehicle to tell us where
22 we are.

23 MR. NELSON: And I am referring to those stops
24 where we will not be exiting the vehicle.

25 CHMN. FOREMAN: When we will not be exiting the

1 vehicle? No. They will not be in the bus. There will
2 be no communication.

3 MR. NELSON: Okay. Thank you.

4 CHMN. FOREMAN: Everybody understand the ground
5 rules?

6 Okay. Very good. It is going to be a long, hot
7 day tomorrow, so please be here by 8:00. We will get
8 started as soon thereafter as we can.

9 For those who can't make it or don't care to go
10 on the tour in the morning, we will start at 1:30 in the
11 afternoon with cross-examination of Mr. Novy and
12 Mr. Warner. We will see you then.

13 (The evidentiary portion of the hearing recessed
14 at 4:58 p.m.)

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1 (The evening public comment session convened
2 at 6:00 p.m. with Chairman Foreman presiding; Committee
3 Members Eberhart, Wong and Rasmussen, as well as Messrs.
4 Braselton, Marks, Taylor and Sundlof being present.)

5 CHMN. FOREMAN: My name is John Foreman. I am
6 the Chairman of the Arizona Power Plant and Transmission
7 Line Siting Committee.

8 We are having a hearing in the application by
9 Salt River Project in our Case No. 148 to construct a
10 double circuited 230 kilovolt transmission line from the
11 Abel to Moody substations. The locations of the
12 potential transmission line alignments are the major
13 issue before us.

14 We have provided this opportunity to those of
15 you who would like to come and say things to us for this
16 evening. There is a court reporter here who is taking
17 down what is said and making a record. That record will
18 be available to the members of the Committee who aren't
19 able to be with us this evening. And should this matter
20 be reviewed by the Corporation Commission eventually,
21 they will be able to review what is said also.

22 If folks want to speak, there are forms that are
23 found at the back, and there is a lady who is walking
24 around with them. You will need to fill out one of
25 those forms, and they will be brought up to me and then

1 I will try and make sure that you get on. We are not
2 going to go in any particular order, but I will try to
3 give some time to everybody who would like to say
4 something.

5 We do ask that your presentation be relatively
6 short. We ask that you specifically identify
7 yourselves, tell us your names, spell your last names
8 for the court reporter so we make sure that we get that
9 right, and then tell us what you favor and what you
10 oppose. We may ask you questions in order to make sure
11 that we understand what your comments mean. But we will
12 try and, as I said, get you on and off as quickly as we
13 can.

14 I hear a little voice in the background. We
15 have no minimum age requirement, but I would like
16 everybody to understand that it is going to be necessary
17 that everybody be respectful of other people's rights to
18 hear and to listen. So we have very few rules, but if
19 there is a problem, please step outside if you would.

20 Now, I have got some names of some people who
21 came this afternoon. And as your name is called, I
22 would like for you to come up to the podium that's up
23 here near the two screens over here and, again, give us
24 your name, tell us why you are here, if you represent
25 someone, and then tell us what your position is.

1 We are going to start with John Upshur, who is
2 the Chairman of RRATL.

3 MR. UPSHUR: Good evening, Committee members.
4 Thank you for this opportunity to state our position.
5 My name is John Upshur, U-p-s-h-u-r, and I am with the
6 group called RRATL, Rittenhouse Residents Against
7 Transmission Lines. We represent thousands upon
8 thousands of residents living along the UP Railroad
9 right-of-way. We have collected approximately 2,000
10 signatures -- here they are -- against the Ryan Road to
11 Signal Butte route. This route has thousands of
12 families living in close proximity to the UP Railroad
13 tracks.

14 In our opinion -- and I won't say they acted
15 stupidly, because that gets you in trouble -- anyway, it
16 is ill advised to consider high tension power lines
17 along Rittenhouse railroad right-of-ways, considering
18 the possibility of derailments and hazardous materials
19 carried by freight trains.

20 According to the NTSB, the UP Railroad in
21 2008 -- now, this is just the UP Railroad, we are not
22 talking of all railroads -- carried 1902 cars with
23 hazardous materials. It had 181, 181 derailments of
24 those cars and five hazardous spills released. That, to
25 me, is not a very good record. Just this year in March,

1 the UP Railroad had five hazardous materials cars derail
2 and spill 1500 gallons of molten sulphur.

3 We are not alone in our concerns. The U.S.
4 Congress, House of Representatives, passed an amendment
5 to HR 1401 in March of 2007. The bill required the
6 Department of Homeland Security to evaluate the safety
7 and security of placing high voltage transmission lines
8 along active railroad right-of-ways.

9 The bill stalled in the Senate. We hear it was
10 squashed by the White House. Hopefully they will
11 reintroduce it. I have copies for the Committee members
12 of that amendment.

13 So at the present time, it is up to the
14 individual states to oversee and police placement of the
15 power lines along railroad right-of-ways, to protect the
16 public health and safety. So we hope you will do the
17 right thing and approve the Germann to Meridian route.

18 Germann Road has under 60 homes. Now, I heard
19 testimony this afternoon that there was 150 lots on one
20 side, 50 lots on the other side. That is very possible.
21 But that doesn't equate to homes. We counted,
22 ourselves, the homes. There are under 60 homes with
23 under 250 residents. The balance is industrial and
24 agricultural.

25 Addressing the airport concerns, currently there

1 are approximately ten commercial jet landings -- now,
2 not takeoffs and landings -- landings per day. And
3 Germann is two miles from the runway. At this point,
4 these flights are much, much higher than 90 foot power
5 lines. And they, SRP, did say they could go to 75 feet.

6 Why run another set of power lines along Ryan
7 Road? It is currently fields of agriculture, while
8 Germann already has some power lines and can be accessed
9 by paved road. There are thousands upon thousands of
10 lives affected by the Ryan Road to Signal Butte route.

11 I heard a lot of testimony this afternoon from
12 lawyers regarding special interests, but I didn't hear a
13 lot of testimony from many, many lives that are
14 affected. That's what I am hear to do today.

15 Considering the safety record, the railroad
16 route has many, many more problems than the Germann to
17 Meridian route for now and the foreseeable future. Of
18 most importance we are here now. Please approve the
19 Germann to Meridian route.

20 Thank you.

21 CHMN. FOREMAN: Thank you, sir.

22 MR. UPSHUR: Questions?

23 CHMN. FOREMAN: No, apparently no questions.

24 All right. The next person who is representing
25 multiple other folks is Francis Slavin.

1 MR. SLAVIN: Good evening, Mr. Chairman and
2 members of the Committee. I am Buzz Slavin with the law
3 firm of Francis J. Slavin, P.C. And our firm is
4 speaking tonight on behalf of four affected property
5 owners by the Abel to Moody 230kV transmission line
6 project. They include Circle G Development, Barney
7 Farms, William Lyon Homes, and Meridian Crossing, which
8 is a consortium of Westcor, Disney Trust, Circle G
9 Development and the Barney family.

10 I have got some slides I would like to show.
11 Essentially, it is just an overview of a plotting of our
12 properties on the published map that is on the official
13 site for this project.

14 First of all, commencing with this -- again, you
15 already understand the location of the project, and we
16 understand these are -- the preferred route is the one
17 that's dashed or dotted, and the two yellow or the
18 yellow lines are considered to be the alternative
19 alignments. And I will speak to both of those in my
20 presentation.

21 This is, again, an overview of the map.
22 Circle G's property is on the far upper left of the
23 screen. Barney Farms is coming across the top. Barney
24 Farms is the one that's in sort of light red or pink.
25 William Lyon Homes is in the purple and then the

1 Meridian Crossing would be in the blue.

2 First of all, turning to Circle G Development,
3 this is a 50-acre subdivision that's been entitled in
4 the City of Mesa with M-2 zoning. And we are currently
5 in the process of processing a subdivision plat through
6 the City of Mesa. Our preference here -- and this is
7 located at Sossaman Road, northeast of the intersection
8 of Sossaman with Rittenhouse. Between our property and
9 Rittenhouse lie the railroad tracks and also a flood
10 control channel. We abut the flood control channel on
11 the immediate north.

12 Our position with regard to the transmission
13 line would be to place the transmission line on the
14 south side of the railroad tracks as opposed to the
15 north side, our concern being that if they go on the
16 north side, they will probably extend north of the flood
17 control channel and therefore would be consuming a
18 considerable part of our project. If they are kept
19 south of the railroad tracks, we don't believe that
20 there would be any taking at all of our property or very
21 little taking of the property. So our preference would
22 be to keep on the north side of the tracks.

