

1 STATE OF NEW HAMPSHIRE

2 SITE EVALUATION COMMITTEE

3
4 **November 27, 2012 - 8:42 a.m.**
Concord, New HampshireDAY 6
MORNING SESSION ONLY5
6
7 In re: SITE EVALUATION COMMITTEE:
8 DOCKET NO. 2012-01: Application
9 of Antrim Wind, LLC, for a
10 Certificate of Site and Facility
11 for a 30 MW Wind Powered Renewable
Energy Facility to be Located in
Antrim, Hillsborough County,
New Hampshire.
(Hearing on the merits)12 **PRESENT:**

SITE EVALUATION COMMITTEE:

13 Kate Bailey, Engineer
(Presiding Officer)

Public Utilities Commission

14 Amy L. Ignatius, Chrmn.

Public Utilities Commission

15 Harry T. Stewart, Dir.

DES - Water Division

16 Johanna Lyons, Designee

Dept. of Resources & Econ. Dev.

17 Craig Green, Designee

Dept. of Transportation

18 Brad Simpkins, Dir.

DRED - Div. of Forests & Lands

19 Ed Robinson, Designee

Fish & Game Department

20 Richard Boisvert, Designee

Division of Historic Resources

21 Brook Dupee, Designee

22 Dept. of Health & Human Services

23 **COUNSEL FOR THE COMMITTEE:** Michael J. Iacopino, Esq.24 **COUNSEL FOR THE PUBLIC:** Peter C. L. Roth, Esq.
Senior Asst. Atty. General
N.H. Attorney General's Office**COURT REPORTER:** Steven E. Patnaude, LCR No. 52

1
2 **APPEARANCES: Reptg. Antrim Wind, LLC:**
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4 Douglas L. Patch, Esq. (Orr & Reno)
5 Rachel A. Goldwasser, Esq. (Orr & Reno)
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8 Galen Stearns, Town Administrator
9 Michael Genest, Selectman, Town of Antrim
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12 Stephen Froling, Esq.
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14 **Reptg. Antrim Planning Board:**
15 Martha Pinello, Member
16 Charles Levesque, Member
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18 **Reptg. Edwards/Allen Intervenor Group:**
19 Mary Allen
20 Robert Edwards
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22 **Reptg. Audubon Society of New Hampshire:**
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26 Richard Block
27 Lorraine Carey Block
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31 Lisa Linowes
32
33 **Reptg. Appalachian Mountain Club:**
34 Kenneth Kimball

I N D E X

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WITNESS:

MATTHEW MAGNUSSON

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D E S C R I P T I O N

PAGE NO.

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1 P R O C E E D I N G

2 MS. BAILEY: Good morning, everyone.
3 We'll open the sixth day of hearings in Antrim Wind
4 Energy, LLC's Application for a Certificate of Site and
5 Facility. I am Kate Bailey. And, the Chairman has asked
6 me to begin the proceeding. She has a budget hearing at
7 the Legislature today.

8 So, with that, we'll take appearances
9 from the Committee.

10 MR. BOISVERT: Richard Boisvert,
11 Division of Historical Resources.

12 MR. GREEN: Craig Green, New Hampshire
13 Department of Transportation.

14 MR. DUPEE: Brook Dupee, here on behalf
15 of the Department of Health & Human Services.

16 MR. ROBINSON: Ed Robinson, New
17 Hampshire Fish & Game Department.

18 MR. SIMPKINS: Brad Simpkins, Department
19 of Resources & Economic Department.

20 MS. LYONS: Johanna Lyons, Department of
21 Resources & Economic Development.

22 DIR. STEWART: Harry Stewart, Director
23 of the Water Division, Department of Environmental
24 Services.

1 MS. BAILEY: Thank you. And, now, we'll
2 take appearances from the parties.

3 MS. GEIGER: Yes. Good morning. Susan
4 Geiger, Douglas Patch, and Rachel Goldwasser, from the law
5 firm of Orr & Reno, for the Applicant, Antrim Wind Energy,
6 LLC. And, with us today at counsels' table is Jack
7 Kenworthy, from Antrim Wind.

8 MS. BAILEY: Good morning.

9 MR. FROLING: I'm Stephen Froling. I'm
10 here representing the Harris Center for Conservation
11 Education.

12 MR. STEARNS: Good morning. My name is
13 Galen Stearns. I represent the Town of Antrim. With me
14 today is Mike Genest of the Board of Selectmen.

15 MR. EDWARDS: I'm Bob Edwards. I'm an
16 intervenor with the Allen and Edwards team from Antrim.

17 MS. ALLEN: I'm Mary Allen, with Bob
18 Edwards.

19 MS. PINELLO: Martha Pinello, from the
20 Antrim Planning Board. And, with me today is Charles
21 Levesque of the Antrim Planning Board.

22 MR. BLOCK: Richard Block, representing
23 North Branch Intervenors. And, my wife, Loranne Carey
24 Block, will be along shortly.

1 MS. LINOWES: Lisa Linowes, representing
2 the Industrial Wind Action Group.

3 MR. ROTH: Peter Roth, from the New
4 Hampshire Department of Justice, Counsel for the Public.

5 MS. BAILEY: And, with us on the
6 Committee is our counsel, Mike Iacopino. Are there any
7 preliminary matters before we get started?

8 MR. ROTH: Madam Chairman, at the
9 beginning of the -- I guess it was the first day of the
10 last group of hearings, there was a motion made by me to
11 strike certain testimony from the record. And, there was
12 a request for information that was made and an objection.
13 And, I just wanted to remind the Committee that that
14 motion is still pending. The information that was
15 requested I don't believe has been provided. So, I'd
16 just, whether the motion is renewed at this point and
17 considered and acted on, or it's simply deferred till
18 later, I just didn't want it to be forgotten.

19 MS. BAILEY: Thank you.

20 MR. IACOPINO: And, the information,
21 could you refresh our memory on what the information was?

22 MR. ROTH: There was an allegation made
23 or a statement made by Mr. Kenworthy with respect to their
24 -- the Project having obtained some -- being short-listed

1 for a PPA. And, we had asked for details and background
2 about it, and were told that that was not forthcoming,
3 other than an e-mail, which was provided. But there was
4 information beyond that that was not provided, and
5 questions, I believe, were not answered by the witness.
6 And, so, a motion to strike the testimony was made, and
7 has not yet been ruled on.

8 MS. BAILEY: Okay. Thank you. All
9 right. We have two witnesses left to hear from the
10 Applicant. Oh, sorry. Ms. Linowes?

11 MS. LINOWES: Yes, madam Chair. I
12 wanted to raise one point. My apologies. On the
13 November 2nd, in the morning, I was not hear, but I did
14 read the transcripts, and there were some discussion or
15 points being made from Attorney Geiger regarding Attorney
16 Roth. I think she used the word "conferring" with other
17 intervenors in the proceeding. And, I'm not sure what the
18 point of getting that into the record was, but I wanted to
19 get some clarification from the Committee and from you as
20 to whether or not we are prohibited from speaking to
21 Attorney Roth, and why that was being raised. Because I
22 don't want to get into a situation where anything that I
23 say/do or Attorney Roth says or does will jeopardize these
24 proceedings. So, if we could get some clarification on

1 that please?

2 MR. IACOPINO: I don't know why any
3 party couldn't speak to any other party in these
4 proceedings. I don't recall the exchange that you're
5 discussing. But the parties can confer with each other,
6 I'm sure they have been, I've seen them doing it. You
7 know, I think -- I don't know, obviously, if a party
8 wishes to or doesn't wish to, that's up to them.

9 MS. LINOWES: Thank you.

10 MR. IACOPINO: I don't recall the exact
11 exchange, but maybe Mr. Roth will enlightened us.

12 MR. ROTH: I recall the exchange. And,
13 I think the point I've made was that I've conferred with
14 many people in this case, both during the proceeding/prior
15 to it. Mr. Froling quite correctly pointed out that I had
16 not conferred with him during the proceeding. And, we did
17 then confer. So, I have now, I believe, conferred with
18 everyone. So, I'm an equal opportunity conferrer.

19 MR. IACOPINO: Ms. Linowes, I think that
20 you can confer with whoever you want, if they wish to
21 confer back with you.

22 MS. LINOWES: Thank you very much.

23 MS. BAILEY: Except for the Committee
24 members.

1 MS. GEIGER: And, I'd like to speak to
2 the issue that Attorney Roth just phrased earlier about
3 the outstanding motion to strike and the request for
4 information. And, just to refresh the Committee's memory,
5 and they may not be aware of it, because Chairman Ignatius
6 issued an order, I believe, on some discovery. I think it
7 was back in August, August 22nd. And, in that order, with
8 respect to purchase power agreement negotiations, the
9 order specifically says that "The fact that the Applicant
10 may be negotiating a power purchase agreement is not
11 relevant to the considerations of the Subcommittee." So,
12 she's made an order on that already. I just wanted to
13 point that out. And, she said that we did not have to
14 disclose information relating to the power purchase
15 agreements.

16 MR. ROTH: And, I'm fully aware of that
17 order, and that's one of the bases for my motion to strike
18 the testimony. That, because of that order, and because
19 of the position taken by the Applicant that preliminary
20 matters concerning purchase power agreements aren't
21 relevant, that, therefore, the testimony was not relevant
22 and should be struck.

23 MS. BAILEY: All right. Thank you. I
24 don't think it's relevant for the witnesses that we have

1 for today. So, we'll deal with it. Okay. Mr. Patch or
2 Ms. Geiger, are you ready to proceed?

3 MR. PATCH: Yes.

4 MS. BAILEY: Thank you.

5 MR. PATCH: Good morning, Mr. Magnusson.

6 (Court reporter interruption.)

7 MR. PATCH: Would you swear him in.

8 (Whereupon **Matthew Magnusson** was duly
9 sworn by the Court Reporter.)

10 **MATTHEW MAGNUSSON, SWORN**

11 **DIRECT EXAMINATION**

12 BY MR. PATCH:

13 Q. Would you state your name and address for the record
14 please.

15 A. Yes. Matt Magnusson, 37 Depot Road, Hampton Falls, New
16 Hampshire.

17 Q. And, by whom are you employed and in what capacity?

18 A. For the purpose of this study, it was as an independent
19 contractor.

20 Q. Could you give the Committee a brief summary of your
21 qualifications.

22 A. Sure. I have a Master's of Business Administration
23 from the University of New Hampshire, specific to
24 economic research related to renewable energy and kind

1 of energy in general. I've worked with Professor Ross
2 Gittell since 2005 on different economic impact
3 studies, including one for the New Hampshire Renewable
4 Portfolio Standard, the New Hampshire Regional
5 Greenhouse Gas Initiative. Have done economic impact
6 studies for other wind projects in New Hampshire,
7 including Groton and Granite Ridge. And, have worked
8 with Professor Ross Gittell on other economic impact
9 studies as well.

10 MS. BAILEY: Mr. Magnusson, could you
11 make sure you're speaking into the microphone please. Is
12 it turned on?

13 WITNESS MAGNUSSON: Is that better?

14 MS. BAILEY: Thank you.

15 WITNESS MAGNUSSON: Do you need me
16 re-say that or --

17 MR. PATCH: I think we're all set.

18 WITNESS MAGNUSSON: Okay.

19 BY MR. PATCH:

20 Q. What is your role in the Antrim Wind Project?

21 A. For the Antrim Wind Project, I worked with Professor
22 Ross Gittell on data collection, data analysis, report
23 authorship, and quite familiar with the Project.

24 Q. And, Professor Gittell submitted prefiled testimony in

1 this docket back in January, which has been marked as
2 "Exhibit AWE 1". And, for the Committee, that's Volume
3 1, Tab 11. Do you recall that prefiled testimony?

4 A. Yes.

5 Q. Did you work with Professor Gittell on that testimony
6 and on the Project?

7 A. Yes, I did. I worked with him on putting together that
8 testimony in the Project.

9 Q. And, Professor Gittell has, in fact, taken another
10 position that prevents him from being able to testify
11 in this docket, is that correct?

12 A. That's correct.

13 Q. Are you adopting his January 31, 2012 testimony as your
14 own?

15 A. Yes, I am.

16 Q. And, are you the same Matthew Magnusson who submitted
17 supplement prefiled testimony in this docket in
18 October, that's been marked as "Exhibit AWE Number 9"?
19 And, for the Committee, that would be the Fourth
20 Supplement, Tab 11.

21 A. Yes.

22 Q. Do you have any corrections or updates to either the
23 prefiled testimony of Professor Gittell that you have
24 now adopted or this supplemental prefiled testimony

1 that you submitted in October?

2 A. No, I don't.

3 Q. If you were asked the same questions contained in those
4 two exhibits today under oath, would your answers be
5 the same?

6 A. Yes, they would.

7 MR. PATCH: The witness is available for
8 cross-examination.

9 MS. BAILEY: Okay. Thank you. Mr.
10 Froling?

11 MR. FROLING: No questions.

12 MR. ROTH: Excuse me, madam Chairman.
13 Can I just ask a clarification question of the -- perhaps
14 of the witness or of counsel for the Applicant? Does the
15 witness also adopt all of the data request responses made
16 by -- it's not clear whether they were made by Mr.
17 Magnusson or by Mr. Gittell?

