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LUBIN & ENOCH, P.C.
Nicholas J. Enoch
State Bar No. 016473
Jarrett J. Haskovec
State Bar No. 023926
349 North Fourth Avenue
Phoenix, Arizona 85003
Telephone: (602) 234-0008
Facsimile: (602) 626-3586
Email: Nick@lubinandenoch.com
Jarrett@lubinandenoch.com

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AZ CORP COMMISSION
DOCKET CONTROL

Attorneys for Intervenor IBEW Local 1116

BEFORE THE ARIZONA

CORPORATION COMMISSION

IN THE MATTER OF THE
APPLICATION OF TUCSON
ELECTRIC POWER COMPANY FOR
THE ESTABLISHMENT OF JUST
AND REASONABLE RATES AND
CHARGES DESIGNED TO REALIZE
A REASONABLE RATE OF RETURN
ON THE FAIR VALUE OF ITS
OPERATIONS THROUGHOUT THE
STATE OF ARIZONA.

Docket No. E-01933A-12-0291

**NOTICE OF FILING DIRECT
TESTIMONY OF FRANK GRIJALVA
IN SUPPORT OF THE SETTLEMENT
AGREEMENT**

Pursuant to the Administrative Law Judge's Procedural Order (p. 3) dated September 6, 2012, Local Union 1116, International Brotherhood of Electrical Workers, AFL-CIO, CLC ("IBEW Local 1116"), by and through undersigned counsel, hereby provides notice of its filing of the attached Direct Testimony of Frank Grijalva in Support of the Settlement Agreement in this docket.

RESPECTFULLY SUBMITTED this 14th day of February, 2013.

Arizona Corporation Commission

DOCKETED

FEB 14 2013

DOCKETED BY *JJM*

LUBIN & ENOCH, P.C.

[Handwritten Signature]
For JH

Jarrett J. Haskovec
Attorneys for Intervenor IBEW Local 1116

1 Original and thirteen (13) copies
2 of IBEW Local 1116's Notice of
3 Filing filed this 14th day
4 of February, 2013, with:

5 Arizona Corporation Commission
6 Docket Control Center
7 1200 West Washington Street
8 Phoenix, Arizona 85007-2996

9 Copies of the foregoing
10 transmitted electronically and/or
11 via regular mail this same date to:

12 Janice Alward
13 Chief Counsel, Legal Division
14 Arizona Corporation Commission
15 1200 West Washington
16 Phoenix, Arizona 85007-2927

17 Steven M. Olea, Director
18 Utilities Division
19 Arizona Corporation Commission
20 1200 West Washington
21 Phoenix, Arizona 85007-2927

22 Bradley Carroll
23 Tucson Electric Power Company
24 88 East Broadway Boulevard, MS HQE910
25 P.O. Box 711
26 Tucson, Arizona 85702

27 Michael Patten
28 Jason Gellman
Roshka DeWulf & Patten, PLC
One Arizona Center
400 East Van Buren Street, Ste. 800
Phoenix, Arizona 85004
Attorneys for Applicant

Daniel Pozefsky
Chief Counsel
Residential Utility Consumer Office
1110 West Washington Street, Suite 220
Phoenix, Arizona 85007

C. Webb Crockett
Fennemore Craig, P.C.
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012

Kevin Higgins
215 South State Street, Ste. 200
Salt Lake City, Utah 84111

1 Lawrence Robertson, Jr.
P.O. Box 1448
2 Tubac, Arizona 85646

3 Kurt Boehm
Boehm, Hurtz & Lowry
4 36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202

5 John Moore, Jr.
6 7321 North Sixteenth Street
Phoenix, Arizona 85020

7 Stephen Baron
8 570 Colonial Park Drive, Suite 305
Roswell, Georgia 30075

9 Thomas L. Mumaw
10 Pinnacle West Capital Corporation Law Department
P.O. Box 53999
11 MS 8695
Phoenix, Arizona 85072-3999

12 Leland Snook
13 Pinnacle West Capital Corporation
P.O. Box 53999
14 MS 9708
Phoenix, Arizona 85072-3999

15 Court Rich
16 6613 North Scottsdale Road, Suite 200
Scottsdale, Arizona 85250

17 Annie Lappe
18 The Vote Solar Initiative
1120 Pearl Street, Suite 200
19 Boulder, Colorado 80302

20 Cynthia Zwick
1940 East Luke Avenue
21 Phoenix, Arizona 85016

22 Gary Yaquinto
Arizona Utility Investors Association
23 2100 North Central Avenue, Suite 210
Phoenix, Arizona 85004

24 Michael Grant
25 2575 East Camelback Road
Phoenix, Arizona 85016-9225

26 Terrence Spann
27 9275 Gunston Road, Suite 1300
Fort Belvoir, Virginia 22060

28

1 Travis Ritchie
85 Second Street, 2nd Floor
2 San Francisco, California 94105

3 Jeff Schlegel
1167 West Samalayuca Drive
4 Tucson, Arizona 85704-3224

5 Timothy Hogan
202 East McDowell Road, Suite 153
6 Phoenix, Arizona 85004

7 Michael Neary
111 W. Renee Dr.
8 Phoenix, Arizona 85027

9 Rachel Gold
642 Harrison St., Fl. 2
10 San Francisco, California 94110

11 Robert Metli
2398 E. Camelback Rd., Ste. 240
12 Phoenix, Arizona 85016

13

14

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1 **Q1. PLEASE STATE YOUR NAME.**