23 The other aspect of this is that we would urge
24 the Committee, particularly with this property, we would
25 urge the Committee make a recommendation that these

1 power lines go on either one side of the road or the
2 other. The problem we have is that if you designate a
3 corridor -- and I know that's maybe difficult for you to
4 do right now -- but if you designate a corridor only,
5 then what happens is the property owners on either side
6 of that designated corridor, they can't do anything with
7 their property in terms of planning, subdividing,
8 marketing and selling their property until they are able
9 to account for the location of the power line. So it is
10 important to us properties that are in this process of
11 being planned and developed that we be able to
12 incorporate the location of the line. And that would be
13 a common comment, Mr. Chairman, for all four of these
14 properties.

15 Next is the Barney Farms property. This is 730
16 acres basically extending from Meridian on the east to
17 Merrill Road on the west, from Germann on the north to
18 Queen Creek on the south. The large cutout, if you
19 will, in the middle of the property is a public park for
20 the Town of Queen Creek. Our -- this has a planned
21 community for basically commercial and employment uses.

22 The main entrance to the property we designate
23 with the two green symbols. Our major entrance from
24 Germann would be along Signal Butte Road. Our main
25 entrance off or major entrance off of Meridian would be

1 approximately at Ryan Road. So these windows or marking
2 windows are important for this property as to how they
3 relate to the adjoining streets and how they enable us
4 to do the appropriate marketing of the site.

5 Our preference here would be to have the
6 property -- have the power lines arrive at our
7 westernmost entry to the property at Ryan and Signal
8 Butte. We know there are some issues or questions with
9 regard to the alignment lying to the west of us, but our
10 preference is to keep the lines internal so they would
11 have less impact, again, on the marketing, development,
12 and sale of the parcels. We would then support the
13 preferred without going south along Signal Butte to its
14 intersection with Rittenhouse.

15 There have been suggestions that Germann Road
16 and Meridian Road be considered to be the alignments for
17 this, these power lines. If the power lines come along
18 Germann and then head south where our first main entry
19 is, it will place a 90 degree configuration right at the
20 main entry to our project. We think that would have a
21 substantial negative impact on the property, whereas
22 again, if it is done internally, it would be a lot
23 better for our particular project.

24 If these power lines were to head further on the
25 alternate alignment and then go south on Meridian, that

1 would then expose two and one quarter miles of our
2 property frontage to the high voltage transmission line.
3 And that's a significant impact on this property, and it
4 would impact both major entrances into the project off
5 of Germann Road as well as off of Meridian.

6 We support the Town of Queen Creek's position
7 that the power lines would not remain on Rittenhouse
8 Road, because it would avoid going through the town
9 core. Early, very, very early in the discussions, we
10 were aligned with a number of property owners who
11 preferred to have this go down Rittenhouse Road. When
12 we learned of the town's opposition to that, then we
13 agreed that it would, it could go off that alignment,
14 however, understanding that it would have some negative
15 impacts on our own properties, particularly the Barney
16 Farms properties. So essentially we do support the
17 town's position.

18 We also support the concerns expressed by the
19 town and by others that the substation that is proposed
20 to be located at Meridian and Riggs/Combs would be one
21 of the three northern locations. I know that they are
22 numbered 1, 2, and 3, and we understand that the project
23 has an option on site 1. Site 1, 2, or 3 would work for
24 us. And we would have again the same comment. There
25 needs to be appropriate screening. We would recommend

1 the decorative walls and landscaping. I think that's
2 well keeping within the very positive, powerful
3 corporate image of Salt River Project.

4 This is the location of the William Lyon
5 project. It is called Church Farm Properties. It is an
6 855-acre master planned community. There is a large
7 retail component on the northwest corner of the property
8 at the intersection of Ocotillo and Signal Butte Roads.
9 The two main entries for this property would be off of
10 Meridian. This property extends basically from Meridian
11 to Signal Butte, from the Queen Creek Wash north to
12 Ocotillo, and extends a one half mile east as shown on
13 the map.

14 Our preference would be that the alignment
15 coming through this area would stay on Signal Butte Road
16 and not be on Meridian Road. Otherwise it would divide
17 our property and, again, would have a substantial impact
18 on the major entries into our subdivision.

19 So we also request again the substation be
20 appropriately screened so that passersby would -- it
21 would be screened from their view. We think that again
22 is something that would help for the marketing of this
23 area and its actual liveability.

24 Finally, the Meridian Crossing is a 500-acre
25 parcel that's designated for future mall development.

1 This again is the south of Riggs/Combs Road and lying
2 west or south of the Rittenhouse Road.

3 The preferred alignment already shows the lines
4 traversing Rittenhouse Road along our major window on
5 Rittenhouse. We understand that, and that's something
6 that we are willing to accept and deal with.

7 However, the alternate alignment would present a
8 problem for us. If the high voltage transmission line
9 were brought along Riggs Road and then head southeast on
10 Rittenhouse, that would again expose both of our
11 frontages then to the power lines. And so it would, if
12 you will, impact both of the major entries into the
13 property off of -- not only off of Rittenhouse, but also
14 off of Riggs Road. And it would be basically placing at
15 least two miles of frontage of the property with power
16 lines as opposed to the one mile that's currently being
17 shown.

18 Again, we have the same recommendation. The
19 power -- the substation would be located probably
20 nearest our site here, as the other three that we have
21 been discussing. Again, good corporate responsibility
22 and good neighborliness would mean we could do some
23 screening and landscaping of this site.

24 One final set of comments, Mr. Chairman, and I
25 will be on my way. We are just wrapping again. Again,

1 we ask the Committee that, we ask the lines go south of
2 the railroad tracks, that as far as Barney Farms is
3 concerned you come along Ryan Road as to the main entry
4 into our property, keep the south alignment along Signal
5 Butte, the preferred alignment. And again, we recommend
6 that you choose an alignment either on the north,
7 southeast, or west of these respective streets so that
8 we are not finding ourselves basically subject to kind
9 of a freeze effect.

10 Mr. Chairman, I have letters that I have
11 prepared to submit for your records. I also have all of
12 these slides and either can present them this evening,
13 or do you have a depository that we can submit them?

14 CHMN. FOREMAN: If you would like, you can leave
15 them with the court reporter. And the folks from RRATL
16 may want to leave their petition with the court
17 reporter. We can mark those as Committee Exhibits 1 and
18 2 in the order of their presentation.

19 MR. SLAVIN: Again, thank you very much,
20 Mr. Chairman, for granting us this time and speaking
21 with you this evening.

22 CHMN. FOREMAN: Questions?

23 (No response.)

24 CHMN. FOREMAN: Okay. Very good. Thank you.

25 All right. We are going to try and move more

1 quickly now through individuals. Is there a Robert
2 Blauvelt? I hope I am pronouncing the name correctly.

3 MR. BLAUVELT: Hi, sir. My name is Robert
4 Blauvelt. I am president of Rancho Bella Vista South
5 Homeowners Association.

6 CHMN. FOREMAN: Would you be so --

7 MR. BLAUVELT: My last --

8 CHMN. FOREMAN: Yes.

9 MR. BLAUVELT: -- name is spelled B as in boy,
10 l-a-u, V as in Victor, e-l-t.

11 My property is directly off of the Bella Vista
12 route, which is at the Bella Vista and the Gantzel
13 crossing. I have 77 homes in my subdivision that
14 actually touch the rail line. And no matter which side
15 of the rail you put it, it is going to be within 25 feet
16 of that side of my subdivision. So for that reason, I
17 am requesting that we don't use the proposed route, but
18 the alternate route. I understand it is an impact on
19 every piece of property that's going to be close to.
20 That's just my comments.

21 CHMN. FOREMAN: Okay. Very good. Any
22 questions?

23 (No response.)

24 CHMN. FOREMAN: Thank you for coming and
25 speaking, sir.

1 MR. BLAUVELT: Sir.

2 MEMBER EBERHART: Mr. Chairman.

3 CHMN. FOREMAN: I am sorry.

4 MEMBER EBERHART: Thank you.

5 Mr. Blauvelt, from your subdivision, there has
6 been testimony in that area that the primary views, if
7 you will, of what people are attracted to is more to the
8 south than to the north. Would you agree with that?