18 MR. PATCH: I can ask him a question or
19 two related to that.

20 MS. BAILEY: Okay.

21 BY MR. PATCH:

22 Q. Are you familiar with the data requests that have been
23 submitted to Professor Gittell and yourself?

24 A. Yes, I am.

1 Q. And, did you participate in the preparation of those
2 responses?

3 A. Yes, I did.

4 Q. And, so, you're able to answer questions related to
5 those?

6 A. Yes.

7 MR. PATCH: Thank you.

8 MR. ROTH: If I may, there was one in
9 particular that I was concerned about in that, and it's
10 more of a -- I guess a question of imputation, and whether
11 we impute any inferences that may be drawn to this
12 witness. For example, a question was asked of Professor
13 Gittell, how much money he made during -- you know, doing
14 these kinds of projects? And, obviously, we're looking
15 for -- or, we may be, I'm not -- and, you know, we're not
16 there yet, but there may be inferences that would be drawn
17 from that information. And, to the extent that there are
18 any imputations or inferences to be drawn from the data
19 requests that may reflect on the credibility of Professor
20 Gittell, I guess I'm asking whether those inferences and
21 imputations would be properly attributed as well to Mr.
22 Magnusson?

23 MR. PATCH: I mean, it's hard to know,
24 in the abstract, what the inferences might be until he

1 asks the question. So, I think we ought to wait until the
2 question is asked when he has his turn on
3 cross-examination.

4 MR. IACOPINO: I have a question for
5 you, Mr. Roth. Are you asking for whether the Committee
6 has made the same inferences that you're trying to
7 persuade the Committee to make? And, I --

8 MR. ROTH: No, absolutely not.
9 Obviously, that would be premature. But --

10 MR. IACOPINO: And, you realize you'll
11 have an opportunity to make those arguments at the
12 conclusion of the evidence?

13 MR. ROTH: Right. But what I don't want
14 -- what I think would be disadvantageous from the
15 perspective of the parties if there were a negative
16 inference, for example, to be made from the amount of
17 money that Professor Gittell makes doing these kinds of
18 studies, in terms of his credibility. I wouldn't want to
19 have a safe harbor, for example, for Mr. Magnusson to say
20 "well, I don't get any of that money. So, therefore, I'm
21 pristine." And, so, I think, you know, the witness has to
22 come with -- not only with the portfolio, but also with
23 the baggage.

24 MR. IACOPINO: I mean, I think what

1 you're doing is making an argument that's probably better
2 left to be made at the time when you're asked -- when
3 you're trying to persuade the Committee as to how they
4 should -- what weight they should give to various
5 testimonies and cross-examinations. It's what it seems to
6 me like.

7 MR. ROTH: All right. Thank you.

8 MS. BAILEY: Is Mr. Beblowski here from
9 the Antrim Conservation Commission?

10 (No verbal response)

11 MS. BAILEY: No. Okay. And, Mr. Jones?

12 (No verbal response)

13 MS. BAILEY: Ms. Sullivan?

14 (No verbal response)

15 MS. BAILEY: Ms. Osler?

16 (No verbal response)

17 MS. BAILEY: Ms. Longgood?

18 (No verbal response)

19 MS. BAILEY: Mr. Stearns?

20 MR. STEARNS: No questions at this time.

21 MS. BAILEY: Ms. Pinello or Mr.
22 Levesque?

23 MS. PINELLO: No questions.

24 MS. BAILEY: The Audubon Society, Ms.

1 Manzelli?

2 (No verbal response)

3 MS. BAILEY: Mr. Edwards?

4 MR. EDWARDS: I do. Thank you. I do
5 have a few questions, if I may. Mr. Magnusson doesn't
6 know me. So, I'll reintroduce myself as Bob Edwards, and
7 I'm with Mary Allen here, as intervenors. And, our
8 interest really is to get a better understanding of the
9 document that I'll recite in a moment as it pertains to
10 the Town of Antrim and perhaps contiguous communities to
11 the Town.

12 **CROSS-EXAMINATION**

13 BY MR. EDWARDS:

14 Q. I'd like refer to the document that was mentioned
15 earlier, which is Antrim Wind Energy 9, the prefiled
16 direct testimony on behalf of Antrim Wind Energy dated
17 October 11th, '12. Do you have that document in front
18 of you, so I may ask you questions?

19 A. So, I'm sorry. Which one is that?

20 Q. It is "AWE 9". It was your prefiled --

21 A. The prefiled?

22 Q. -- direct testimony, dated October 11th.

23 A. Okay.

24 MR. IACOPINO: Just for the Committee

1 members, if you're working off of the electronic version,
2 that's Document 30, in AWE 9.

3 **BY THE WITNESS:**

4 A. Yes, I do.

5 BY MR. EDWARDS:

6 Q. Okay. I'd just like -- I have several questions. And,
7 they all pertain to the document that I'm reciting on
8 October 11th. I draw your attention to Page 5, Line
9 10. And, if I mispronounce the model name, as I
10 pronounced it the "JEDI", is that pronounced correctly?

11 A. That's how I pronounce it.

12 Q. Well, then, it must be correct. Go back to Page 5,
13 Line 10, and I quote in here "we assumed the following
14 proportions of local spending", and I want to emphasize
15 "local spending" at this moment. You referred to
16 "Foundation labor at 30 percent, Erection labor at 30,
17 Electrical labor at 30, Management labor at 30, and
18 local construction materials at 40," and lastly
19 "electrical materials at 30 percent." And, in your
20 analysis, using the JEDI model, you "estimated 86 New
21 Hampshire jobs during the construction phase", and
22 "based on an in-state projected expenditure of
23 17.7 million." Is that correct?

24 A. That's right.

1 Q. My question is, would you describe for the Committee
2 and for me your definition of "local spending", because
3 it's utilized throughout the document. We use "local
4 spending", we use "State of New Hampshire", and we use
5 "regional". And, for the purposes of my cross-examine
6 this morning, I'd like you to explain what your
7 interpretation of "local spending" is?

8 A. Sure. Probably the best place for a definition would
9 be in our economic impact study that we did. I'm not
10 sure what the exhibit number is or --

11 MR. PATCH: I think it's part of AWE --
12 part of AWE 1.

13 **BY THE WITNESS:**

14 A. It's the document we've entitled "Economic Impact of
15 the Proposed Antrim 30 Megawatt Wind Power Project in
16 Antrim, New Hampshire. So, that's the economic impact
17 study that Professor Gittell and I worked on.

18 MR. PATCH: Actually, AWE 3. Not sure
19 of the tab, but you probably have a different number
20 electronically.

21 MS. GEIGER: It's 14B.

22 MR. PATCH: 14B.

23 MR. IACOPINO: It's electronic Document
24 28 in that exhibit.

1 **BY THE WITNESS:**

2 A. And, so, that would be on Page 3 of that document.

3 Right in the Executive Summary we state "local area" is
4 defined as "Cheshire, Hillsborough, Merrimack,
5 Rockingham, and Sullivan Counties."

6 BY MR. EDWARDS:

7 Q. So, it exceeds the Antrim and the contiguous
8 communities --

9 A. Absolutely.

10 Q. -- in your analysis?

11 A. That's correct.

12 Q. Okay. Also, to continue on that "local spending"
13 aspect, on Line 15, on Page 5, you refer to
14 "confidential contractor estimates and data provided by
15 Antrim Wind". So, my assumption is that, although your
16 model perhaps anticipates certain expenses on a broader
17 basis, you actually did use some confidential
18 information that was provided to you on contractor
19 estimates, is that true?

20 A. That's correct.

21 Q. So, of the 17.7 million that you feel would be derived
22 from the construction aspect, and of those six
23 construction categories that I just mentioned,
24 management labor, electrical labor, and so forth, were

1 -- is any of that 17.7 the result of estimates or bids
2 that were provided to you by contractors,
3 subcontractors, or materials from Antrim or the
4 contiguous towns or was it all in those -- how did you
5 determine that?

6 A. I'm sorry, can you restate --

7 Q. I guess what I'm trying to ask you is, the
8 17.7 million, --

9 A. Yes.

10 Q. -- how much of that was a result of analysis done by
11 you on bids provided by local Antrim contractors or
12 contractors from the contiguous communities of Antrim?

13 A. Oh, I see. So, you're asking how many would be the
14 results of bids from Antrim contractors or nearby?

15 Q. Bids or estimates.

16 A. None of them would have been. They would have been
17 more from project data provided by Antrim Wind,
18 including one of the contractors that they had -- were
19 potentially considering, I believe they're out of
20 Maine.

21 Q. So, none of them were from Antrim?

22 A. Yes, it didn't get down to that level of detail.

23 Q. All right. I'd like to refer you to Page 6 and 7 of
24 the document. And, I believe Line 22 through Line 3,

1 Line 22 on Page 6 through Line 3 on Page 7. But I'll
2 quote it to you. It says: "Again using common sense,
3 if a wind project sources any materials locally, like
4 gravel for the road,...local workers for the wind
5 project and the gravel pit need to buy food at the
6 local grocery store and clothing from a local realtor
7 [sic-retailer]." Was it your statement -- was your
8 statement intended to imply that Antrim or its
9 contiguous towns were used in that instance as your
10 reference, or were you referring more to the State of
11 New Hampshire in general, when you used the word
12 "local"?

13 A. The "local" would be the same definition that I gave
14 earlier, applying to all the counties.

15 Q. Okay. So, outside of the Antrim community as well?

16 A. Could include Antrim, and it could include counties
17 outside of Antrim.

18 Q. Well, my question went to the "local retailer for
19 clothing", because I don't think we have any in Antrim.
20 So, I wondered if it might have been an expanded
21 area --

22 A. Sure. Yes. No, that would apply --

23 Q. If the area extended --

24 (Court reporter interruption.)

1 **BY THE WITNESS:**

2 A. Okay. Sorry. Yes. So, that would apply to the total
3 local economic area that I referred to earlier.

4 BY MR. EDWARDS:

5 Q. Okay. On Page 7, Line 8, if I'm -- please look at it
6 and make sure I'm not misquoting: "The JEDI model
7 estimated a total of 70 direct and indirect local
8 jobs", and I emphasize again the "local". In your
9 analysis, "16 total jobs are estimated to be induced by
10 the economic activity of the Project". Would you
11 explain the variation between the two estimates. And,
12 could it be related to JEDI's effort to provide a
13 reasonable point as an indicator of the total labor
14 impact on the Project? In other words, the "70 direct
15 and indirect" and the "16 total" seems to be quite a
16 variation in the number of assumed indirect and direct
17 jobs. Why is there such a variation?

18 A. Yes. Maybe that could have been written a little
19 better. Basically, it's saying that there's 70 jobs
20 expected to be direct and indirect, and 16 to be
21 induced, for a total of 86.

22 Q. Now, is that "86" beyond -- that's beyond the
23 construction phase?

24 A. No, that 86 -- well, let me just make sure. Yes. That

1 would be 86 during the construction phase.

2 Q. Okay. When you look at some of your previous research
3 outside of this Project, and you look at the comparison
4 between what the model projects and what actually
5 occurs in reality, are you able to draw any assumptions
6 from which one was more accurate?

7 A. Well, in the case of this study, we did look at actual
8 construction figures from other projects, as kind of a
9 -- to help validate the model. Going back and
10 replicating indirect and induced jobs would be
11 extremely difficult. The figure that this came up with
12 for this size project, certainly, in both my opinion
13 and Professor Gittell, was a reasonable estimate.
14 Certainly is not, with the modeling, it's not going to
15 give you the exact number, but it's a reasonable
16 estimate of economic job activity.

17 Q. Are you familiar with the Lempster Project?

18 A. Yes.

19 Q. Was there such an analysis done on jobs for that
20 project? Either by you or any other party, to your
21 knowledge?

22 A. There wasn't any -- like a report done or an analysis
23 in that sense. I did speak with Ed Cherian from
24 Iberdrola about employment related to that project.

1 And, he did give us some information that was
2 consistent with results we found from this study and
3 other ones.

4 Q. Are you able to comment on whether the actual jobs in
5 reality in the Lempster Project turned out in that
6 fashion or did it become a reality or were the
7 estimates a lot higher in the initial analysis?

8 A. Well, for what I was provided, it was just
9 construction, figures directly related to the
10 construction project. And, so, I mean, those would
11 have been actual figures. They wouldn't have been --
12 they weren't modeled, they were actual job figures.

13 Q. So, perhaps there wasn't a model done on it?

14 A. No, there wasn't -- there has never been, to my
15 knowledge, a model done for Lempster.

16 Q. Okay. Your testimony states that, while it's possible
17 that 86 jobs could be created throughout New Hampshire,
18 you state that it's "highly unlikely", but go on to say
19 that it's "somewhere between 50 and 100 full-time
20 equivalent jobs". My question is, when you estimate
21 this "50 to 100 full-time equivalent jobs", can you
22 tell me what the duration of those full-time jobs are?
23 Is it your intent to represent that that will be the
24 number for the Project term for 20 years?

