

UNITED STATES DEPARTMENT OF ENERGY

Federal Energy Corridor Designation
EIS Scoping Process
Public Meeting

Thursday, November 3, 2005
2:00 p.m.

Hilton Garden Inn
4000 North Central Avenue
Phoenix, Arizona 85012

REPORTER'S TRANSCRIPT OF PROCEEDINGS

driver *and* **nix**
COURT REPORTERS

COPY

Deborah L. Moreash, RPR
Certified Court Reporter #50294

365 E. CORONADO ROAD, SUITE 150
PHOENIX, ARIZONA 85004
(602) 266-6525
FAX (602) 266-4303
1-800-488-DEPO(3376)
www.drivernix.com

1 hearing suggestions on corridor width because this is one
2 of the issues we will have to address and has been raised
by others. So whatever rationale you care to bring on the
subject, whatever light you can shed with a reason for why
5 a certain corridor width should be taken will assist us
6 tremendously.

I was remiss in starting with Mr. Beck without
8 first asking whether there were in fact anybody here from
the elected governments, federal, state, or local, that
10 wishes to speak. Any elected officials? Any Indian tribal
11 officials or representatives that would like to speak this
12 afternoon? Okay. Thank you. We'll move on then to
13 Mr. Paul Herndon of the Arizona Public Service Company.

14 Welcome, Mr. Herndon.

AZ02

15 MR. PAUL HERNDON: Good afternoon. My name is
16 Paul Herndon, the spelling is H-E-R-N-D-0-N. I'm here
17 representing and on behalf of Arizona Public Service
18 Company, also known as APS. For the record, APS is a
19 subsidiary of Pinnacle West Capital Corporation. We're the
20 largest electric utility company in the state of Arizona,
21 serving over a million customers and 11 of the 15 counties
22 within the state.

23 We'd like to say that we appreciate the
24 opportunity to speak here today. We've got a number of
25 points that we would like to make and we'll try to be

1 brief. We also will be filing formal written comments on
2 the process by the November 28th deadline. We also hope to
3 continue to be a partner in the development of the process
4 for recognizing and designating both present and future
5 corridors.

6 APS supports the process and recognizes the
7 need to keep existing corridors and identify and designate
8 new ones within the state and within the region. We also
9 recommend that existing designated utility corridors
10 continue to be recognized. With regard to corridor widths,
11 we also agree that there are issues that need to be
12 considered with regard to the widths of the corridors. As
13 part of our formal written comments, we will include our
14 recommendations with regard to corridor widths.

15 And just as a point, recently issues regarding
16 separation of transmission lines and common corridors and
17 the reliability of those facilities have surfaced, and
18 we're in the process of studying the issues associated with
19 that and hope to have good information to share briefly and
20 shortly, and of course safety and the types of utilities
21 placed in the corridors are something that we believe needs
22 to be considered as well.

23 We believe that there is merit for corridors to
24 be multi-use or the mixing of utility corridors with
25 transportation corridors. We believe that siting

1 transmission lines along major highways or roadways has
2 merit and should be considered. We recommend that, once a
3 corridor is used by a utility company, that they should
4 remain in effect until no longer needed or the facilities
are removed.

6 Also, any subsequent transfer of federal land
subject to a corridor should remain in effect and managed
8 by the federal agency. At a minimum, the transfer should
9 contain constraints to ensure no future conflict with the
10 use of the right-of-way should exist and that the cost
11 should remain as public versus private type land costs.

12 The west in general is unique and especially
13 the state of Arizona in that, not only are there large
14 areas of federal lands across the state of Arizona, there
15 are also large areas of Indian tribal lands and Arizona
16 State Trust lands. This presents a unique issue in regard
17 to trying to cross the state with major utility lines in
18 having to cross these other entities. We believe that this
19 process should look at corridors that not only cross those
20 jurisdictions but also alternatives to those jurisdictions
21 so that we make sure that we can get the lines through
22 where we need to get through.

23 Probably one of the most important points that
24 we would like to make is we strongly recommend a
25 streamlined process for compliance with NEPA within

existing and future designated utility corridors on federal lands, and federal lands should actively seek a coordinated process and consensus on all state and Indian lands through this process as well.

5 With regard to USDA Forest Service lands, we
recommend continued recognition and expansion of the
utility corridors across Forest Service lands for 69 kV and
8 distribution facilities, and these corridors we believe
should follow existing linear features, such as highways,
10 Forest Service roads, existing utility lines, et cetera.

11 APS encourages the federal agencies to work
12 with industry and other agencies to develop consistent
13 vegetation management practices so that utilities can
14 comply with the NERC transmission vegetation management
15 standard.

16 I'd like to briefly mention a project that has
17 just become public as far as APS is concerned. We refer to
18 it as the TransWest Express Project. On October the 21st
19 of 2005 APS publicly announced our intent to explore
20 building two 500 kV lines from Wyoming to northern Arizona.
21 The project is referred to as the TransWest Express
22 Project. This project would provide Arizona and other
23 western states increased capability to access electricity
24 generated from coal, wind, and other resources. During the
25 coming year, APS will study the feasibility of the project

1 and seek participation of interested parties. If the
2 project is pursued, it is expected to have an in-service
3 date of approximately 2013. As part of our future
4 submission and interaction with the PEIS effort, we will
5 recommend corridors for the TransWest Express Project.

6 I'd like to also have the record reflect that
7 APS has had a good working relationship with the local
8 federal agencies in the state of Arizona, especially the
9 Phoenix field office of the BLM. We believe they're doing
10 a very good job with regard to managing the corridors
11 across the state and including the necessary, addressing
12 the necessary issues with regard to their resource
13 management plans. We have found that using the existing
14 utility corridors that cross the state has been beneficial
15 to us for our projects and we find that they help to make
16 the process go easier and faster.

17 Again, we hope and plan to be included in the
18 future discussions during this effort and look forward to
19 this project continuing and hope to, like I say, be a part
20 of it in the future. That is all I have to say.

21 DR. PELL: Thank you, Mr. Herndon. I
22 appreciate that. I would add to your comments one of the
23 issues that arises in considering co-locating power lines
24 with the gas or oil pipelines is the need for cathodic
25 protection and that's another area where your technical

input would be beneficial. And sir, in researching the literature on the subject, it turns out that the literature is very sparse in terms of good technical guidance on what that entails.

Before we go any further, there are some people that came in at the back that are more than welcome to come forward. There are seven or eight empty seats up front, so please feel welcome to come on up and make yourself comfortable.

Our next speaker is Mr. Marshall Magruder, who is representing himself this afternoon I believe.

AZ03

MR. MARSHALL MAGRUDER: My name is Marshall Magruder and I'm a resident of Tubac, Arizona. I'm representing myself this afternoon. I'd like to talk about a case study that I was recently involved in in southern Arizona, and in that case study there was a line, there was a corridor that was existing. The corridor got modified and there were new corridors proposed by the utility company.

It's interesting that the Arizona Corporation Commission approved one set of corridors and the Forest Service approved the other set, so the utility did not get a permit or doesn't have capability yet to build its transmission lines, and that's the case I intend to talk about. There were many lessons learned and this is only a