9 MR. BLAUVELT: Yes. And the line would go to
10 the south of my property.

11 MEMBER EBERHART: And which side of the railroad
12 tracks is your development?

13 MR. BLAUVELT: We are -- well, okay. It's going
14 to be on the southeast side. I am going to be -- let me
15 just look here.

16 MEMBER EBERHART: Well, it is either the
17 northeast or southwest.

18 MR. BLAUVELT: Yes, we are on the southeast side
19 of it. Can I point?

20 CHMN. FOREMAN: Yes, please.

21 MR. SUNDLOF: We do have a laser pointer.

22 MR. BLAUVELT: This whole section right here,
23 so the line comes across the whole back side.

24 MEMBER EBERHART: Thank you.

25 MR. BLAUVELT: Thank you. Any other questions?

1 MEMBER EBERHART: Yes, thank you very much.

2 MR. BLAUVELT: Thank you.

3 CHMN. FOREMAN: Is there a Cynthia Buffington?

4 MS. BUFFINGTON: Good evening, Committee
5 members. Thank you for taking the time to hear me this
6 evening.

7 I am here to talk to you, obviously, about the
8 SRP alignment. The Germann alignment -- let me just get
9 this out -- first and foremost is my preferred
10 alignment. I support the town in that. I represent
11 Queenland Manor Homeowners Association as well, and we
12 also represent and would prefer that alignment.

13 CHMN. FOREMAN: Where is the location of your
14 home?

15 MS. BUFFINGTON: I am sorry. 20954 North Loop
16 in Queenland Manor which is on the cusp of old Ellsworth
17 and Rittenhouse Road.

18 CHMN. FOREMAN: Could you point out on the map?

19 MS. BUFFINGTON: Sure, because I am vertically
20 challenged.

21 CHMN. FOREMAN: I think there is a laser pointer
22 up there.

23 MS. BUFFINGTON: Yes. I don't know how to use
24 it, so... See where it says SRP-032?

25 CHMN. FOREMAN: Yes.

1 MS. BUFFINGTON: That would be me.

2 CHMN. FOREMAN: Okay, very good.

3 MS. BUFFINGTON: Okay. So here is why I am
4 here, and to give you a couple of my thoughts. I am
5 here to represent the one, first and foremost. As a
6 Committee you have an opportunity to consider the one
7 versus the giant. The Germann alignment is supported by
8 both the town and current SRP customers. Yet we are
9 here tonight to impose upon those very customers.

10 In consideration for those customers not yet in
11 existence, SRP seems to be willing to sacrifice those
12 current customers for their own ease and convenience.
13 This bothers me. They seem to be -- they come before
14 the Corporation Commission to have increases, to put
15 alignments in current customers' areas. And as a
16 citizen of this great state we have been asked and
17 continue to be asked to tighten our belts, to consider
18 our resources, to consolidate. Perhaps it is time that
19 SRP considers to do the same.

20 I implore upon you to consider the Germann
21 alignment and signal your support for the one. I stand
22 before you today as the one. I will continue to stand
23 before you today as the one. SRP has an opportunity to
24 actually hear their own customers, not the ones that
25 aren't in existence yet, but the ones that currently pay

1 those bills every day. Hear us now, we want Germann.

2 CHMN. FOREMAN: Ma'am, thank you.

3 All right. Wendy Feldman-Kerr. Ma'am, could
4 you tell us your name.

5 MS. FELDMAN-KERR: Sure. I am Wendy Feldman, F
6 as in frank, e-l-d-m-a-n hyphen K-e-r-r. I live in
7 Ellsworth Mini Farms, which is along Germann Road just
8 at the north end of the Town of Queen Creek.

9 Do you need anything more than that? All right.

10 I am here tonight to talk to you about a
11 process. We have been through a process as the Town of
12 Queen Creek, as a citizen of Queen Creek, and as a
13 neighborhood to come forward to you with preferred
14 alignments and with opinions. Along the way we have all
15 been, many of us who are in the audience today, talking
16 to SRP and giving our input at the various meetings.
17 Unfortunately along the way there have been some
18 preferred alignments that have already been set, and we
19 have also been told that it is too late, I am sorry,
20 that was a good idea.

21 In the Town of Queen Creek, and when I was in
22 the role of mayor at the town, we never said it is too
23 late for a good idea. I would like to ask that we look
24 back at this again and look for some more good ideas.

25 Earlier this evening a gentleman spoke about

1 land that has not yet been developed. In fact, I am not
2 even sure that it has gone through the development
3 process. In my opinion, it would be good to look at the
4 land that has not yet been developed and to use more of
5 that for putting the lines that you are talking about
6 this evening so that it is not impacting the residents
7 who currently live there.

8 At the very least, if you are going to go on one
9 of these preferred alignments, if there could be money
10 set aside to do some mitigation of the unsightliness of
11 both the power substation as well as the poles, that
12 would be helpful. I have also been told that SRP didn't
13 have any money to do that. And in my opinion if they
14 don't have the money to do that, they shouldn't move
15 forward yet because the residents aren't there who have
16 the power yet.

17 While it might be a costly process to look at
18 other routes, I think it is still wise to do so, as I
19 look at the map, where there is no residents, no
20 residents currently living there. However, if we must
21 go with one of the routes that is up there tonight, then
22 I would strongly suggest to you that you use the Germann
23 Road alignment. There are a number of reasons for this.

24 First and foremost is that impacts the least
25 number of homes. Yes, I live below the power lines that

1 would go in there, but it still to me seems to impact
2 the least number of people, therefore it might be the
3 right thing to do.

4 Secondly, it also involves the City of Mesa. If
5 you put the alignments that you have been talking about
6 in Ryan Road and further south in the Town of Queen
7 Creek, the City Mesa, who stands to benefit from all the
8 power coming through this process, doesn't have to give
9 up a thing. They don't have to look at it and they
10 don't have to be a part of it. Couple that with the
11 fact that they are talking about putting residences in
12 an area which was formerly reserved for industrial so
13 that the airport will then be impacted, it seems to me
14 that we should put other things there that will further
15 enforce the industrial aspect of that area and perhaps
16 discourage them from putting more houses in where houses
17 aren't needed.

18 Finally, I think you would find there is a group
19 of citizens more than willing to work with you to come
20 up with other options, more than willing to sit by your
21 side and become a partner in the process when they
22 haven't felt they have been invited to do so thus far.

23 Thank you.

24 CHMN. FOREMAN: Ma'am.

25 MS. FELDMAN-KERR: I forgot. Questions?

1 CHMN. FOREMAN: Member Wong.

2 MEMBER WONG: How are you?

3 MS. FELDMAN-KERR: Good. Thank you.

4 MEMBER WONG: Yes, thank you for being here
5 today. A couple questions. You mentioned that Mesa
6 will be the great beneficiary of the power that will be
7 brought in through this new power line transmission
8 line. We have been informed that Queen Creek will be a
9 major beneficiary as well as the surrounding areas. Are
10 you disputing that?

11 MS. FELDMAN-KERR: No. I am saying that they
12 would also be a great beneficiary; therefore, they
13 should have some part of it. It will be Queen Creek.
14 It will be south of Pinal County. It will be parts of
15 Queen Creek and then into the southern Mesa area.

16 MEMBER WONG: Yes, but you agree that Queen
17 Creek, because of its growth, will be needing this
18 reliable and adequate power also? Do you dispute that
19 or do you agree with that?

20 MS. FELDMAN-KERR: I would say that the
21 substantial amount of growth that you are talking about
22 is going to probably occur. And I will remind you I
23 have not been through the process lately, so I don't
24 know where it is exactly happening, but more to the
25 southeast, which isn't actually the Town of Queen Creek,

1 as well as the industrialized areas of Queen Creek will
2 use it, but that's not necessarily a lot of homes. We
3 are not looking at, I don't think, the same number of
4 homes that had gone in before in the proper Town of
5 Queen Creek.

6 MEMBER WONG: And you were mayor recently. And
7 seeing the growth of the Town of Queen Creek, you don't
8 think that there is a need for more power?

9 MS. FELDMAN-KERR: I absolutely think there is
10 the need for power. I didn't say there wasn't a need
11 for more power. What I said is that we have to be
12 cognizant of who already lives there and look at the
13 areas where there aren't a lot of houses and a lot of
14 people.