1 MR. PATCH: I'd like to object to the
2 question. I think he misstated the testimony in the form
3 of the question. He said 86 jobs would be "highly
4 unlikely". That's not what the testimony says. I think,
5 if you look at Lines 15 to 17, it's highly unlikely that
6 86 would "be the actual number", but it isn't "highly
7 unlikely" that there would be 86 jobs. So, I think the
8 form of the question was inaccurate.

9 MS. BAILEY: Could you restate the
10 question please.

11 BY MR. EDWARDS:

12 Q. My question, if you look at Page 7, my question goes to
13 the comment, it says: "While it is possible that 86
14 jobs could be created throughout New Hampshire as a
15 result of the Antrim Project, it is unlikely to be the
16 actual number", is that stated correctly?

17 A. Yes.

18 Q. "But it gives a sense of magnitude." So, I guess my
19 question is only, of those full-time jobs, how long in
20 duration are they?

21 A. Those jobs would be during the construction phase.

22 Q. Just the construction phase?

23 A. That's correct.

24 Q. Okay. Thank you. And, when you say "local area", I'm

1 assuming we're repeating that same?

2 A. That's correct.

3 Q. Okay. Are you aware of the PILOT that was signed
4 between the Board of Selectmen and Antrim Wind Energy,
5 the Payment in Lieu of Taxes, that document?

6 MR. PATCH: I'm going to object to this
7 question. I don't think this is the appropriate witness
8 to ask questions of related to the PILOT. I think
9 Mr. Kenworthy was the witness who provided testimony with
10 regard to that. So, I don't think this is the appropriate
11 witness for that.

12 MR. EDWARDS: Well, he hadn't heard the
13 question yet.

14 MR. PATCH: Well, --

15 MS. BAILEY: The question was "is he
16 aware of it?"

17 MR. PATCH: I just don't think he's the
18 right witness to answer questions related to it. So, I
19 think he's started down a path that it's not appropriate
20 for this witness.

21 MR. ROTH: I guess this is the same
22 problem we had before. I think the parties get to choose
23 the witnesses to ask the questions of. If the witness
24 doesn't have an answer for it, then that's the end of it,

1 I would presume. But it's not up to the Applicant to
2 decide which witnesses get which questions from the other
3 parties.

4 MR. PATCH: I don't think it's fair for
5 questions to be asked of witnesses who did not provide
6 testimony on certain subjects. That's my point.

7 MS. ALLEN: Could I speak? I'm
8 co-intervenor with Mr. Edwards. Mr. Magnusson's report on
9 the economic impact does indeed refer to the PILOT
10 payment. So, it's stated in the record.

11 MS. BAILEY: Okay. I'm going to
12 overrule the objection for now. Answer the question to
13 the extent that you can.

14 BY MR. EDWARDS:

15 Q. I just want to bring up an aspect of the PILOT that may
16 be relevant. In the PILOT, --

17 MR. IACOPINO: Mr. Edwards?

18 MR. EDWARDS: I'm sorry?

19 MR. IACOPINO: We're waiting for an
20 answer to the question from the witness.

21 MS. BAILEY: Is he aware of this?

22 MR. IACOPINO: "Are you aware of the
23 PILOT?" was the question.

24 WITNESS MAGNUSSON: Yes, I am.

1 MR. EDWARDS: Okay. I'm sorry. Thank
2 you.

3 BY MR. EDWARDS:

4 Q. On Page 2, there's a quote that said, "if the" -- and
5 I'm referring to the PILOT now, I'm sorry. "If the
6 facility fails to achieve commercial operation by
7 December 31st, 2015, this Agreement shall be deemed
8 void and of no effect." So, my question goes to, when
9 you considered your analysis on the financial benefit
10 to the local region, did you consider the provision
11 that Antrim Wind Energy has the sole option of
12 discontinuing its effort to produce the wind farm over
13 the next three years or did you just look at the job
14 creations and so forth over the 20-year term? And, if
15 you're aware of the three-year trigger, would that have
16 changed your opinion in any way on your projections of
17 the economic benefit to the local region?

18 A. You kind of lost me a little bit on that question.

19 Q. Okay.

20 MS. BAILEY: Yes. Can you try to break
21 the questions down one at a time? I think there were a
22 lot of questions in that question.

23 MR. EDWARDS: I am sorry.

24 MS. BAILEY: Thank you.

1 BY MR. EDWARDS:

2 Q. My question is that you've tried, in your total
3 project, you tried to estimate the total economic
4 benefit to the local region?

5 A. That's correct.

6 Q. And, in that, did your analysis of the economic benefit
7 consider the 20-year term of the anticipated Project or
8 only the construction phase?

9 A. No, it included after construction also.

10 Q. So, you assumed the 20-year period of operation? And,
11 make it simple for you, --

12 MS. BAILEY: Wait. I think he's trying
13 to find the answer.

14 WITNESS MAGNUSSON: Yes.

15 **BY THE WITNESS:**

16 A. Yes. We did total economic benefits over a 20-year
17 period.

18 BY MR. EDWARDS:

19 Q. Did you give any weight to the ability of Antrim Wind
20 Energy to stop its operation in 2015, if it didn't feel
21 it was prudent to proceed?

22 A. We did not do that scenario.

23 MR. PATCH: I'd like to object to that
24 question. I don't think that's what the PILOT Agreement

1 says. I think he's misinterpreted --

2 MR. ROTH: The witness already answered
3 the question.

4 MR. PATCH: Well, I object to it. I'd
5 like to ask that the answer be struck and the question not
6 be allowed.

7 MR. EDWARDS: Do you want me to refer to
8 the PILOT?

9 MS. BAILEY: Let's try to rephrase it
10 and see if you can get the question that you're trying to
11 ask.

12 BY MR. EDWARDS:

13 Q. I guess my question is, you estimated the economic
14 value over 20 years, regardless of the option of Antrim
15 Wind Energy to stop the Project in 2015, if it so
16 determined?

17 MS. BAILEY: Were you going to show him
18 where in the PILOT --

19 MR. EDWARDS: Oh.

20 MS. BAILEY: -- it says that, so that
21 he's clear on what that says. I think that's what the
22 objection was.

23 BY MR. EDWARDS:

24 Q. On Page 2, under "Term", --

1 MS. BAILEY: Does he have the PILOT?

2 (Atty. Geiger handing document to the
3 witness.)

4 MR. EDWARDS: May I continue?

5 BY MR. EDWARDS:

6 Q. On Page 2, under "Term", if you go to the third line
7 from the bottom, it said "If the facility fails to
8 achieve commercial operation by December 31st, 2015,
9 this Agreement shall be deemed void and of no effect."
10 And, my question was, was that a factor in your
11 estimate or did you just assume it would go on for 20
12 years, in your estimate of economic value?

13 A. We didn't consider a scenario where the facility wasn't
14 operational.

15 Q. All right. Thank you. If I may, I'd like to switch to
16 Page -- I'm back now to the original document under
17 discussion, on Page 8, Line 11. And, it goes to the
18 question of "property values". I would ask you to
19 define for me "statistically significant changes in
20 property values due to wind energy". What is your
21 definition of "statistically significant change"?

22 A. What page was that again?

23 Q. I'm sorry. Page 8, Line 11. And, the first word is on
24 Line 10. It says "no statistically significant change

1 in property values". What is a "statistically
2 significant change" in dollars or percentage, in your
3 opinion?

4 A. Well, a "statistically significant change" would mean
5 that the difference in -- what that statement would
6 mean is that, for any properties that it sold, they did
7 not sell for a statistic -- or that, for the overall,
8 when looking at all sales taken together, there was not
9 a significant decrease in the sales price of properties
10 than would have been expected.

11 Q. So, my question is, what is "significant", in this
12 model versus perhaps what the consumer might think?
13 Are we talking ten percent? Five percent?
14 Thirty percent?

15 A. Technically, it would be a p-value of 0.05 for a
16 statistic test, which is -- that's a very common metric
17 to use for statistical analysis.

18 Q. So, by way of example, if it -- if it was assessed at
19 200,000, and it sold, what would it sell for to be a
20 significant -- statistically significant?

21 A. Well, it wouldn't be an individual property. It would
22 be looking at the average of properties sold. And, if
23 that average was statistically significant, there would
24 -- the mean value of those sold would be lower to a

1 greater extent than would be expected due to just
2 normal variation.

3 Q. So, there's a lot of interpretation in it, isn't that
4 subjective?

5 A. No. It's actually, with a statistic test, it's very
6 black and white.

7 Q. And, you're able to define that clearly, when it's a
8 significant statistical change, you can define that
9 clearly that it's relative to the wind energy farm, as
10 opposed to any other impact that might have an impact
11 on value or sale price? Your analysis is really trying
12 to understand what the impact of the wind farm is
13 having?

14 A. That's correct, yes. So, I'm sorry. Can you just
15 restate that?

16 Q. Well, I guess I'm -- I guess I'm just trying to
17 understand that, if a property was assessed at 200,000,
18 and it fell within the area of the wind farm, what a
19 statistically significant change would be in general.
20 Would it be a ten percent reduction? And, you're
21 saying you didn't do individual properties, you just do
22 an average of a group of them.

23 A. That's correct. You do look at them. You can't look
24 at any one property. You look at the average of all

1 properties taken together.

2 Q. And, are you able to drill down sufficiently to
3 understand that, even though that property may fall
4 within that area of study, that it wasn't due to any
5 other hardship, other than the wind energy, in your
6 opinion?

7 A. Well, so, what we did with this study is we only looked
8 at what we would refer to as "arm's length"
9 transactions, meaning things like foreclosures,
10 transfers between families, those were excluded,
11 because those certainly would be something that would
12 be an issue. That would be a factor, in addition to
13 location to the wind turbines in Lempster.

14 Q. So, they were primarily third party transfers. There
15 were no -- you excluded all the things that you
16 mentioned?

17 A. That's correct.

18 Q. They were bona fide arm's length transactions?

19 A. That's correct.

20 Q. In the studies you cited -- did the studies you cited
21 and reviewed consist of the same residential
22 composition and density as the Antrim Project? When
23 you looked at these studies that you recited in here,
24 were they very -- were they similar to the composition

1 of the number of residential homes that exist in the
2 Antrim Project?

3 A. Well, the studies that we reviewed covered quite a few
4 different geographic locations. I don't recall that
5 any would be -- have identical characteristics to the
6 Lempster -- you know, to Lempster.

7 Q. Well, we --

8 A. I mean, other than there was the project in Vermont,
9 which would be somewhat similar.

10 Q. We all know that there are wind farms that are located
11 in agricultural areas in the valleys and so forth in
12 the U.S. and in Europe. New Hampshire seems to be a
13 little bit unique, and maybe Vermont and Maine, that a
14 lot of them are on the ridgelines. Antrim has quite a
15 concentration of residential homes that surround the
16 Project. And, I just wondered if your studies looked
17 at that type of environment or were they just in
18 general. Where you had some so many residential homes
19 surrounding the proposed wind farm in Antrim?

20 A. You're talking about Lempster or Antrim?

21 Q. Antrim. And, if you want to talk about Lempster, do
22 you consider Lempster and Antrim very similar in
23 residential density?

24 A. I would say that they have similar characteristics

1 compared to some of the other studies that, for
2 example, you had some studies that had more open area
3 in general, with the Lempster one, the unique factor of
4 that is that it's heavily forested on ridgelines.
5 That's maybe atypical, compared to other areas of the
6 country.

7 Q. When I visited Lempster, I saw a lack of residential
8 concentration as compared with Antrim. But --

9 MR. PATCH: I'd like to object to the
10 question. I think Mr. Edwards is really offering
11 testimony. He's talking about when he "visited Lempster".

12 MR. ROTH: He hasn't asked a question
13 yet.

14 MR. PATCH: Well, he seems to be very
15 clearly providing factual information to the Committee as
16 part of the question. And, I just don't think that's
17 appropriate.

18 MS. BAILEY: Okay. Mr. Edwards, can you
19 try to get to the question please?

20 MR. EDWARDS: Yes.

21 MS. BAILEY: Go ahead.

22 BY MR. EDWARDS:

23 Q. My question really was, in your professional opinion,
24 the composition of the Lempster site and the Antrim

1 site, based on the residential density, are very -- are
2 similar?

3 MR. PATCH: I think he's already
4 answered that question. I think that was the question
5 that was just asked before.

6 MR. EDWARDS: Could I confirm his answer
7 is "yes"?

8 MR. PATCH: I heard him say "they had
9 similar characteristics".

10 MS. BAILEY: Yes. Can you just answer?

11 **BY THE WITNESS:**

12 A. I would agree that they have similar characteristics.
13 I do think that Antrim has some different areas of
14 development compared to Lempster. But, within the
15 immediate area, around Lempster and around Antrim, I
16 would say they're pretty similar.