2 A1. Frank Grijalva.

3 **Q2. ARE YOU THE SAME FRANK GRIJALVA WHOSE DIRECT TESTIMONY**
4 **WAS FILED IN THIS DOCKET ON DECEMBER 21, 2012?**

5 A2. Yes.

6 **Q3. DOES INTERVENOR LOCAL UNION 1116, INTERNATIONAL**
7 **BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO, CLC (“IBEW**
8 **LOCAL 1116”) SUPPORT THE ADOPTION OF THE FEBRUARY 4, 2013**
9 **SETTLEMENT AGREEMENT?**

10 A3. Yes. On behalf of approximately seven-hundred (700) non-managerial employees of
11 Tucson Electric Power Company (“TEP”) who are represented by IBEW Local 1116, I
12 would like to express our unqualified support for the proposed settlement agreement.

13 **Q4. ARE THERE SPECIFIC PORTIONS OF THE SETTLEMENT AGREEMENT**
14 **THAT IBEW LOCAL 1116 IS PARTICULARLY INTERESTED IN?**

15 A4. Yes. While IBEW Local 1116 supports the adoption of the proposed settlement
16 agreement in its current form and in its entirety, IBEW Local 1116 is particularly
17 interested in the following paragraphs of the proposed settlement agreement: ¶¶ 1.4 and
18 2.1.

19 **Q5. PLEASE EXPLAIN WHY IBEW LOCAL 1116 IS PARTICULARLY**
20 **INTERESTED IN ¶ 1.4.**

21 A5. Paragraph 1.4 represents an acknowledgment of the fact that Article XV, § 3 of the
22 Arizona Constitution expressly recognizes the employees of public service corporations
23 as central stakeholders whose interests are on par with those of patrons with respect to
24 any potential Commission action. More precisely, this section of the Constitution
25 provides that the Commission shall “make and enforce reasonable rules, regulations, and
26 orders for the convenience, comfort, and safety, and the preservation of the health, of the
27 *employees* and patrons of [public service] corporations” (emphasis added).

28

1 **Q6. PLEASE EXPLAIN WHY IBEW LOCAL 1116 IS PARTICULARLY**
2 **INTERESTED IN ¶ 2.1.**

3 A6. Paragraph 2.1 provides that TEP shall receive a base rate increase of \$76,194,000 over
4 adjusted test-year retail revenues. Notably, this amount is over \$50,000,000 less than the
5 increase sought by TEP in its initial request. IBEW Local 1116 believes it is important
6 that TEP receive rate relief in these proceedings sufficient to enable it to sustain itself
7 financially and to continue to provide safe and reliable service to customers. It is
8 particularly important that TEP receive such relief in light of the anticipated wave of
9 retirements for skilled electrical workers within the next few years that will require TEP
10 to expend substantial sums of money to recruit, hire, and train (over the course of years)
11 the next generation of workers, as I discussed in my direct testimony in this matter.

12 **Q7. ARE THERE ANY PORTIONS OF THE PROPOSED SETTLEMENT**
13 **AGREEMENT WITH WHICH IBEW LOCAL 1116 IS LESS PLEASED?**

14 A7. Sure. For instance, IBEW Local 1116 would have preferred that TEP receive more –
15 potentially far more – rate relief than what is set forth in the agreement. Nevertheless,
16 IBEW Local 1116 recognizes that the consummation of a comprehensive settlement
17 agreement among fifteen (15) different parties with diverse and often competing interests
18 is no small feat. It is for that reason that IBEW Local 1116 fully and strongly supports
19 the Commission’s adoption of the proposed agreement *in toto*.

20 **Q8. DO YOU HAVE ANY OTHER COMMENTS YOU WOULD LIKE TO SHARE**
21 **WITH THE COMMISSION REGARDING THE INSTANT SETTLEMENT?**

22 A8. Yes. I want to make it abundantly clear to the Commission and TEP that, by agreeing to
23 this settlement agreement, IBEW Local 1116 has not, and does not, agree to any
24 modification, express or implied, to the terms and conditions of its collective bargaining
25 agreements with TEP. Likewise, such agreement should not be construed as a waiver of
26 or a modification to any rights IBEW Local 1116 may possess, whether the nature and
27 source of such rights are contractual, statutory, or otherwise. That is not to say that I
28 believe this will ever become a problem in relation to IBEW Local 1116’s relationship

1 with TEP. In fact, I do not believe that will be the case. Nonetheless, I just want to make
2 certain that there is no confusion in this regard moving forward.

3 **Q9. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 **A9. Yes.**

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