15 MEMBER WONG: Next question is the Salt River
16 Project, SRP, said that they went through a year long
17 process of public hearings and multiple hearings and
18 community outreach; would you talk about whether that
19 was adequate and your involvement and others, whether
20 you felt it was open enough, or were people shut out of
21 the process. Talk about that, please.

22 MS. FELDMAN-KERR: Well, I know I offered to be
23 called and to be part of a citizen committee or assist
24 in any way I can, and I was never called. I can only
25 speak to the fact that many of my neighbors and other

1 townspeople called me to say how they felt going through
2 the process. So I am speaking on their behalf. I think
3 it was a good process from the standpoint of getting
4 information out. I am not so sure it was as good a
5 process as taking the opinions back and coming up with a
6 decision that could have been accepted by perhaps more
7 people.

8 MEMBER WONG: Do you think that there should be
9 another alternative that's not up there on the map?

10 MS. FELDMAN-KERR: I do, or perhaps a hybrid. I
11 think that there were some other good ideas that were
12 brought forward through the process. I understand that
13 there is a huge cost to this, and I can appreciate that
14 SRP nor anyone else for that matter would want to spend
15 a lot of money that was perhaps to them unnecessary or
16 difficult to spend. I mean if we look at all of our own
17 pocketbooks at this point in time we are all trying to
18 cut costs at this point, right?

19 But I think we are looking at something for the
20 future and for a very, very long period of time that we
21 are going to have to be living around and looking at.
22 And when I hear things such as there is not going to be
23 anything around the substation except a chain link fence
24 or we are not going to put trees around where the power
25 poles are going or, you know, bushes or shrubs to hide

1 certain things because of the cost, we are just not
2 going to do it, it reminds me of when the flood control
3 district came through our part of Queen Creek and forgot
4 to do any, and we have the ugliest flood control
5 district in the state, I think. More can be done and I
6 am just asking more be done.

7 MEMBER WONG: The substation issue, I know we
8 are still in discussion about that. We had testimony
9 today about the specific site of the substation from the
10 proposed site to a possible alternative site in a
11 different quadrant of that intersection, as I believe
12 the Town of Queen Creek's counsel had suggested. So
13 those are issues that we will be discussing and
14 deliberating. And the issues you talked about, chain
15 link fence versus ways to mitigate the impact, I am sure
16 that will be part of the discussion as well.

17 MS. FELDMAN-KERR: I would hope so.

18 MEMBER WONG: But specifically to the
19 transmission line, this Committee has looked at, will
20 look at many variables, including its impact,
21 mitigation, negative impacts on neighborhoods, existing
22 neighborhoods. You talked about proposed neighborhoods
23 versus existing ones as well as other -- Ms. Buffington
24 spoke about as well. So thank you for your testimony
25 and bringing your issues to our attention, mayor.

1 MS. FELDMAN-KERR: Thank you.

2 MEMBER WONG: Thank you.

3 MS. FELDMAN-KERR: Any other questions? Thank
4 you.

5 CHMN. FOREMAN: Kent McClure.

6 MR. McCLURE: Hi, I am Kent McClure. I live in
7 Mesa.

8 CHMN. FOREMAN: Would you spell your last name
9 for the --

10 MR. McCLURE: M-c capital C-l-u-r-e.

11 I talk to you as a resident of Queen Park. I
12 also talk to you as a pilot.

13 In my humble opinion as a former fighter pilot
14 in the United States Marine Corps, I think it is
15 absolutely ludicrous to propose putting the power lines,
16 a high tension, very high poles, within the existing
17 landing pattern for Runway 30 left. You are just asking
18 for disaster. If the aircraft are actually
19 transitioning for landing, they are losing altitude.
20 And you are asking them to come right over the top of
21 these power lines. And you and you alone would be
22 responsible for all the liability of lost lives and lost
23 property for each accident that occurs there. In my
24 opinion, that would be ridiculous.

25 I also believe as a resident there are other

1 routes that could be taken that would have less impact
2 on residents. Yes, there is only 50 of us north of
3 Germann and there is, I don't know how many, probably 20
4 or 30 other residents to the south of Germann, but
5 that's splitting right down the middle of us. And you
6 are talking about in excess of 100-foot poles. I
7 believe the example that was listed on line -- one of
8 the examples was a 154-foot high pole and another one
9 was a 130-foot pole. To have that in the landing
10 pattern is dangerous. And that's what I have before
11 you.

12 CHMN. FOREMAN: Member Eberhart.

13 MEMBER EBERHART: Thank you.

14 Mr. McClure, could you point out on the map
15 where your house is. Is it visible?

16 MR. McCLURE: Do you have a pointer?

17 MEMBER EBERHART: So you live right in that area
18 on Germann.

19 MR. McCLURE: Yes.

20 MEMBER EBERHART: Okay, thank you.

21 MR. McCLURE: The landing pattern, for your
22 information, is coming right over this area, right
23 through here to land on 30 left. And you would be
24 crossing right over those proposed poles.

25 I would also, just if I could, just add one

1 other thing. There is a company in San Diego, Sun Roads
2 Construction. They thought they could ignore the safety
3 of the FAA and they went ahead and built a building in
4 the proximity of Montgomery Field. They were warned and
5 forewarned about the danger. And finally it took the
6 court to have them dismantle the top two floors of their
7 building. Please, let's not even go there. Let's just
8 not even consider Germann, which is inside the landing
9 pattern, normal navigational traffic pattern of aircraft
10 landing at Phoenix-Mesa Gateway.

11 CHMN. FOREMAN: Member Wong.

12 MEMBER WONG: Yes, thank you, Mr. Chairman.

13 Mr. McClure, first of all thank you for being
14 present for your testimony. You just stated that the
15 proposed power line on the Germann route -- that blue
16 line, did you see that in proximity to the airport? Is
17 that the only route that you think would cause
18 navigational hazard or are there other routes --

19 MR. McCLURE: Well, for the light aircraft, yes.
20 But you also have all the instrument aircraft that would
21 be coming across this way, and they are reaching pretty
22 low altitudes, and they are coming in under instrument
23 conditions when we do have bad weather. And they will
24 be coming right across there.

25 My brother has lived here for some 30 years,

1 excuse me, off of Queen Creek Road. And they have -- I
2 have been at his house when the airliners come across
3 his house with maybe 150 feet above his house. You are
4 just asking for disaster to have that high of tension
5 lines for expected airplane.

6 And that's assuming that the aircraft is
7 operating normally. If you have an aircraft that's
8 under distress, possibly with engine failure, other
9 problems, meteorological conditions that are not
10 conducive to good flying, you are just asking for a
11 disaster by them coming in contact with your lines.

12 MEMBER WONG: Mr. McClure, if you look at the
13 solid yellow line referred to as the Ryan preferred
14 alignment, in your opinion is that also an impediment?

15 MR. McCLURE: No. I think it is close, but it
16 is just outside the normal traffic pattern.

17 MEMBER WONG: Just to let you know, that in
18 future hearings, perhaps the next couple days, there
19 will be testimony from the applicant's expert on
20 aviation, aviation consultants. We look forward to
21 hearing that testimony as well. But thank you for
22 adding to the body of information.

23 MR. McCLURE: You bet. Thank you.

24 CHMN. FOREMAN: Thank you.

25 Eric Kerr.

1 MR. KERR: Good afternoon, gentlemen. My name
2 is Eric Kerr. I live in Ellsworth Mini Farms. And we
3 will go ahead and see if we can't --

4 CHMN. FOREMAN: Do you happen to know Wendy?

5 MR. KERR: Slightly. We live in this area right
6 here. I am not a professional speaker. I just try to
7 make maybe a little more common sense.

8 One of the things I would like to point out is
9 to reiterate the gentleman's concern over the flight
10 path. I do understand that there was a report written
11 by the FAA in regards to the height of transmission
12 lines within the flight path. And I may be wrong, but
13 it may be 18 feet or 23 feet from Queen Creek Road
14 towards the flight -- the runways. So I just may be
15 wrong, but I think that's what I read.

16 Also I am one of the people that tried to insert
17 or place another route, and it was not accepted into the
18 process. One of the things that our neighborhood had
19 done with the developer of the land, Vanderbilt Farms
20 that was to the south of us, was we had a 300-foot
21 buffer placed to the south of our subdivision here
22 because they were going to realign Queen Creek Road,
23 bring it north, and then bring it across to the flood
24 control and then up.