17 **BY MR. EDWARDS:**

18 Q. Thank you. I refer you to Page 9, Line 17. You state
19 "no significant impact", and I'm assuming, when you say
20 that, you mean "adverse impact", regarding the "1,955
21 properties" tracked in the study. Do you see that, Mr.
22 Magnusson?

23 A. What page?

24 Q. Page 9, Line 17.

1 A. Okay.

2 Q. I'm assuming you mean "adverse impact" when you did the
3 studies of 1,955 properties in your study. When you
4 say "no significant impact", and you're using the
5 \$200,000 assessed value residential property, what
6 would "no significant impact" be in your opinion?

7 A. Now, for Line 17, are you saying that it's from our
8 study? Because that's not the case.

9 Q. It says "they analyzed 1,955 properties".

10 A. Yes. That was from another study --

11 Q. It was?

12 A. -- in New York.

13 Q. I'm sorry. Let me ask you the question, if it's
14 appropriate. That, in your professional opinion, when
15 you're looking at a home of that value, and there's no
16 significant impact, what would your professional
17 opinion be of "no significant impact" on a property of
18 200,000?

19 A. Well, I think it really depends on what your sample
20 size is. There's a lot of factors that go into it.
21 You can't just say, "if it was 10,000 less, it would be
22 significant." It depends on a lot of different
23 factors. You just can't give a pat answer to the
24 question you're asking.

1 Q. Well, let's move to Page 10, Line 18. We're getting
2 there. Explain your "isolated rare instance where
3 there may be some form of impact for residences located
4 in close proximity to the facilities." What is an
5 "isolated rare instance"?

6 A. That means that there is the possibility that a
7 specific project could be impacted -- I mean, a
8 property could be impacted.

9 Q. But is it one out of a hundred? Or, when you say
10 "rare", is it, if you did a study of 100, what would be
11 the "rare"? Would it be ten or one or is that
12 difficult to answer?

13 A. Well, I mean, that's difficult to answer because it
14 really depends on the situation. But, I mean, in our
15 study, I think we had, over a several year period, 88
16 property transactions. So, it would be a very small
17 number.

18 Q. When you made that statement, that "some form of impact
19 on residences located in close proximity to the
20 facilities", would you think that instance would be
21 applicable to the Antrim wind farm location?

22 A. Well, let's see, I'll refer back to -- let's see our
23 study, for kind of the language that we use on that.

24 (Short pause.)

1 **BY THE WITNESS:**

2 A. Okay. This would go to the Lempster property value
3 impact study. Again, I'm not sure what exhibit number
4 that would be.

5 MS. GEIGER: That would be in Volume 3
6 of the Application, and it's Tab 14A or Appendix 14A.

7 **BY THE WITNESS:**

8 A. And, so, this would be what we stated in the Executive
9 Summary, and this would be kind of how we would
10 characterize it. "While the study does not exclude the
11 possibility of isolated cases of property value impacts
12 attributable to the Lempster Wind Project, the study
13 has found no evidence that the project had a consistent
14 statistically significant impact on property values
15 within the Lempster region."

16 BY MR. EDWARDS:

17 Q. You've already testified that Lempster and Antrim have
18 some similarities?

19 A. I would say, especially within the immediate vicinity
20 of the Lempster turbines, compared to the proposed
21 turbine sites in Antrim.

22 Q. Thank you. May I ask, in your experience, would you
23 briefly explain what you meant by a "good neighbor
24 agreement"?

1 A. Well, a "good neighbor agreement" is a term that I've
2 heard used in the industry. And, it basically involves
3 the wind developer and a property owner coming to some
4 kind of mutually agreeable decision arrangement,
5 because the property value -- or, the property owner
6 feels they are impacted in some way by the project.

7 Q. So, that good neighbor agreement results from what the
8 property owner might feel that he or she has been
9 damaged by the wind farm location?

10 A. I think that's probably a reasonable way to state it.

11 Q. Okay. And, then, you also went onto say that "there
12 are times when the property is reassessed by the
13 municipality." And, my question is, in your
14 experience, could you give us some indication of the
15 percentage of post wind farm decline in property
16 assessed value, in your experience, have you -- when
17 there is a reassessment done, is there any trend or
18 similarity as to what might -- what you might see for a
19 decline in assessed value as a result of the wind farm?

20 A. Well, in relation to Lempster, there were, and we've
21 documented it in this report, under "additional
22 discussion" we documented two instances where there
23 were property value reassessments or the reassessments
24 that were in part due to that. And, the document

1 clearly describes the kind of circumstances for that.

2 In my experience, especially with the
3 Lempster, have I -- has there been a wide reassessment
4 of properties? No. And, in our study, how we would
5 have taken that into account is we would have compared
6 Lempster with the surrounding communities, to see if,
7 after the -- after the wind project, if there was a
8 decline in property investment -- property assessment
9 valuation, and that didn't occur. So that, certainly,
10 we didn't come across any evidence of anything like
11 that.

12 Q. Was one of the reassessments in Lempster granted to the
13 individual that owned the property on the wind farm?

14 A. I'm sorry.

15 Q. The owner of the real estate that has his home on the
16 Lempster wind farm, was that one of the properties that
17 was reassessed in your example?

18 A. I don't have specific names for that. That came from
19 the Town of Lempster. And, they just -- I had
20 contacted them about any reassessments that they had
21 known due to the wind project and they gave me a total.
22 It may have been, I don't know.

23 Q. Okay. Thank you. On Page 11, Line 1, the statement is
24 made there are "two instances of property tax easements

1 performed in part" -- excuse me -- "due to Lempster
2 Wind." Could you explain property tax easements that
3 were granted and who benefited from those easements?

4 A. Those were the ones I was just talking about.

5 Q. Were they easements or reassessments?

6 MR. IACOPINO: If I can just be clear,
7 because I think they're actually "requests for
8 abatements", is the proper term. And, they are within
9 the --

10 BY MR. EDWARDS:

11 Q. So, it may have been that the word "easement" was
12 misplaced in that?

13 A. I would say so. It sounds like that's probably what
14 the correct term to use would have been.

15 Q. Okay. My interpretation was that it may have really
16 meant "reassessment". But last question. Based on
17 your professional knowledge and extensive education, as
18 well as your testimony that your report confirmed "no
19 statistically significant adverse change in property
20 values due to wind energy farms." Is it your
21 professional opinion that wind energy farms in New
22 Hampshire, of the size proposed by Antrim Wind Energy,
23 LLC, have existed for an adequate length of time to
24 gather sufficient data to measure a wind farm's effect

1 on property values?

2 A. Based on the Lempster experience, I would say "yes".

3 Q. No. Based on -- Based upon the wind farms in New
4 Hampshire, of the size proposed, has there been an
5 adequate length of time that those wind farms have
6 existed that you can gather sufficient data to measure
7 wind farm effects on property values?

8 Antrim hasn't been built yet.

9 Lempster's been up for a few years. The question is,
10 has adequate time passed in order for you, in your
11 professional opinion, to draw trends as to any impact
12 caused by wind farms on assessed value?

13 A. I would just go back to my previous answer. Lempster
14 is the only really good example we have. And, based on
15 that, we didn't see any significant impacts on property
16 values.

17 Q. In your opinion, do you think the jury is still out on
18 this question?

19 A. Not based on the results from Lempster.

20 Q. Well, based on your professional knowledge of
21 appraising and real estate values, do you need longer
22 terms in order to determine a trend?

23 A. I mean, other projects that have been built haven't
24 been assessed. But, as far as from what we learned

1 from the Lempster Project, no.

2 MR. EDWARDS: I have no further
3 questions.

4 MS. BAILEY: Thank you. Mr. Block?

5 MS. ALLEN: Actually, as we were sitting
6 as a panel, I have follow-up questions with Mr. Edwards.
7 We were told that we could do it this way? No?

8 MR. IACOPINO: How many do you have?

9 MS. ALLEN: About three.

10 MS. BAILEY: Okay.

11 MS. ALLEN: Maybe four, Mike. Okay.

12 Hi, Mr. Magnusson. I'm Mary Allen. And, I'm a
13 co-intervenor with Mr. Edwards.

14 BY MS. ALLEN:

15 Q. And, I'd like to address two specific aspects of the
16 studies that you conducted with Mr. Ross Gittell, and
17 make up the economic impact study in this proceeding.
18 And, the first relates to economic impacts, and the
19 second to potential property value impacts. And,
20 referring to the "conclusion" section, the Section 5 of
21 the Economic Impact Study, you and your co-author state
22 "An annual PILOT payment of \$337,500 would have a
23 significant impact on the revenue to the Town of
24 Antrim. And, the Town would also experience positive

1 impacts from conservation measures put in place by part
2 of the Project." And, in our data request to you, Mr.
3 Edwards and I asked "if the analysis of any offsetting
4 tax liability to the Town had been included in that
5 analysis?" And, we also asked "if you had contacted
6 the ConVal Regional School District to better
7 understand Antrim's tax situation?" The answer we
8 received was that the tax analysis for the PILOT was
9 included in the JEDI model, which included the five
10 counties that you've mentioned, but was not suitable
11 for analyzing the distribution of benefits in the study
12 area. And, he also reported you had not contacted the
13 local school district. Is that correct? Is that what
14 you remember from the testimony?

15 MR. PATCH: Could we just have a cite to
16 the data request, the number and the, you know, the
17 response that Ms. Allen has just cited to?

18 MS. ALLEN: It is Data Request
19 Edwards/Allen UNH 1-3. It's the June 20th.

20 MS. BAILEY: Did you mark it as an
21 exhibit, by any chance?

22 MS. ALLEN: I'm not sure that we did,
23 because it was a data request. I'm not sure that it was
24 marked.

1 MS. BAILEY: Okay.

2 WITNESS MAGNUSSON: I know what she's
3 talking about.

4 MS. BAILEY: Okay.

5 **BY THE WITNESS:**

6 A. Yes. So, what you said is correct. That was our
7 position on that.

8 BY MS. ALLEN:

9 Q. Then, also, the data request answer concludes with the
10 statement "Therefore, specific analysis of the tax
11 liability of the Town of Antrim was not analyzed as
12 part of this economic study." So, my question is, that
13 without that analysis, in other words, without
14 understanding the impact of the PILOT payments and the
15 offsetting tax liability for \$61 million project, in
16 light of the proportional taxation payments both to the
17 county and the local school district, can you be
18 certain that the PILOT is actually an economic benefit
19 to Antrim taxpayers?

20 A. The PILOT payments are a positive economic impact
21 within the local study area that I defined earlier.
22 What you're asking about relates to distribution of
23 benefits, and that's really a political issue. It's
24 not an economic one.

1 Q. So, in other words, it is of an economic benefit, the
2 \$337,000 is a payment that would be disbursed amongst
3 -- in some way amongst the five counties. It's not
4 directly an impact to the Town of Antrim?

5 A. This study, we didn't specifically focus on Antrim. We
6 focused on the local area that we defined.

7 Q. In your assessment, did you compare ad valorem
8 taxation, such as used in Lempster, to the use of a
9 PILOT?

10 A. No, we did not.

11 Q. Okay. Would you be surprised to learn that there is a
12 strong possibility that Antrim appears to be in a
13 negative tax position vis-a-vis the payments that would
14 have to be given on equalized value to both the school
15 district and the -- and the county?

16 MR. PATCH: I'd object to the question.
17 Again, I don't think this is the witness that is
18 appropriate to ask this question of.

19 MS. ALLEN: Well, I --

20 MR. ROTH: There he goes again.

21 MS. ALLEN: Well, I think this does
22 speak to the economic impact. And, I'm trying to stay
23 very narrow on this, and not on the PILOT. He has stated
24 in the conclusions, and this conclusion of the report says

1 that "there is an economic benefit to Antrim, in terms of
2 tax revenues." And, I'm looking for support for
3 discussion on that point.

4 MR. PATCH: This is a complex issue, the
5 subject of litigation in the Superior Court, and that
6 litigation has not yet been resolved. So, I think any
7 speculation about what the ultimate result might be, for
8 this witness to make, is just inappropriate.

9 (Ms. Bailey and Atty. Iacopino
10 conferring.)

11 MS. ALLEN: I see they're conferring.
12 I'll let them confer.

13 MS. BAILEY: I think she's just asking
14 him to say whether he considered it in his analysis, and I
15 think he should know the answer to that question. And,
16 so, I'll let him answer that question.

17 WITNESS MAGNUSSON: Can you just restate
18 it?

19 MS. ALLEN: I'll try.

20 WITNESS MAGNUSSON: Yes.

21 BY MS. ALLEN:

22 Q. Would you be surprised to learn that an analysis of the
23 PILOT for Antrim appears to result in a negative tax
24 impact for Antrim taxpayers. The first year of the

1 PILOT payments, which was estimated to be 2014, would
2 generate 337,500 thousand dollars -- \$337,000 in
3 payments to the Town, but the Town itself could face
4 more than \$500,000 in tax liabilities to the county and
5 to the school district. So, there would be a negative
6 impact. Is that something that you had considered? Is
7 that something that would surprise you or would be a
8 negative impact?

9 MR. PATCH: I think the premise of the
10 question is false. Mr. Kenworthy has provided testimony
11 that the Town would be made whole under the Alternative
12 PILOT Agreement.

13 MR. ROTH: I think the Chair already
14 ruled that the witness was supposed to answer the
15 question. This continually interrupting the questioner
16 with objections I think is unfair.

17 MR. PATCH: I just think the record
18 needs to be clear about information. I don't want the
19 Committee to be mislead about certain information that's
20 being provided. So, I certainly have a right to object.

21 MR. ROTH: And, you have a right to make
22 your arguments at the appropriate time, and interrupting a
23 witness's cross-examination I don't think is the right
24 time.

1 MR. PATCH: Mr. Roth seems to think he's
2 the one making the rulings here.

3 MR. IACOPINO: Okay. Let's both -- all
4 counsel and all parties, please address your objections
5 and any statements to the Chair and not to each other.

6 (Ms. Bailey and Atty. Iacopino
7 conferring.)

8 MS. BAILEY: It's a simple question.
9 Did you consider it?

10 WITNESS MAGNUSSON: Not the way that
11 they discussed. We certainly didn't get down to that
12 level of detail.

13 MS. BAILEY: Thank you.

14 MS. ALLEN: Okay.

15 BY MS. ALLEN:

16 Q. Moving onto something else. In your report, in the
17 economic impact, you state that this wind facility will
18 create "13 full-time jobs" after construction in the
19 local area, as you explained the five counties. Can
20 you more fully explain where those jobs will come from
21 and how it -- and how you analyze them? Or, how you
22 derive that number?

23 A. I'm just looking it up.

24 MR. IACOPINO: Do you have a reference

1 for that "13 jobs"?

2 MS. ALLEN: It is in the economic study,
3 which I know was Appendix 13 of the original filed
4 document. I don't know if it's been renumbered now --

5 MR. IACOPINO: Appendix 14B in AWE 3.

6 MS. ALLEN: Fourteen B (14B)?

7 MR. IACOPINO: Do you have a page within
8 the report you're referencing?

9 MS. ALLEN: No. I'm sorry, I don't.

10 WITNESS MAGNUSSON: It's in the
11 Executive Summary.

12 MS. ALLEN: It's in -- yes. Which would
13 be the first couple of pages, I think.

14 **BY THE WITNESS:**

15 A. Well, in Table 2 in the Executive Summary, it has that
16 -- so, it would be, actually, in Table 3. So, total of
17 "13 local area jobs", and "3 direct local area jobs";
18 so, presumably, would be directly associated with the
19 wind facility; "6 local area jobs", those could be the
20 kind of jobs like the guy who drives the plow to plow
21 the snow during the winter, suppliers that deliver, you
22 know, different resources to the wind facility, those
23 would be local area jobs; and then induced would be,
24 because of the nine jobs brought on by both -- the

1 local area, both directly and indirectly, the model
2 would predict "4" would be additional jobs would be
3 created throughout the economy, in aspects like grocery
4 stores or supermarkets and retail, that type of thing.

5 BY MS. ALLEN:

6 Q. In the six jobs that would be sort of secondary, not
7 full -- not directly employed by the wind facility, --

8 A. Uh-huh.

9 Q. -- are those full-time year-round jobs that you're
10 considering?

11 A. Well, so, one of the things that you have to take into
12 account with this, is this is a model and it will kind
13 of roll things up. It's probably not "six jobs", it's,
14 you know, the equivalent of six jobs spread out over a
15 lot of different activities. So, that it could be the
16 plow guy during the winter, it could be somebody doing
17 something different during the summer. But, in total,
18 it would expect to create about six full-time job
19 equivalents' worth of work throughout the year.

20 Q. Now, you've mentioned before that Lempster is the one
21 project that really has enough history to be able to
22 look back on to make inferences, you know, for
23 economics. Have you talked to Lempster? Have you done
24 follow-up studies to see if indeed full-time jobs or

1 full-time equivalents were provided with that wind data
2 or is this just something that we have to assume from
3 the studies?

4 A. Well, so, for example, like the direct jobs would be
5 based on real information provided by wind turbine
6 manufacturers --

7 Q. Right.

8 A. -- and from wind of who would, you know, minimum number
9 of bodies you need to operate that facility.

10 Q. I'm more interested in the indirect jobs and the jobs
11 in the local economy.

12 A. The indirect is typically not something that somebody
13 would compile. The way you would do it is you could
14 take, you know, somebody like Lempster was willing to
15 open up their books and say "these are all the
16 different suppliers we paid out during the year." Go
17 through and look at those expenditures and where they
18 were made. But nobody has done that study, to my
19 knowledge.

20 Q. Okay.

21 MS. BAILEY: Ms. Allen?

22 MS. ALLEN: Uh-huh.

23 MS. BAILEY: You're way beyond your four
24 questions. And, I think I told Mr. Edwards he couldn't

1 ask questions one time when you had asked questions. So,
2 I'm going to tell you now that this is your last
3 opportunity for both of you. You've got to work together.

4 MS. ALLEN: Okay.

5 MS. BAILEY: Because he could have asked
6 these questions in his questions, you could have given
7 them to him. So, I'm asking you to get to your most
8 important question.

9 MS. ALLEN: Okay. I do have -- I do
10 have one more, and that's it.

11 MS. BAILEY: Thank you.

12 BY MS. ALLEN:

13 Q. Going on to property values. You've stated in your
14 answers to a data request that you identified one
15 lakeshore sale of property in Lempster, and that was a
16 property that did have a view of at least one or two of
17 the turbines, correct?

18 A. That's correct.

19 Q. Okay. Given the fact that Antrim has 40 homes and
20 cottages that are located within the lakefront
21 recreational zone around Gregg Lake, and 94 that are in
22 Franklin Pierce Lake, do you think further study is
23 needed to differentiate between property values in
24 Antrim and Lempster?

1 A. No.

2 Q. And, the fact that there are additional lakeshore built
3 houses that will see the turbines or have been
4 identified as being in the viewshed of the turbines
5 doesn't have an impact?

6 A. I don't believe so, no.

7 MS. ALLEN: Okay. Thank you.

8 MS. BAILEY: Thank you. Okay. Mr.
9 Block.

10 MR. BLOCK: Yes. Good morning. Thank
11 you.

12 BY MR. BLOCK:

13 Q. Mr. Magnusson, just let me first talk to those two
14 abatement requests that were in Lempster. On your
15 impact report, they're charted on Page 27, Table 9.
16 And, one states specifically it was for a "view factor"
17 and the other states that it was "to reflect buyer
18 resistance to the home's proximity to a windmill". In
19 both of these cases, it seems like the Lempster
20 assessor agreed that proximity to a windmill was
21 justification for a downward adjustment of assessed
22 value. Would you agree with that?

23 A. That's what they put down.

24 Q. Okay. I wanted to actually turn to the next page and

1 address your conclusion in that report, and get into
2 some specifics about that. And, the middle paragraph
3 talks about "In some isolated cases, it appears that
4 uncertainty about the impacts have resulted in a
5 temporary decrease in value for properties located
6 close to proposed wind power projects." Can you be
7 more specific as to what you mean by a "temporary
8 decrease"?

9 A. Sure. In the study we talk about that, the term that's
10 used is the "anticipation effect". There were a couple
11 of -- there was one study that found that kind of the
12 period between the project being announced, and before
13 the impacts were actually known, meaning that, until it
14 was actually built, there was a temporary statistically
15 significant decrease in selling price. But, after that
16 period, in one study that we looked at, those values
17 they said came back, and, in fact, rebounded, in some
18 instances, stronger than they were before. And, that
19 was a study in New York that had found that.

20 Q. And, where in New York was that?

21 A. Okay. So, this would be in the Lempster property value
22 impacts. Our "Studies Reviewed of Residential Property
23 Sales, it would have been -- actually, no, I'm sorry,
24 it wasn't New York. It would have been -- the study

1 also would have been Hinman, in May 2010, and it would
2 have been in Illinois. And, she looked at 3,851
3 property transactions.

4 Q. What page is that referred under? Do you have that?

5 A. Page 10.

6 Q. All right. Thank you. So, are you saying that, when,
7 in instances where this was studied, after a wind
8 turbine installation was established and erected, that
9 property values were the same as they were before the
10 project had even been proposed?

11 A. For that study, that's what they found.

12 Q. In that study. Have you looked at any other studies in
13 any other parts of the country?

14 A. Sure. We looked at a total of six different ones that
15 seem to really stand out as being significant, large
16 number properties, well done, covering large areas of
17 the country. And, that one was the only instance we
18 found -- that was the only one that had any instance of
19 kind of uncovering what they referred to as an
20 "anticipation effect". The other ones did not.

21 Q. Have you looked at all at what the topography is in
22 that central Illinois study? And, does it compare to
23 anything in New England?

24 A. Certainly wouldn't compare to a New England one.

1 Q. So, do you think the views and effects would be
2 different there?

3 A. No. I mean, the topography is different. But,
4 certainly, the same type of visual impacts of having a
5 turbine in front of, you know, within similar proximity
6 to homes would certainly be similar.

7 Q. Going back to the beginning of your conclusion, the
8 first paragraph, you mentioned there were "88
9 arms-length sales transactions" which you studied
10 there. Is that true?

11 A. That's correct.

12 Q. And, I believe in your -- or, actually, in Professor
13 Gittell's prefiled direct testimony, he summarizes
14 that, gets a little more specific, and maybe you do
15 elsewhere in the report. But it talks about three of
16 those 88 were within one-mile radius of the turbines.
17 I'm looking actually on, if you have the prefiled
18 direct testimony, of Ross Gittell. And,
19 electronically, it's AWE-1, Number 02, electronically
20 it's Page 249. Or, I have a print-out, it's Page 7 of
21 8 of the Gittell testimony. And, the summary of the
22 property value study states that "3" of those 88 sales
23 "were within 1 mile radius of the nearest turbine, 33
24 was in a 3 mile radius", and the remaining "77 were

1 within a 5 mile radius". Was there any attempt to
2 identify which ones of those had views or not views of
3 the turbines?

4 A. Yes.

5 Q. And, where was -- what is that data?

6 A. Well, it is in the report. This would be in the
7 Lempster property value impact report. Page 23 of the
8 report, Figure 11, "Sales Transactions from
9 September 2008 to November 2011 by Wind Project View".

10 Q. So, can you summarize or just tell us how many, I see
11 you have three categories there, "none", "obscure" and
12 "visible". How many total transactions have "visible"
13 or listed as "visible"?

14 A. Three.

15 Q. Okay. Do you know, on the -- you have three
16 transactions within a one mile radius of the nearest
17 turbine. Do you know how many residences there are
18 within one mile of the turbines in Lempster?

19 A. I don't know the exact number. I don't know the
20 number, no.

21 Q. So, do you have any sense of how many of those houses
22 three are? I'm just trying to determine how many
23 houses within one mile have sold, in terms of
24 percentage? Is it a lot of the houses within -- well,

1 are there only a few houses within the mile or are
2 there hundreds?

3 A. There certainly isn't hundreds. I mean, but there's,
4 you know, there are houses within a one mile radius of
5 the facility. I can't give you an exact number. I
6 don't know it.

7 Q. The study you did looked at arms-length transactions,
8 which are completed transactions I assume, correct?

9 A. Right.

10 Q. Did you look at any transactions that were not
11 completed in that time? Houses that perhaps were for
12 sale and never completed transactions?

13 A. No. And, you wouldn't be able to do that with the kind
14 of analysis that we or any of the other studies did,
15 because you have to look at sales price to actually --
16 there's a difference between "offer price" and what the
17 property actually sells for.

18 Q. So, you did not make any attempt to identify why so
19 many homes that were close to turbines have not sold?
20 That was not part of your study?

21 A. We didn't specifically look at unsold properties, no.

22 Q. So, you have no answer about or no speculation as to
23 why some properties very close or with views of the
24 turbines have not sold?

1 A. I mean, throughout Lempster, there are properties that
2 don't have views of Lempster and that are far from the
3 turbines that haven't sold for -- either. One thing I
4 have done is looked at the real estate site. And,
5 there's several properties that, since we've done the
6 study, that are no where near the turbines that haven't
7 sold either.

8 Q. But I was asking about the houses, there are numerous
9 houses within close proximity to the turbines that have
10 had "for sale" signs up for quite some time. You did
11 not look at those at all, did you?

12 MR. PATCH: I'd object to the question.
13 He's stating what he considers to be apparently a fact in
14 the question, that "there are numerous houses", you know,
15 "that have not sold in Lempster." And, I don't know where
16 that fact comes from. I just think the form of the
17 question is inappropriate. And, I think Mr. Magnusson has
18 already done his best to answer previous questions about
19 this.