25 One of the suggestions I had was to place the

1 new alignment along that new alignment of Queen Creek
2 Road which would be 300 feet to the south of our
3 neighborhood, or about 200 feet to the north of Queen
4 Creek Road, and then to the railroad tracks. That way
5 it would not have impacted our neighborhood as much,
6 would not have impeded in the flight path as much, and
7 it would have kept it away from the residents both in
8 our neighborhood and in the neighborhood here.

9 So that was one of the suggestions that I had
10 made. I was told that it was not enough or it was too
11 little, that the process had already moved forward, and
12 that these routes here were going to be put into place.
13 I had gone to two separate meetings and suggested both
14 new routes. And both of them weren't accepted, at both
15 times they weren't accepted.

16 CHMN. FOREMAN: Mr. Kerr, let me interrupt you
17 there, because I am not understanding exactly your
18 proposal. So your proposal would have been to run the
19 line down from the Moody substation down Rittenhouse
20 Road to an area south of Ryan Road on this?

21 MR. KERR: Correct, along the buffer right along
22 here.

23 CHMN. FOREMAN: And then it would have gone out
24 to Ellsworth?

25 MR. KERR: Then it would have crossed Ellsworth,

1 sir. It would have come down Rittenhouse. It would
2 have gone to the east towards Ellsworth Road here. Then
3 it would have dropped down to Queen Creek Road and then
4 continued east.

5 CHMN. FOREMAN: Okay. And then would you have
6 brought it down Ellsworth Road or Meridian Road?

7 MR. KERR: Actually, I had two options. My
8 preferred option would be to go straight up the
9 Rittenhouse corridor. That was my preferred option.
10 But if I couldn't have that option, I suggested this
11 option, which would have separated it from both my
12 neighborhood and this neighborhood. So it would have
13 crossed here down Queen Creek Road, and then it would
14 attach to any one of these alignments here along
15 Meridian or Ironwood, well, not Ironwood, but the other
16 one here, Meridian, Ellsworth, or Signal Butte.

17 CHMN. FOREMAN: Signal Butte.

18 MR. KERR: Yes, sir.

19 CHMN. FOREMAN: Okay. Thank you. That helps
20 me.

21 MR. KERR: Okay. So my first option would be
22 along Rittenhouse Road. My second one is the one I
23 suggested, was the one along the new Queen Creek
24 alignment. And that was what our neighborhood and this
25 neighborhood, when we worked with the developer along

1 with the Town of Queen Creek to put that road in and to
2 realign Queen Creek Road, that's when I came up with
3 that suggestion that maybe we could go that route, which
4 would kind of solve the problems that we are all having.
5 But it just wasn't accepted at that time.

6 CHMN. FOREMAN: Okay.

7 MR. KERR: All right?

8 CHMN. FOREMAN: Questions?

9 MR. KERR: Yes, sir.

10 CHMN. FOREMAN: Member Eberhart.

11 MEMBER EBERHART: Mr. Chairman.

12 Mr. Kerr, you said your first preference is
13 along Rittenhouse Road?

14 MR. KERR: Yes, sir.

15 MEMBER EBERHART: The full length?

16 MR. KERR: Yes, sir.

17 MEMBER EBERHART: And the lady, the earlier
18 testimony by someone named Wendy was the Germann
19 alignment?

20 MS. FELDMAN-KERR: I have to say something.
21 Just because we live together doesn't mean we agree.

22 MR. KERR: There you go. We both have our own
23 separate opinions, and that's probably why we get along
24 so long together. We always have somebody to talk to or
25 talk about.

1 MEMBER EBERHART: I just wanted to clarify.
2 Same thing goes with my house, too. I just wanted to
3 clarify.

4 The other question is who was proposing this
5 realignment of Queen Creek Road. Was that a developer
6 or was that Town of Queen Creek or Pinal County?

7 MR. KERR: That was the developer, Vanderbilt
8 Farms, along with the residents of Ellsworth Mini Farms
9 and the residents here.

10 MEMBER EBERHART: And is that still viable?

11 MR. KERR: As far as I know it is still viable,
12 yes, sir.

13 MEMBER EBERHART: I mean is that still in the
14 process of moving forward or --

15 MR. KERR: You have to talk to somebody from the
16 town at this time.

17 MEMBER EBERHART: I see.

18 MR. KERR: When the road was -- because the
19 development was going to go along Queen Creek, it was
20 going to go to the north. It was going to cut across
21 Ellsworth Road, run along the floodplain, the flood
22 control, come up Rittenhouse, and then attach to Germann
23 right about where the S is. So it was basically a Queen
24 Creek loop. And that's what this developer that owned
25 these properties here were -- that we agreed on so that

1 they could develop that property.

2 One of the reasons why there is a 300-foot
3 buffer is because our neighborhood, being a rural area,
4 didn't want the encroachment of homes or businesses in
5 that area. And that 300-foot buffer that ran the entire
6 length of our neighborhood prevented the encroachment of
7 any houses or anything like that.

8 I think one of my biggest concerns is
9 encroachment of the power lines. I heard one thing,
10 putting the power lines along Ryan Road, which being
11 encroachment on our neighborhood, a rural neighborhood,
12 when we have that buffer that we can put that power line
13 along.

14 One of the other things I heard was is, well, if
15 it is in the flight path, maybe we can lower these power
16 lines a little bit, which you are placing these power
17 lines closer to our neighborhood now, so I have concern
18 over that. So, you know, it is kind of a catch-22 deal.

19 MEMBER EBERHART: Thank you.

20 MR. KERR: Thank you.

21 CHMN. FOREMAN: Questions?

22 MR. KERR: All right. Thank you.

23 CHMN. FOREMAN: Trudy Powell.

24 MS. POWELL: Good evening, Mr. Chairman and
25 Committee members. I am a resident of Queen Creek. My

1 name is Trudy Powell, P-o-w-e-l-l. And I am also a
2 member of the group RRATL, Rittenhouse Residents Against
3 Transmission Lines.

4 As you know, and as has already been said, we
5 have already delivered to SRP and also the ACC, I think,
6 I will safely say almost 1500 or in the neighborhood of
7 1500 signatures. We have an additional 500 signatures
8 here with us tonight, and so that's 2,000 signatures.

9 We have collected these signatures by canvassing
10 these neighborhoods. We haven't stood in front of a
11 grocery store letting people walk by us. We have gone
12 door to door by foot in 115 degree weather to get
13 opinions, to talk to people, to show them the preferred
14 routes, to show them the alternate routes, to talk to
15 them about the airport and the objections, on and on and
16 on. What we have found is that with overwhelming
17 support the community that we have spoken to supports
18 Germann to Meridian.

19 Now, first we have the issue -- thank you --
20 first we had the issue of Rittenhouse. The Rittenhouse
21 corridor straight up Rittenhouse was the most ludicrous
22 route anyone could possibly imagine. It goes by the
23 most highly populated part of town. It goes through
24 thousands, right by thousands of residents and homes.
25 It goes through the town center, which if I can correct

1 counsel for SRP earlier, I think you said that -- I was
2 here this morning and I heard counsel say that the
3 center of the town there through the Rittenhouse
4 corridor was industrial property. That is not true. I
5 am sure you were simply mistaken in that. It is
6 strictly commercial and residential. So obviously
7 Rittenhouse is a no brainer. It is impossible to even
8 think of that route, it should be.

9 Now, the Ryan route we feel is an improvement,
10 but it is not good enough. Because the Ryan route,
11 going Ryan to Signal Butte, still affects thousands of
12 residents, thousands of homes, and some businesses. If
13 you look at the route where Rittenhouse connects to
14 Ryan, the Remington tract is there. It is directly
15 affected. That is not a low density tract. I was an
16 appraiser for 15 years. That is a moderate density
17 tract.

18 So you have the Remington tract. You have the
19 Queenland Manor tract on the north side. You have the
20 Langley Gateway tract that is affected by Ryan, because
21 the power poles on Ryan are directly across from these
22 tracts. They look directly into the field across from
23 them.

24 Then you go down, keep going, you have all the
25 custom homes that are on the corner of Signal Butte and

1 Queen Creek Road. There are three private roads there.
2 Not a huge amount of properties, but I think there are
3 37 customs homes in there, quite lovely. I am sure they
4 were moderately expensive when they were purchased.

5 And then if you continue down Signal Butte to
6 where it connects to the Rittenhouse corridor, you now
7 are also affecting still the south end of the Villages.
8 And the Villages are hundreds and hundreds even in that
9 one little part of the development of properties.