20 MS. BAILEY: I think it's true you are
21 asking him to assume a fact. If there's a way to restate
22 the question or accept the answer that he gave you --

23 MR. BLOCK: All right. That information
24 comes basically from my observations. I photographed --

1 MS. BAILEY: It's not time for you to
2 testify.

3 MR. BLOCK: Okay. Fine. I will
4 withdraw that question then.

5 MS. BAILEY: Thank you.

6 BY MR. BLOCK:

7 Q. You also mention in your conclusion, you compare
8 Lempster to the Searsburg Project. And, did I hear you
9 a little while ago state that you also felt that Antrim
10 was similar to Searsburg?

11 A. I think there are similarities, yes.

12 Q. Can you be more specific what you see the similarities
13 are?

14 A. They're nearby in geographic proximity. They're both
15 involve with heavily forested, hilly regions. I would
16 consider them more rural than certainly other areas of
17 New Hampshire.

18 Q. Have you personally visited Searsburg?

19 A. Have I visited Searsburg?

20 Q. Have you visited Searsburg?

21 A. No, I haven't visited Searsburg.

22 Q. Okay. Are you aware of the size of the turbines in
23 Searsburg?

24 A. No.

1 Q. I believe they're less than 200 feet. Do you know how
2 many houses in Searsburg have views of those turbines?

3 A. I didn't -- other than just referring to in the study
4 that we looked into that talked about Searsburg, we
5 didn't do any other further analysis at Searsburg. So,
6 I don't know.

7 Q. So, you also have -- do you have any knowledge of the
8 economic status of homes in Searsburg and how that
9 compares with Antrim or Lempster?

10 A. Again, we didn't evaluate Searsburg.

11 Q. I guess the final question I have is, on a -- looking
12 at, I guess this is stated in a couple of places, but
13 in Professor Gittell's prefiled testimony, his
14 conclusion says "Based on our review of this
15 information, we conclude that neither a view nor a
16 proximity to wind turbines negatively impacted
17 residential property values." But I'm not sure that I
18 found in there an explanation of why you felt a view or
19 proximity did not impact them. Can you be a little
20 more specific to clarify that?

21 A. Sure. Because we did the statistical tests that are
22 referred to in the study.

23 Q. Can you describe that?

24 A. Yes. I'm sorry, I'm just looking them up. For

1 example, Figure 13 from the Lempster Wind -- or, the
2 Lempster property value assessment, Page 24. That
3 would be one where it's taking into account turbine
4 view, whether or not comparing if they had no view, an
5 obscure view, or a visible view, there was any
6 difference in the average sales price or the mean sales
7 price between those three groups. And, there, from the
8 figure, it's they both -- they come across pretty clear
9 that they're all pretty similar. And, it certainly
10 isn't a statistically significant difference.

11 On the Figure 14, shows "Correlation of
12 Sales Price to Turbine Distance", and so that would be
13 our discussing proximity. That also showed no
14 correlation between distance -- sales price and
15 distance from a turbine. So, that led us to that
16 conclusion.

17 Q. Can you explain that in layman's terms, how these
18 pretty diamonds or dots on the page translate to that
19 conclusion?

20 A. Sure.

21 Q. I'd like you to just explain that to me.

22 A. It shows that, for those properties, that there was,
23 for the first one, for Figure 13, that there was no
24 difference in the average sales price, when you take

1 into account variability between average sales price.
2 They all were very similar. What you would expect to
3 see is that, if the -- because you have all these
4 different random factors with the house, if having an
5 obscure or a view of a turbine is expected to have some
6 kind of a noticeable impact, those numbers should be
7 lower than what the region for the Lempster average is
8 and they aren't.

9 For Figure 14, you'd expect that, if you
10 were to -- there was some kind of correlation between
11 being close to a turbine that you'd see, as you get
12 closer, that sales price would drop, but that's not the
13 case. The average sales price throughout the region
14 was pretty much the same, whether it was within one
15 mile of a turbine or eleven miles of the turbine.

16 Q. And, I believe, when Mr. Edwards was questioning you,
17 he asked you "did you feel that you have enough data in
18 this case", I guess, from Lempster, because you said
19 that's the only study really, "enough data from
20 Lempster to feel comfortable that you can predict
21 property value trends in the State of New Hampshire?"
22 Is that correct?

23 A. "Predict property value trends in the State of New
24 Hampshire"?

1 Q. Property value trends in terms of the effect of a
2 potential wind farm on that. Did you -- am I correct
3 in interpreting that what you stated to Mr. Edwards is
4 that you felt that "the Lempster data was significant
5 enough in order to tell us what property trends will be
6 as wind farms are built in New Hampshire"?

7 A. With thought that the Lempster provided some pretty
8 compelling evidence of what to expect in New Hampshire,
9 that supplemented with what was observed through the
10 other studies that we had referenced, gives a pretty
11 consistent pattern of not showing wind turbines having
12 a negative impact on property values. So, that's what
13 led us to that conclusion in the study.

14 Q. So, I guess, if I go back to Page 3 on your impact
15 study, in the Executive Summary, I realize you say that
16 "Since the completion of project construction," this is
17 in Lempster, which became operational in the fourth
18 quarter of 2008, so we're talking four year, you say
19 that there was -- the study did only 16 homes -- "16
20 arms-length transactions" occurred in Lempster. Do you
21 think that that is a statistically significant enough
22 number in order to give us some information to project
23 it statewide, and particularly for Antrim?

24 A. I think that this gives evidence that there wasn't --

1 that supports the statement that there wasn't a
2 statistically significant difference.

3 MR. BLOCK: No further questions. Thank
4 you.

5 MS. BAILEY: Thank you. Ms. Linowes.

6 MS. LINOWES: Yes. I do have quite a
7 lot of questions. Did you want to take a break before I
8 start or should I just start and then we could take a
9 break?

10 MS. BAILEY: I think maybe we should
11 start, and then take a break around 10:30.

12 MS. LINOWES: Okay. I have three
13 documents that I would like to use. I can't decide
14 whether or not they should be exhibits. And, I would like
15 to hand -- I brought a copy for the witness, as well as
16 his attorney. If I may just hand them to him, I'll be
17 referencing them?

18 MR. PATCH: I'm going to object. The
19 time for submitting exhibits was a month ago,
20 approximately. And, so, I don't know why, all of a
21 sudden, we're getting new exhibits.

22 MR. IACOPINO: Why don't you look at
23 what she's going to show the witness, and then we can --

24 MS. LINOWES: They're not exhibits

1 necessarily.

2 (Ms. Linowes handing documents to the
3 witness and Mr. Patch.)

4 MS. LINOWES: Okay. Mr. Magnusson, I
5 have a lot of questions --

6 MR. PATCH: Before Ms. Linowes proceeds,
7 I would just renew my objection. The time to submit
8 exhibits is long past. And, I don't think it's
9 appropriate for her to be handing out new exhibits this
10 morning. She certainly could have brought them to our
11 attention before this very moment, if she intended to do
12 this.

13 MR. ROTH: If I may? It seems to me
14 that this process is often a very fluid one. And, that
15 the Applicant itself takes advantage of so-called "record
16 requests" to supplement the information that it can
17 provide during the hearing without any particular previous
18 notice to parties over factual issues and concerns that
19 come up during the proceeding. So, if the Applicant is
20 willing to forgo any further submissions on the basis of
21 such record requests and supplementing the record as we go
22 along, then I can see the objection might have some legs.

23 But, given it's a fluid nature and the
24 informal nature of this proceeding, I think that Ms.

1 Linowes should be able to use that document for whatever
2 she thinks she can get out of it. I haven't seen it
3 either. And, it may be, you know, a frustrating moment
4 for her, but I think we should find out.

5 MR. IACOPINO: At this point, I mean, we
6 don't know what she's showing the witness. So, I think we
7 just have to take it question by question. If there's an
8 objection as we go question by question, I think that's
9 the only way we can do it.

10 MS. LINOWES: Thank you.

11 BY MS. LINOWES:

12 Q. Before we get started, I want to set a ground rule, if
13 I can -- or, rather, first understand something. Can I
14 assume today, walking in the door, that you have read
15 your testimony in advance and prepared for this
16 testimony?

17 A. Yes.

18 Q. That you have read the documents that you have
19 submitted as part of your exhibits or at least
20 referenced in your testimony?

21 A. Yes.

22 Q. Okay. I've noticed a considerable amount of hesitancy
23 in your answers. I have a lot of questions. I'm
24 hoping that you can answer more quickly than what you

1 have.

2 MR. PATCH: Oh, I'm going to object to
3 that. I mean, the witness is trying to verify information
4 when he's responding to a question. He's going to make
5 sure he gets the answer right. I think that's totally
6 inappropriate.

7 MS. BAILEY: Ms. Linowes, are you asking
8 that he not be allowed to give -- given the time to find
9 the information? Because it seems to me he's been very
10 familiar with the documents. So -- or, are you asking him
11 to give you short answers?

12 MS. LINOWES: There's been considerable
13 delay in looking up information. I would hope -- I'm
14 hoping to establish that he does understand the work that
15 he's submitted in advance of walking in the door today.

16 MR. IACOPINO: And, just for the record,
17 madam Chair, I think it should be pointed out that the
18 witness is also working off of a laptop to get to many of
19 the documents, or at least that it seems, and that
20 sometimes takes a little bit more time than when an
21 exhibit is handed to him with reference to a section. He
22 hasn't actually, because of our setup, he hasn't had the
23 ability to be examined in that manner. So, I think that
24 should be made known as well.

1 MS. BAILEY: Please proceed.

2 MS. LINOWES: Thank you.

3 BY MS. LINOWES:

4 Q. Mr. Magnusson, I'm going to first start with questions
5 related to your economic analysis, and then I'll move
6 onto the property values report that you did on
7 Lempster.

8 A. Uh-huh.

9 Q. In this set of questions, I'm going to be referring to
10 Appendix 14B. I'll be referring to IWAG's testimony
11 from July, as well as October. And, I'll be referring
12 to IWAG Exhibits EM2 and EM3, okay? Now, you testified
13 today, when you were asked about your experience, that
14 I believe that you stated that you are an expert in
15 renewable energy analysis?

16 A. I'm familiar with renewable energy analysis.

17 Q. In New England, in particular?

18 A. In New Hampshire, in particular.

19 Q. Okay. And, so, if I ask you questions specific to
20 that, I hope to get a direct answer. I wanted to
21 direct your attention to Appendix B, and your economic
22 report, on Page 8. And, here you state --

23 MR. IACOPINO: You mean "Appendix 14B",
24 correct?

1 MS. LINOWES: 14B, that's correct. I'm
2 sorry, did I say something --

3 MR. IACOPINO: You just said "Appendix
4 B".

5 MS. LINOWES: 14B.

6 BY MS. LINOWES:

7 Q. In the second paragraph, under the Section 2.2.2,
8 entitled "Wind Power Economic Impacts", you state there
9 that "wind power acts as a hedge against fossil fuel
10 price volatility, which happens to provide households
11 and businesses with more stable and potentially lower
12 energy prices." Is that -- is that your testimony?

13 A. That's correct.

14 Q. Okay. Now, I've done -- there was extensive testimony
15 or cross-examination with Mr. Cofelice on this, on the
16 issue here, so I don't really want to revisit that in
17 detail. But I do want to ask you, exactly how does
18 wind energy produce stable prices? What are you
19 talking about?

20 A. Wind energy can just serve as a hedge. It has
21 advantages in that it's a fuel -- it doesn't use any
22 fossil fuel. So, if you have volatility with fossil
23 fuel prices, as much of the power generation in New
24 England does, the fact that it doesn't, can act as a

1 hedge.

2 Q. Do you know how energy is bought and sold in New
3 England?

4 A. Yes.

5 Q. Do you understand the concept of the "day-ahead
6 auction"?

7 A. Uh-huh.

8 Q. Do you understand the concept of a "real-time market"?

9 A. Yes.

10 Q. What percentage of wind power operates in the real-time
11 market?

12 A. I don't know.

13 Q. Really? But you understand the concepts only then?

14 A. Yes.

15 Q. What percentage in New England is -- of all of
16 generation, operates in the day-ahead market?

17 A. I don't know that answer.

18 Q. Okay. Then, it's clear you don't really understand the
19 concept of "wind power being a hedge".

20 MS. BAILEY: Ms. Linowes, is that a
21 question?

22 MS. LINOWES: I'm just saying that he
23 has made testimony --

24 MS. BAILEY: You've got to ask him a

1 question, and then let us draw the conclusions.

2 MS. LINOWES: Okay.

3 BY MS. LINOWES:

4 Q. So, then, I won't proceed then. Apparently, you don't
5 understand the market. If we could go to Page --

6 MR. PATCH: I would ask that that
7 comment, and similar comments like that, be struck from
8 record. They're inappropriate. If she has questions to
9 ask, that's appropriate. But making editorial comments
10 are not, is not appropriate.

11 MS. LINOWES: Madam Chairman, --

12 MS. BAILEY: Okay. I agree with you,
13 Mr. Patch. Your questions are not evidence. So, you need
14 to ask questions please.

15 MS. LINOWES: I understand that. And,
16 madam Chairman, I do want to make a point though, he --

17 MS. BAILEY: I don't want you to make a
18 point. It's not your turn to make a point. It's your
19 turn to ask the questions. Unless it's a point about the
20 process.