10 Now, we know that we need future development.
11 We encourage future development. We know we need the
12 power lines. We also know that the airport has some
13 concerns with Germann. However, I might be wrong on
14 this, we will find out when we hear the experts from the
15 aviation department or whatever it is, but our
16 understanding is that there is a way that SRP can put in
17 the lines on Germann by lowering the poles to a certain
18 footage, and by putting in more poles to keep them
19 closer together to accommodate the height that is not
20 going to involve a real hazard to the airport. In fact,
21 it won't be any hazard to the airport. But it means
22 more money for SRP.

23 Okay. Well, the issue is, and you are right,
24 the mayor did write a letter to SRP objecting to the
25 8 percent increase or 8 and a half, whatever it is,

1 saying tighten your belts. We don't need more increase.
2 Well, I think anyone who believes in their heart that
3 SRP or any utility company is not going to raise rates
4 is living in some kind of la-la land. It is not
5 reality. They are going to raise rates. And yes, this
6 may actually, if it costs -- I don't know what the
7 figure was and I might be wrong again on this. Was it
8 \$6 million more, was that it, to put it on Ryan? I mean
9 put it on Germann. I was --

10 CHMN. FOREMAN: How much longer do you
11 anticipate?

12 MS. POWELL: Not just a moment. But I can tell
13 you that I think that that extra money that will be
14 passed on to the residents in their bills is going to be
15 miniscule to what is going to be the detrimental effects
16 to the property values by the people and the homes
17 affected by these power lines if they go in on Ryan
18 Road.

19 So we are requesting, please, do the right
20 thing. We are the community, not future development.
21 Yes, we want future development, but we are the ones who
22 are building, have built our homes here, bought our
23 homes here, started our businesses here, paying the
24 taxes for the town center that was developed. Do what
25 is right. Let's encourage future development protecting

1 our rights. And the future development can build around
2 these poles. We cannot. Please put them on Meridian,
3 Germann to Meridian, not on Ryan, Rittenhouse, or any of
4 the other routes. Thank you.

5 CHMN. FOREMAN: We have several more people who
6 would like to speak tonight and we are running out of
7 time. So I am going to ask Fred Wade to come forward,
8 and then Mark Underwood. If you would step up so that
9 you can be ready to make a presentation. Then we are
10 going to Todd Wyman, Anthony Mlatzgar -- I am sorry, I
11 can't read that -- Greg Tatham, Christopher Clark. And
12 then there is a Doug Chapman who said that he didn't
13 want to speak, and then he said he did want to speak.
14 So if Doug Chapman wants to speak, then I would like for
15 him to come forward.

16 So you folks line up back here so you can step
17 forward as soon as the next presentation, or the one in
18 front of you is finished.

19 Give your name and spell your last name.

20 MR. WADE: Fred Wade, W-a-d-e.

21 CHMN. FOREMAN: Okay.

22 MR. WADE: I live in Remington Heights a short
23 distance from Rittenhouse Road. I am a retired
24 locomotive engineer with 43 years of service.

25 What is being asked here is that SRP change the

1 route away from Rittenhouse Road. It is a proven fact
2 that high voltage lines that they want to install along
3 Rittenhouse Road have caused cancer and other illness in
4 people living close to these high voltage lines.

5 I lost my place.

6 As it now stands, my home is surrounded on three
7 sides by low voltage lines, plus a substation about one
8 block away to the west of my home. SRP wants to put
9 these lines very close to the UP Railroad lines. The UP
10 has told them to stay off of their property. There are
11 approximately 1400 or more homes involved, plus a school
12 at Hawes Road.

13 From the safety side of this, these lines will
14 be very close to the UP main track and trains running at
15 approximately 65 miles an hour. Let me enlighten you to
16 the fact of what trains carry besides regular freight.
17 Then we get to the good stuff. LP gas, 98,400 gallons
18 of fuel, all kinds of acids and volatile chemicals.

19 It would only take one derailment of one of
20 these trains with a 40-ton empty car or a loaded car of
21 100 to 125 tons to hit one of these high voltage power
22 lines to cause it to fall and take others down with it.
23 And let's say one of these cars of LP gas with that
24 98,000 gallons of fuel or some other dangerous chemical,
25 that will cause a major catastrophe along with deaths

1 and destruction like you would never see in your entire
2 lifetime. It would look like a war zone.

3 Please make SRP put these lines out of harm's
4 way, away from housing additions. One thing I do
5 believe is a human life is worth a lot more than a power
6 pole to save dollars. There is too much risk to human
7 life when there is a -- when there is open ground in
8 this area that would be safer. It would only take one
9 mishap to destroy the entire area.

10 CHMN. FOREMAN: Thank you, sir.

11 Mark Underwood.

12 MR. UNDERWOOD: Good evening. My name is Mark
13 Underwood. I live in the Queens Park subdivision --
14 that's U-n-d-e-r-w-o-o-d -- where that little black hole
15 that is just above Germann that Kent mentioned a little
16 while ago in between 85th Street and 88th Street. It is
17 along that proposed corridor there in the blue.

18 I think everybody who is here from our
19 subdivision would agree we are kind of like that black
20 hole. And it seems to me like the same thing is
21 occurring with the Rittenhouse corridor there. It is
22 kind of turning in that little black hole.

23 For the last few years, as the people in our
24 subdivision know, we fought meeting after meeting with
25 the City of Mesa concerning a buffer around our

1 development, which we fought hard and eventually didn't
2 win. And we are now looking at home values that, both
3 because of the economy and because of the industrial
4 buildings that are going to take place around our
5 subdivision, we are going to lose value in our homes.

6 We feel the same thing about the corridor along
7 Germann there. I don't think it is 20 feet. I think it
8 is feet from the southern edge of those properties that
9 abut Germann. There is ten homes along there. And I
10 don't see, in my opinion, why it makes any sense at all
11 to go anywhere but down the Rittenhouse corridor. It
12 has been there for years. Why doesn't anybody want to
13 skirt it? Queen Creek skirted it the last few years and
14 I don't know how many dollars they spent in roads that
15 meander around Rittenhouse itself. In an economy where
16 we are trying to save money, it makes the most sense, at
17 least in this northwestern area. Where it goes after
18 that I don't know but it does directly affect us.

19 We are 50 people. We are a majority. We have
20 been against Mesa and it seems to me we are the minority
21 now against the folks that live south of us. But we
22 have our homes there and we love our neighborhood.
23 Thank you.

24 CHMN. FOREMAN: Mr. Wyman.

25 MR. WYMAN: My name is Todd Wyman. I am a

1 homeowner of Queens Park in Mesa.

2 CHMN. FOREMAN: Would you spell your last name
3 for the court reporter.

4 MR. WYMAN: Wyman, W-y-m-a-n.

5 CHMN. FOREMAN: Thank you.

6 MR. WYMAN: I live on Winston Circle. My house
7 faces south. 5:00 every morning when I go to work, I
8 come out and I see a nice skyline. Half of our
9 residents see that same skyline when they walk out in
10 the morning. The other half walk out on the back patio
11 and they see it.

12 The Rittenhouse Road utility corridor was
13 designed for a purpose, utilities being installed. When
14 the Town of Queen Creek developed Queenland Manor,
15 Langley Estates, Power Ranch, all the other subdivisions
16 along the Rittenhouse Road corridor, they were
17 instructed that it was a utility corridor and that's
18 where the utilities would be going. So those homeowners
19 knew what they were getting. And I feel for them
20 because they are going to see those 154 foot towers
21 along the corridors.

22 The Town of Queen Creek doesn't want it in the
23 Rittenhouse corridor because when they go to the
24 shopping center they don't want the shoppers to see the
25 utility lines there. Well, we live where we will see

1 them if you put them on Germann or Ryan.

2 My suggestion is to use the existing utility
3 corridor along the railroad tracks. It is time for the
4 people, we the people, to straighten out our government
5 and the utilities and do the right thing. Thank you.

6 CHMN. FOREMAN: Anthony, and I am not sure about
7 the last name, Anthony, looks like it is Metzger.

8 MR. MLAZGAR: Very close.

9 CHMN. FOREMAN: Help me out.

10 MR. MLAZGAR: Anthony Mlazgar. You got it,
11 M-l-a-z-g-a-r, the first time you said it.

12 I live, as was said, in some of those moderately
13 expensive homes along the corridor at Signal Butte and
14 Queen Creek Road right in this area right here. Three
15 points very quickly if I could.