21 MS. LINOWES: It's about the -- his
22 testifying, his testimony.

23 MS. BAILEY: No. Move onto the question
24 please.

1 MS. LINOWES: Okay.

2 BY MS. LINOWES:

3 Q. I want to ask you now, on Page 9 of your report, first
4 paragraph, you state that "economic benefits" -- this
5 is the last sentence: "The economic benefits of these
6 emissions reductions and resource savings in terms of
7 human and environmental health, while not explicitly
8 studied in this analysis, are expected to be material
9 across New Hampshire and the region." Is that correct?

10 A. That's what we stated, yes.

11 Q. And, you're referring specifically to the economic --
12 the environmental benefit of this Project?

13 A. That's correct.

14 Q. Is that an assumption that you're making, since you're
15 not basing it on anything?

16 A. That was based on the information provided by Dr. Colin
17 High.

18 Q. And, what was that information?

19 A. As stated in the report, it's "CO2 reductions --

20 (Court reporter interruption.)

21 **BY THE WITNESS:**

22 A. Oh. Sorry. So, it's in that same paragraph, from Dr.
23 Colin High's study, which is the information we were
24 provided. We didn't conduct this analysis. "Expected

1 CO2 reductions of approximately 60,000 tons per year,
2 an additional 150,000 [sic-150] tons per year of sulfur
3 dioxide, nitros oxides, methane, particulates and other
4 toxic pollutants, as well as 17.5 million gallons of
5 fresh water saved each year."

6 BY MS. LINOWES:

7 Q. Okay. So, then, what I would like to draw your
8 attention to would be Exhibit IWAG-EM3, if I may. Do
9 you have that document?

10 A. Where is that? EM3? Oh. Got the EM ones, yes.

11 Q. This document, unfortunately, is in black and white.
12 But, if you look at the last column that's there in the
13 chart, it is moving up from the bottom. It's natural
14 gas, oil, nuclear, coal, and their contributions on a
15 gigawatt hour.

16 A. Uh-huh.

17 Q. Okay? Do you see the very top, where wind is 760
18 gigawatt hours, that is as of the end of 2011?

19 A. Uh-huh.

20 MR. IACOPINO: What exhibit are you
21 referencing?

22 MS. LINOWES: Oh, I'm sorry. It is --
23 the entire exhibit is IWAG-EM-3, it is Slide 17.

24 MS. BAILEY: See, sometimes it even

1 takes us a little while to find it.

2 BY MS. LINOWES:

3 Q. So, in the entire New England, in 2011, the entire
4 generation within New England, for all electricity, was
5 120,612,000 megawatt-hours, do you see that?

6 A. Yes.

7 Q. Okay. And, this Project, do you know what this is
8 expected to produce, on a yearly basis?

9 A. I don't know the specific figure.

10 Q. Okay. The number is in Dr. High's document, but it's
11 about 103,000 megawatt-hours.

12 A. Okay.

13 Q. So, do you have any -- can you give us a sense of that
14 scale, the difference there? When you say that this is
15 going to be a "material" -- a "material" benefit, in
16 terms of human and environmental health, compared to
17 the entire New England market for electricity
18 generation, what is your definition of "material"?
19 Should it at least be better than 1 percent?

20 A. It was based on the figures that we were provided. I
21 mean, to be honest, we didn't include any environmental
22 impacts in the actual economic analysis. We more just
23 mentioned it, reference in this report, just to
24 highlight it. So, I mean, but that figure didn't come

1 into any number that we used to calculate an economic
2 benefit.

3 Q. So, your use of the word "material" is immaterial or
4 how am I supposed to interpret that? How should anyone
5 interpret it? You're stating here today, as a
6 renewables expert, in New England, in particular, New
7 Hampshire, that this Project will have "a material
8 benefit on human environmental health." What is the
9 definition of "material"?

10 A. To me, it seems that, if you had a project that reduces
11 60,000 tons of CO2 and 17.5 million gallons of fresh
12 water, that would be a material -- so, it's definitely
13 significant.

14 Q. It's just a number there. Does it -- would you agree
15 that the number in isolation is relatively meaningless?

16 A. No. I would say, for example, 17.5 million gallons of
17 fresh water to me doesn't sound insignificant.

18 Q. Let's talk about the carbon emissions, and I'll come
19 back to that in a minute. But you're familiar with
20 RGGI?

21 A. Yes.

22 Q. Because you were involved in some of the analysis of
23 RGGI?

24 A. Uh-huh.

1 Q. What is the value of a current carbon allowance under
2 RGGI?

3 A. Well, it's at the floor price, which is I think a
4 dollar something, I don't know the exact number, maybe
5 \$1.92.

6 Q. It is \$1.92. I'm surprised you wouldn't know that.
7 Okay. So, the material familiar of this Project's
8 emission benefit then is what? How would you calculate
9 that, on a -- for one year?

10 A. Well, I wouldn't use this to apply it towards RGGI.

11 Q. I understand. I'm asking you, so, under RGGI, what is
12 the value of this Project's environmental benefit, in
13 terms of carbon emission avoidance?

14 A. You can't -- doesn't apply to RGGI.

15 Q. What is the value of a carbon ton under RGGI?

16 A. \$1.92.

17 Q. How many emission -- how many carbon tons will this
18 Project avoid?

19 A. 60,000.

20 Q. What is the value, under RGGI, of this Project's
21 environmental benefit?

22 A. You're asking kind of like an "apples and oranges"
23 question here.

24 Q. Is there another value for a carbon -- a carbon

1 avoidance?

2 A. Yes. But this Project would not go into RGGI. So, I
3 don't understand why you're asking me what it's value
4 to RGGI is.

5 Q. What would it go into then?

6 A. Well, for example, you can use it for renewable energy
7 certificates to go to the New Hampshire RPS.

8 Q. I'm talking about the carbon allowance. The RGGI --
9 the RPS does not talk about "carbon avoidance". What
10 is the value of a carbon emission under RGGI? And,
11 what is the value -- the environmental benefit of this
12 Project? Can you simply give me the number?

13 A. You're asking me to do something, this Project isn't in
14 RGGI. So, it has no economic value in RGGI. You're
15 asking me to give you an answer that there isn't an
16 answer to.

17 Q. Okay. And, I think you are avoiding the question.
18 Okay. So, are you -- getting back to the benefits of
19 this Project, in terms of the material benefit, are you
20 aware of the carbon caps under RGGI?

21 A. Yes.

22 Q. Okay. Do you know what they are?

23 A. For New Hampshire, I believe it's 8.6 million.

24 Systemwide, I don't know, I can't remember the exact

1 figure.

2 Q. Do you remember what it was when it was instituted?

3 A. I don't remember the specific figure. I could go on
4 the Web and look it up.

5 Q. So, 188 million tons?

6 A. Yes. Sounds right.

7 Q. All right. Okay. And, now, what is it now that New
8 Jersey is no longer a part?

9 A. Again, --

10 Q. So, you don't know?

11 A. -- I don't know. I could look on their website and
12 then figure that out.

13 Q. Okay. So, what is the deadline? When is it expected
14 to meet that carbon cap?

15 A. When is what?

16 Q. When is RGGI expected -- when are we expected to meet
17 that carbon cap?

18 A. It's already below the carbon cap.

19 Q. I understand that. So, we've met the carbon -- we've
20 met the obligations under RGGI already?

21 A. (Witness nodding in the affirmative).

22 Q. So, where are we at then?

23 A. Where are we at with what?

24 Q. What is the -- where are we, in terms of carbon

1 emissions, under the nine states of RGGI?

2 A. I don't know the specific figure.

3 Q. Okay. And, I would like to -- well, I have an exhibit
4 on that, but I will -- so, if RGGI has already been
5 met, the environmental benefit of this Project, how do
6 we define the environmental benefit then? What is the
7 environmental benefit of this Project?

8 A. Again, referring to what Dr. Colin High said, 60,000
9 tons less of CO2, 150,000 -- 150 tons less of
10 particulates of sulfur dioxide, and 17.5 million
11 gallons of fresh water.

12 Q. So, if we've already met the caps under RGGI, in the
13 nine states of New England -- or, rather, the nine
14 states under RGGI, this, the value of the RGGI
15 allowance I think you said was "\$1.92", so we're
16 already doing pretty well under RGGI, is that correct?

17 A. I mean, I don't understand how this -- our economic
18 impact study didn't consider this Project's value in
19 RGGI or New Hampshire RPS, or anything of that. So, --

20 Q. Okay. So, again, then we'll move on. I want to talk
21 to you now about, in my testimony, on Page 4, this
22 would be my October 4, this IWAG October 4 supplemental
23 testimony, on Page 4. You make a -- you reference
24 this --

1 MS. BAILEY: Can you tell me which
2 exhibit that is please?

3 MS. LINOWES: Yes. I will.

4 MS. BAILEY: Maybe 3? Is it your
5 supplemental testimony?

6 MS. LINOWES: Yes, it is. It is. On
7 Page 4.

8 BY MS. LINOWES:

9 Q. You make a comment --

10 A. I'm sorry, what exhibit is it?

11 Q. It is IWAG, the supplemental testimony from October.

12 MS. BAILEY: Exhibit 4. Sorry, 3, IWAG
13 3.

14 MR. PATCH: There are two October
15 supplemental testimonies from IWAG. So, I just want to
16 make sure --

17 MS. LINOWES: This is the supplemental
18 on October 11th.

19 MR. PATCH: October 11th.

20 MS. BAILEY: So, I have the wrong one.

21 MS. LINOWES: Oh.

22 MS. BAILEY: Sorry.

23 MS. LINOWES: Oh. My apologies. I'm
24 misreading my question. It is not my testimony, it is

1 your testimony of October 11th.

2 WITNESS MAGNUSSON: Oh. Okay.

3 MS. LINOWES: I apologize.

4 BY MS. LINOWES:

5 Q. On Page 4, on Line 2. You state, "Given that it is a
6 30 megawatt wind facility in the context of
7 33,174 megawatts of current total generating capacity
8 in New England, our expectation is that the Project's
9 impact on regional wholesale electricity prices will be
10 negligible." Do you remember writing that?

11 A. Yes.

12 Q. And, you seem to be objecting, I believe, and correct
13 me if I'm wrong, to statements that I made in my
14 testimony regarding the Project's impact on electricity
15 prices. Is that correct?

16 A. Yes.

17 Q. Is it fair then, if we -- to examine the Project's
18 cost/benefits in the context of the Project itself? In
19 other words, would you at least expect the Project to
20 create more benefit than it costs?

21 A. Yes.

22 Q. Okay. You've stated in your report that the Project
23 will deliver \$55.7 million in economic benefits over 20
24 years, is that correct?

1 A. Yes.

2 Q. Is that in 2012 dollars?

3 A. Yes.

4 Q. It is. So, that's present value?

5 A. It's not present value. But it's basically the initial
6 one, plus the -- taking the annual benefit, multiply
7 that over the 20-year period.

8 Q. Okay.

9 A. It doesn't -- we didn't adjust for net present value or
10 anything like that.

11 Q. Now, with that \$55.7 million in economic benefit, I
12 want to now direct your attention to now my October 11
13 testimony. This would be the supplemental testimony of
14 IWAG, on Page 5, there's a table there.

15 A. Okay.

16 Q. Okay. Now, during testimony or cross-examination with
17 Mr. Cofelice --

18 MR. IACOPINO: Okay. Just for the
19 record, we're talking about IWAG-2, your supplemental
20 testimony from October 11th, 2012.

21 MS. LINOWES: Okay. Thank you.

22 BY MS. LINOWES:

23 Q. Do you understand what this table is? Do you want me
24 to explain that to you? Do you --

1 A. Sure. You can explain it.

2 Q. Okay. There's an assumption here, based on contract
3 price, of a power purchase agreement is signed --

4 A. Uh-huh.

5 Q. -- of \$90 a megawatt-hour. We looked at the wholesale
6 price of natural gas, and looked at it being \$40 a
7 megawatt-hour, out through 15 years. We took the
8 production out of Dr. High's report, which was 102,492
9 megawatt-hours in the course of every year, and then
10 the revenue. Do you see that?

11 A. Yes.

12 Q. Okay. So, the revenue is the difference between the 90
13 and the 40, which is \$50, times the megawatt-hours.
14 This Project, if natural gas prices stay -- at least
15 that consumption is under generation -- production,
16 rather, would, at a \$90 power purchase agreement price
17 fixed, would be -- would cost 76,869,000 for the
18 region. Do you understand that?

19 A. Yes.

20 Q. Okay. If we switch that, if we said that the price of
21 natural gas was actually \$50, it would be, I just did
22 the calculation, it would be \$61.5 million.

23 A. Uh-huh.

24 Q. Both of those numbers are greater than "\$55.7 million"

1 that you're saying the Project brings, in terms of
2 benefit.