16 I agree very much with something Mrs. Buffington
17 said, in that we have a lot of people here tonight that
18 are very objectionable to the routes that are being
19 proposed. Nobody wants it in their backyard. But I
20 think one of the things that is very important that we
21 understand is that there are people who are here who
22 live here, who made a choice to buy homes here when
23 there were no power lines, versus developments where the
24 people will know there are power lines and can make a
25 choice.

1 The second point, I agree very much, Mr. McClure
2 talked about the airport and the dangers to that.
3 Again, I, you know, living here, I can tell you the
4 airport doesn't follow their plan. The planes come over
5 my house, which means they take this route right here to
6 come into this airport. I would heavily suggest you
7 have somebody come out there and stand a couple hours
8 any day of the week, because when they come across
9 directly above my house they are less than 200 feet in
10 the air, well less than 200 feet in the air. And I
11 think this would be a significant danger that is
12 proposing any power lines along this area right here.

13 And thirdly, I really would like to agree with
14 Mrs. Feldman-Kerr, former mayor, because I think it is
15 wrong to believe that we don't have the ability to
16 reroute or to look at other plans. And I really believe
17 that a better route would be to -- why are we going
18 through the town? Why are we impacting people at all?
19 Because the ability is that you can go below the San
20 tans and reach the same point. Why are we so insistent
21 on going through and affecting people when another route
22 like that would affect very few people, if any? And I
23 believe very thoroughly that we need to stop and look at
24 other routes before a decision like this is made.
25 Because this is a huge decision.

1 And I appreciate your time. Thank you.

2 CHMN. FOREMAN: Greg Tatham.

3 MR. TATHAM: Yes. Greg Tatham, T-a-t-h-a-m.

4 And we are the property owners of the approximate 20
5 acres located on the northeast corner of the realigned
6 Rittenhouse Road and Sossaman intersection. And
7 basically we have three points that we would like to
8 make this evening.

9 One is we don't believe that any one landowner
10 should bear too much of the responsibility for the
11 expansion of all the power lines that are going on in
12 this area. Recently we have had to provide SRP with a
13 right-of-way on our west boundary for a some odd 70kV
14 line, or whatever that was, that went in. So currently
15 we already have a high power line going on our west
16 boundary north and south.

17 As I look at the options that are available or
18 being presented here, what I am noticing is that all of
19 those options will impact our property regardless of
20 which one is chosen. So that being the case, what we
21 would like to suggest and get on the record is that we
22 would like those power lines to be located, if at all
23 possible, to the north side of the railroad alignment.

24 We know that properties are going to bear the
25 burden of having those power lines, someone is going to

1 have to. No doubt we will be affected by it because of
2 all the options remaining here. So our choice would be,
3 if that is the case, to locate on the north side of the
4 railroad tracks, worst case scenario the north side of
5 the Rittenhouse alignment.

6 Thank you.

7 CHMN. FOREMAN: Thank you.

8 Christopher Clark.

9 MR. CLARK: Good evening. I am Chris Clark. I
10 am a resident of Queen Creek and the president of the
11 Queenland Manor Homeowners Association. We have
12 approximately 361 homes in our association, and it was
13 pointed out to you earlier that we are at the corner of
14 Rittenhouse and Ellsworth.

15 Throughout this process I have participated in
16 the meetings with SRP. I am very familiar with the
17 project managers, spoken with them at great length.
18 From the get-go it was clear that Rittenhouse seemed to
19 be the preferred alignment. And if it wasn't going to
20 be Rittenhouse, it was going to be something to the
21 north, which was interesting when you look at your
22 general plan. And I haven't seen one of those floating
23 around. You couldn't have drawn a line that hit more
24 people if you tried.

25 Just in Queenland Manor and Langley Gateway you

1 are looking at over a thousand people. That doesn't
2 even incorporate Remington or Cortena or the KB Homes or
3 any of the homes that are under construction along the
4 Rittenhouse line. So it is interesting to me that it is
5 picked to go through the most dense area.

6 Mr. Kerr mentioned that we had worked with
7 Vanderbilt Farms, W Holdings, for a considerable amount
8 of time to design the Queen Creek Station in such a way
9 that it would have minimal impact on the neighborhood
10 and still be a viable project for both us and the
11 developer. That entailed putting high density mixed use
12 along the Rittenhouse corridor right there at
13 Rittenhouse and the Ellsworth Loop Road, and a new
14 designation called medium high density along what would
15 be the Ryan Road as it cuts through the farmland that
16 exists right now. So that has already been approved and
17 will hopefully be underway here at some point.

18 So anything along these ways is going to go
19 through residential, and not just residential, but
20 fairly high density residential.

21 If it had to be one of the ones to the north, we
22 had discussed Germann. And we were told early on that
23 it could probably be worked out with the airport because
24 the power poles could be lowered from 150 feet to
25 something more moderate in the 80- to 90-foot range and

1 just be put closer together. At that point those
2 aircraft should be several hundred feet off the ground,
3 is my understanding. And there was at one point
4 flipping the runways. I understand that since has gone
5 away, but it could come back in the future.

6 So echoing some of the sentiments about getting
7 together and perhaps rethinking these alignments so that
8 they impact less dense areas probably makes the most
9 sense. I am guessing that these SRP lines are not
10 needed at their current growth factor as they once were.
11 We probably have bought an extra year or so, if not
12 more, based on our current growth patterns. I think the
13 appropriate thing to do would be to send it back and
14 look for a compromise solution. Thank you.

15 CHMN. FOREMAN: Doug Chapman. And you wish to
16 speak?

17 MR. CHAPMAN: Yes.

18 CHMN. FOREMAN: Okay.

19 MR. CHAPMAN: Evidently that was improperly
20 marked or not marked at all. That's why I went up and
21 made that comment.

22 My name is Doug Chapman. I live at 8715 East
23 Woodland Avenue in Queens Park subdivision which is
24 located just west of Ellsworth and just north of Germann
25 Road, the proposed alignment.

1 You know, I have heard a lot of -- I am the
2 chairman of the Queens Park committee. There is 50
3 residents in there and you have heard many of them
4 tonight. We were alerted to this and have been
5 following this and thought this had been resolved, and
6 obviously it is not. And I can only say this is our
7 position, and that is, looking at that map and looking
8 at those jogs to and fro, there is a lot of work to do
9 on this. And it is never too late to change something
10 like this until the first tower, not pole, goes into the
11 ground.

12 These poles and these, the 230 kilowatt --
13 kilovolt lines are not only highly controversial, as a
14 mortgage banker, real estate professional for over 25
15 years, I have testified in court basically having to do
16 with property values, lending practices, let me just
17 tell you that not only will you have trouble enjoying
18 your property with the tower in the backyard but the
19 Federal Housing Administration, acronym FHA, will not
20 finance the homes with these in the backyard, period.

21 Now, I am a native of Arizona. I spent also ten
22 years in California and I have been back for ten years.
23 And I have been active in the real estate community, in
24 the lending community for that entire time in both of
25 those states. I have never seen such a mess in my

1 entire life.

2 These are the few points I would like to drive
3 home. And I can appreciate all of the work that is put
4 in. If you think I am just standing up here a little
5 bit uninformed, I am not. I have got over 900 pages on
6 my computer. I have gone through several hundred pages.
7 I have looked at all the routes. I have looked at the
8 studies. I can see the impact. No matter where you put
9 this line this is an impact.

10 We have the unique position of being both in
11 Mesa, specifically physically located in Mesa, the
12 Queens Park subdivision, and we also participate in all
13 the Queen Creek schools and Queen Creek water. We are,
14 for all intents and purposes, we have multi citizenship
15 in these two, in these two cities. We have fought Mesa.
16 You heard we lost.

17 Let me tell you what we didn't lose. I have
18 seen petitions here presented tonight for 2,000 plus
19 along Rittenhouse. We mounted, Queens Park mounted Prop
20 300 which was a zoning property rights referendum, the
21 only one that year. We successfully got those, got the
22 signatures, and got that on the ballot for the latest
23 mayoral vote. There were close to 14- or 15,000 people
24 who said no to what the city said yes to. We have
25 worked for over eight years in this process. We are

1 willing to work with you to try and find an alternate
2 route.

3 Now, let me explain the second point along the
4 way. All of those jogs represent money in an economy
5 that is collapsing. People are struggling to keep their
6 jobs as well as their businesses. I don't know if you
7 have the pictures of where these towers are going to go
8 in the backyards on Germann Road, but I dare say that
9 the health and safety standards here are enormous.
10 Worse, those are the unknowns. Would you want to chance
11 your child getting tumors or leukemia or challenges, you
12 know, because they are playing in the backyard?

13 The documents, the documents that I read
14 specifically stated that structures could be lost on
15 these private properties. The towers look like they are
16 20 to 40 feet into the property line. This is going to
17 run over at least livestock, at least, at least
18 outbuildings, if not pools and other areas depending on
19 the way the lots are laid out.

20 Now, you say, well, this is minimal impact but
21 we have got to get the power out to where we need it.
22 And we are supportive of that. We cannot have these
23 jogs in that line. You are impacting more people,
24 number one. And worse, in a failing economy and failing
25 jobs and in this environment, it is more expensive.

1 One of the documents I reviewed specifically
2 said that the line was 70 percent longer because of the
3 jogs. Now, I don't know exactly to where that was
4 referencing, but the reality is that line needs to go as
5 straight as possible because we are all going to be
6 paying for that in increases.

7 Major concern number three. This airport, we
8 have fought the city to have a proper transition with
9 our home boundaries. And, you know, I wake up every
10 morning and I drive out and 200 feet away I see large
11 industrial tilt-up. Okay? Oh, I didn't get everything
12 I wanted here, and I know my neighbors didn't either.
13 But the reality is we cannot risk an airplane coming in
14 on a weakened engine in an emergency situation and being
15 snagged into those lines, because they are coming over
16 the top of the neighborhood and those lines are going to
17 be like a big net. They are going to pull them down and
18 that airplane is going to end up in the middle of 50
19 homes with 50 families. That is unacceptable.

20 Now, we have mounted property rights fights
21 before, and if we have to, we will do it again. What is
22 a solution? Last point. If we are going to spend extra
23 money jogging the lines to and fro, and I am quite
24 certain that's a surveyor's term, probably not, if we
25 are going to spend extra money, let's get something for

1 it and not impact so many people.

2 We cannot have this plan. The farther south
3 this goes, with care, with respect to both cities, the
4 better off we all are. The farther south we go the less
5 impact, the more washes.

6 I don't understand why I see the purple. Nobody
7 is talking about the purple line, which is the closest.

8 If you look, you have got to get the line from
9 the northwest down to the southeast. Why are we going
10 clear up to Germann, over down, over down, clear out to
11 Meridian? That's ridiculous.

12 And you have got this big net out in front of
13 the biggest runway that will land the biggest airplanes
14 in the United states. It is not an acceptable solution.
15 We need more time. We are happy to be part of the
16 solution.

17 And I want to leave you with this. We can't
18 afford the health problem. We can't afford the cost of
19 this line and there needs to be more research done.
20 Thank you for your time.

21 CHMN. FOREMAN: All right. We have had one
22 person, another person who has changed her mind and
23 would like to speak now. You are Rosanne Casterton?

24 MS. CASTERTON: Correct, I am Rosanne Casterton,
25 C-a-s-t-e-r-t-o-n. And I live in Queens Park. And I

1 chose to talk just to make one quick point, not to keep
2 everybody a long time.

3 Obviously there is lots of feelings in areas
4 that people don't want things to go through. But when I
5 was at some of the other SRP meetings and spoke with the
6 people when we went from table to table, it was my
7 understanding that there would be a possibility on
8 Germann Road. And I don't know if there is other
9 factors that this happens to be, but most of the
10 alignments that actually bear line on one side. For
11 sure one side of the property wouldn't affect homes.
12 But they said there would be a possibility. Even though
13 there is only a few of the homes that it would affect,
14 how badly does it affect them? And I was understanding
15 there was a possibility because of the easement being up
16 to 150 to 200 feet that it could possibly not run by
17 their homes but actually take their homes, and they
18 would have to be bought out and tried to be put into
19 different homes.

20 It isn't me, so I am not up here because it is
21 happening to my property, but there are a few people
22 that would happen to on Germann because there is a small
23 section on Germann it doesn't matter which side of the
24 road you go on, you are going to take homes, not just
25 run by them, you are going to take the homes.

1 So even though there is a few people, to what
2 degree is it really going to affect their home life?
3 And I think we need to look at that and maybe look at
4 some different alternatives.

5 Lots of people made good points, but that wasn't
6 one that was brought up. And I don't even know if that
7 is what would happen, but I was told that at one of the
8 meetings, that there would be that possibility.

9 Any questions?

10 CHMN. FOREMAN: Thank you for coming.

11 MS. CASTERTON: Thank you.

12 CHMN. FOREMAN: Thank you all for coming
13 tonight.

14 (An off-the-record discussion ensued as another
15 speaker approaches.)

16 CHMN. FOREMAN: Well, take your three minutes.

17 MR. LEEMANS: I am Scott Leemans, L-e-e-m-a-n-s.
18 I am with Remington Heights, Phase III. And I
19 understand the draw the straight line cost thing. What
20 I find ironic, when I brought that same point up to SRP
21 during the meetings, they said, well, the cost isn't
22 really that big of an issue, little bit of smoke,
23 sunshine, ears up my skirt.

24 CHMN. FOREMAN: If you would, sir, just tell us
25 what you favor and what you oppose.

1 MR. LEEMANS: What I favor is anything south. I
2 understand the issue with the airport. I am an
3 aerospace engineer. I think it is a debacle to put it
4 through there.

5 I like the comment from the gentleman you
6 couldn't have drawn worse routes. I understand that
7 every corner you make, that's more expensive. That's a
8 lot of tension. I am an engineer. It is a lot of
9 structure.

10 Rittenhouse may be this corridor that you are
11 talking about, but I wasn't told, so that's fiction when
12 I bought my house. And my three-year-old and my newborn
13 are no less important --

14 CHMN. FOREMAN: Sir, sir. You are here to give
15 a statement to us. If you wish to make a public address
16 to folks outside, that's fine.

17 MR. LEEMANS: My three-and-a-half-year-old and
18 my newborn are no less important than anyone else's
19 property or farm animals or children. And I agree, it
20 is a health hazard.

21 And so there are a lot of houses that are along
22 the Rittenhouse utility corridor. Unfortunately I was
23 never informed that was a utility corridor. So shame on
24 me. Buyer beware, right? I don't understand why we
25 aren't looking at the wide open spaces where there

1 aren't houses, aside from the fact that the land is
2 owned by very rich people who probably have more sway
3 than I do. But if that's the case, that's wrong.

4 So I agree. We -- all these routes -- I went to
5 the meetings. These people have gone to the meetings.
6 And you asked or someone asked earlier were we listened
7 to. Obviously not, obviously we were not listened to.

8 And you do need to rethink this. There is no
9 rush. My house is worth half of what I paid for it.
10 And I actually got what I thought was a good deal,
11 because I thought I already bought at the downturn. I
12 didn't know that they were going to crush the economy
13 for the entire country. So I am kind of stuck where I
14 am at. So I can't just walk away from my house. I have
15 to put up with this so I am going to put up a fight.

16 I thought I had been trying to. But if you are
17 not going to listen to all these people that are here
18 tonight when they are feeling this is their last hope,
19 then we have got an issue. No one is really in a hurry
20 to build all these houses. You have got time to start
21 over if you want to for the power lines.

22 So let's not rush through this because SRP, you
23 know, the big man, says that you need to and that there
24 is a big priority. There isn't one. It is fiction.
25 And if they want my 8 and a half percent or whatever

1 they want to spend on this, they ought to listen to me.

2 Thank you.

3 CHMN. FOREMAN: Thank you all for coming.

4 Everything that was said tonight was taken down. It
5 will be prepared and placed in the record. All of the
6 comment forms that were filled out will be placed in the
7 record, and all will be presented to the decision makers
8 in this case. Thank you all for coming.

9 (The public comment session concluded at
10 7:26 p.m.)

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1 STATE OF ARIZONA.)
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I, COLETTE E. ROSS, Certified Reporter
 No. 50658 for the State of Arizona, do hereby certify
 that the foregoing printed pages constitute a full, true
 and accurate transcript of the proceedings had in the
 foregoing matter, all done to the best of my skill and
 ability.

WITNESS my hand this 9th day of August, 2009.



COLETTE E. ROSS
 Certified Reporter
 Certificate No. 50658