3 A. Uh-huh.

4 Q. Do you have any comment about that?

5 A. Well, in our analysis, we didn't have any information
6 to basically support that there was going to be a
7 difference in energy price for the Project. We did not
8 do any power modeling. If we had had evidence that
9 this would have had a negative impact on wholesale
10 energy prices, then we would have modeled that in.

11 Q. Well, wholesale -- I'm asking specifically about the
12 value of this Project, about the benefit of this
13 Project relative to its cost. And, do you have a --
14 looking at this, how much would -- I mean, it's
15 apparent that there are some increase, if the Project's
16 power purchase agreement is signed that is above the
17 value of natural gas, this Project is going to have a
18 cost associated with it. But you did not look at that?

19 A. Yes, because we didn't have any evidence of a contract
20 -- contract price of \$90.

21 Q. Do you have any information about -- do you know
22 anything about the value of onshore wind in power
23 purchase agreements that are being signed for onshore
24 wind in New England?

1 A. With this study, we didn't assume that there was any
2 increased cost to electricity in the study.

3 Q. So, you assumed that this Project would be the same
4 value -- would not have any above-market price
5 associated with it?

6 A. We didn't have any evidence to suggest it would cause a
7 difference.

8 Q. Do you know one way or the other?

9 A. We didn't have any evidence, so we didn't include that
10 in the study.

11 Q. Did you ask any -- the Applicant, have any sense of
12 curiosity as to whether or not the Project would be
13 more expensive than wholesale natural gas prices?

14 A. We did discuss it with Antrim Wind, and they gave us no
15 -- nothing to think otherwise.

16 Q. I don't understand. What do you mean by that?

17 A. They didn't give us any information that would have led
18 us to believe there would be an increase in electricity
19 prices --

20 Q. No, I'm not asking you that question. I'm asking you,
21 were you at any time under the impression that this
22 Project would sign a power purchase agreement that was
23 above market costs?

24 A. No.

1 Q. Okay.

2 MS. BAILEY: Ms. Linowes?

3 MS. LINOWES: Yes.

4 MS. BAILEY: It's past 10:30. So, can
5 you let me know when it -- would now be a good time?

6 MS. LINOWES: It would be fine to take
7 the break now.

8 MS. BAILEY: I mean, do you have a
9 couple more questions in this line or --

10 MS. LINOWES: No, I was just going to
11 move on.

12 MS. BAILEY: All right. Then, let's
13 take a break for fifteen minutes. So, we'll be back at
14 between ten of and five of.

15 MS. LINOWES: Okay.

16 (Recess taken at 10:39 a.m. and the
17 hearing resumed at 10:59 a.m.)

18 MS. BAILEY: Okay. We're back on the
19 record. And, before we begin.

20 CHAIRMAN IGNATIUS: Thank you, madam
21 Chair. I just wanted to mention that I'm back. I was
22 sorry I had to miss the morning, because the Governor's
23 budget hearings were going on and our time was up. So,
24 obviously, I will review the record of the hearing that I

1 missed. And, I appreciate the able chairing that Ms.
2 Bailey has been doing, and happy to have her continue to
3 play that role.

4 MS. BAILEY: Thank you. All right. Ms.
5 Linowes, you may proceed.

6 MS. LINOWES: Thank you.

7 BY MS. LINOWES:

8 Q. Mr. Magnusson, there was some questions earlier today
9 about the JEDI model that you've been using for
10 determining economic effects of this Project, is
11 that -- how exact would you say the JEDI model is? How
12 would you characterize the results?

13 A. I would say that they give a reasonable estimate. Any
14 model will give you a number. And, it's based on, you
15 know, you take that number into account, and I would
16 say that it gives us a reasonable number of what to
17 expect from the Project.

18 Q. How off could it be?

19 A. How off? In this circumstance, for this size project,
20 I kind of gave that range of I would expect somewhere
21 50 to 100, 50 to 100 jobs during the construction
22 period. That was kind of the range I gave in my
23 supplemental testimony. Meaning, I wouldn't be
24 surprised if it was 50 and wouldn't be surprised if it

1 was 100.

2 Q. And, what about the monetary economic benefit?

3 A. Again, I would say that it gives a reasonable
4 magnitude. So, we're not talking a billion dollar
5 project, we're not talking a \$100,000 project. We're
6 talking the number we gave to determine the total
7 economic benefit of about a 55 to \$60 million project.

8 Q. Now, you and Professor Gittell prepared economic
9 reports for GRP, as well as the Groton Wind Project, is
10 that correct?

11 A. That's correct.

12 Q. Have you returned to those sites to validate your
13 models?

14 A. No.

15 Q. So, there has -- on any of these studies that you've
16 conducted for wind projects in New Hampshire, have you
17 validated any of your models against real data?

18 A. To the extent, and let's see, in the report, so this
19 would be the Antrim economic impact study.

20 MR. IACOPINO: And, again, just on the
21 record, this is AWE 3. It's Appendix 14B.

22 **BY THE WITNESS:**

23 A. Under Page 12, there's a Footnote 12 [11?]. That would
24 be some of the validation we did against other

1 projects. So, for example, "Iberdrola Renewables
2 estimated approximately 60 full-time equivalent workers
3 for the 24 megawatt project in Lempster." Granite
4 Reliable, we estimate "198 full-time", and that was a
5 much bigger project. For TransCanada, "estimated 300
6 jobs for a 132 megawatt...wind power project".

7 Q. I'm sorry. Are these modeled? Is this, except for
8 Lempster, because I don't think modeling was done on
9 that, whatever you're referring to here --

10 A. Yes. So, Granite Reliable would have been -- actually,
11 it would have been from our study. But, TransCanada,
12 we didn't, that would have been from their numbers, as
13 well as would have been Lempster.

14 Q. But you don't know if those numbers were benchmarked
15 against any model?

16 A. I don't know that they benchmarked them against a
17 model, no.

18 Q. Okay. So, all right. Now, I want to go to Page 5 of
19 your testimony. And, let me just, this would be --
20 this would be in your October testimony, so not that
21 which you adopted of Professor Gittell. And, on Line 5
22 of that testimony, this October 11th, you state "Our
23 study is a net impact analysis." Do you see that?

24 A. That's correct.

1 Q. Can you provide me with one element of your analysis
2 that demonstrates how this is a -- it was a "net impact
3 analysis"?

4 A. Sure. So, we looked on kind of the positive side,
5 where the, I guess, the gross benefits would be, and
6 that would be from the actual project construction.
7 Had we seen -- had there been something to indicate
8 that there would be negative economic impacts, we would
9 have subtracted those out. So, --

10 Q. And, were there any?

11 A. We didn't -- we didn't have any evidence of any. For
12 example, we looked at property value impacts. Another
13 thing we would have looked at, to see if there was a
14 public subsidy involved, which, in this case, there
15 isn't.

16 Q. What do you mean by a "public subsidy"?

17 A. Meaning, for example, if there was a tax raised on the
18 local area, that would have been something that would
19 have been factored into the analysis.

20 Q. So, you didn't account for -- you're not thinking of
21 the Production Tax Credit? The Production Tax Credit
22 is a public supplement.

23 A. We're talking about is if, in the local economic area,
24 for example, there was a property tax increase or

1 something to pay for the project, that would be an
2 example.

3 Q. So, you did not see any negative that you would net out
4 in this Project?

5 A. No.

6 Q. Now, I want to share with you -- I would want to draw
7 your attention to one of the documents that I handed to
8 you earlier. Now, this document, let me explain what
9 it is. I had, in my supplemental testimony, on Page 2,
10 this is my October supplemental testimony, this would
11 have been IWAG-2, I cite a paragraph there that is from
12 the NREL, National Renewable Energy Labs, website,
13 where they explain the limitations of JEDI models.
14 Now, since my testimony was submitted, that website has
15 been updated. And, the document that I have submitted,
16 which is -- I have not given it as an exhibit, but I do
17 want to reference it. One of the documents I gave you
18 is directly off the NREL website called -- and it's
19 "Limitations of the JEDI Models". Do you have that
20 document in front of you?

21 A. Yes.

22 Q. Okay. And, it lists the limitations of the model.
23 And, the first one there states "The results are an
24 estimate, not a precise forecast." Do you see that?

1 A. Correct.

2 Q. Okay. And, you would agree with that?

3 A. That's right.

4 Q. The second one is "Results reflect gross impacts and
5 not -- and not net impacts of the project." Do you see
6 that?

7 A. That's correct.

8 Q. Okay. And, you would agree with that?

9 A. Yes.

10 Q. So, there are three bulleted items under that?

11 A. There are.

12 Q. And, the first one says "Potential increases or
13 decreases in electricity rates or fuel prices resulting
14 from investments in new electricity or fuel
15 infrastructure." That is one of the things that is not
16 accounted for in the JEDI model?

17 A. That's correct.

18 Q. All right. Now, one last thing on the economic side.
19 I want to reference Page 2 of 6 in my October testimony
20 again, that same page that we were on. And, there's a
21 footnote there, which is Footnote 2. I have quoted out
22 of that document, which is testimony submitted by
23 Robert -- an economist, Dr. Robert Michaels, who
24 provided testimony for Congress. And, in that

1 testimony, he critiques the JEDI model.

2 A. Uh-huh.

3 Q. And, he states, "There is an assumption of JEDI of a
4 "limited" -- "limitless pool of idle labors" --
5 "laborers with just the right skills to fill the job
6 slots created by spending." And, he continues to say
7 that "jobs will, in fact, be filled by already employed
8 workers." Now, you -- those workers or those full-time
9 equivalents that you make reference to in your report,
10 are those newly created jobs or are they simply jobs
11 being done by people that are already employed or do
12 you know?

13 A. Could be either.

14 Q. So, it could be one or the other?

15 A. Yes. The model doesn't specifically --

16 Q. May not have any job creation at all?

17 A. It could be that -- no, it does measure how many jobs
18 are created. It doesn't say whether it's, this is --
19 the Department of Energy runs into the same issue with
20 their type of reporting. It doesn't tell you whether a
21 new position gets created or if it creates work for
22 somebody who's already in a position. But it does show
23 that work is created. So, that means somebody is
24 employed who otherwise wouldn't be doing that work.

1 Q. But not necessarily would not be unemployed?

2 A. Could be. I mean, it means that this is the amount of
3 work that is created. So, it could be that a firm goes
4 out and hires a new person or it could mean that that
5 construction firm, that wouldn't have had -- had
6 somebody who's already hired, but wouldn't have had
7 work for them to do, now has some work for them to do.

8 Q. Okay. All right. Now, I want to shift gears and look
9 at the property value study that you conducted. A
10 couple of basic questions. Are you a real estate
11 appraiser?

12 A. No.

13 Q. Do you have any experience evaluating impacts on
14 property values following construction of transmission
15 lines, communication towers, power plants, or wind
16 energy facilities?

17 A. No. Other than the Lempster study.

18 Q. Do you have experience evaluating property tax
19 abatements or other related adjustments due to adjacent
20 land uses that might produce negative visual impacts,
21 noise, etcetera?

22 A. Again, just the work that was done on the Lempster
23 study.

24 Q. Are you licensed by any state board or professional

1 trade organization to conduct property evaluation or
2 tax abatement recommendations?

3 A. No.

4 Q. Are you held by any professional organization or
5 professional ethic to any -- ethics board to follow any
6 standard in evaluation of property value impact or
7 property appraisal?

8 A. No.

9 Q. If you -- have you shown your report on Lempster to a
10 professional certified and/or licensed real estate
11 appraiser?

12 A. I haven't.

13 Q. Have you asked anyone who is a professional appraiser
14 or at least professionally would be held legally liable
15 to make any comment about your report?

16 A. No.

17 Q. Would you be confident if it were shown to a
18 professional appraiser that he would agree with your --
19 with the techniques that you employed?

20 A. The statistical techniques we used are pretty universal
21 and widely accepted. So, I don't understand why they
22 would have an issue.

23 Q. In terms of the conclusions that you're drawing?

24 A. I don't see why, again, with the statistical tests that

1 we used, I don't see why that would cause an issue.

2 Q. Okay. On Page 10 of your report, you cite -- you list
3 the six reports that you looked at for property value
4 impacts. And, I assume that you've read all of these
5 reports?

6 A. Yes.

7 Q. Okay. Did your analysis on Lempster use any of the
8 techniques that were used in these six reports?

9 A. Well, we use basic -- it's kind of similar statistical
10 techniques, however, the approach we took I believe is
11 different from the other ones.

12 Q. Okay. So, let's examine that for a second. Your
13 literature review, you looked at six reports. How many
14 of those six reports used hedonic regression analysis?

15 A. I believe five of the six did.

16 Q. And, which one did not?

17 A. Let's see. The Sterzinger, and all, the one done in
18 May 2003.

19 Q. So, the older of the six?

20 A. Yeah.

21 Q. Okay. So, you did not use hedonic regression analysis
22 in your study?

23 A. No.

24 Q. And, did you use the same technique that was used under

1 Sterzinger?

2 A. No.

3 Q. Okay. If you did not use the same techniques used in
4 those reports, then why are they relevant to this
5 proceeding?

6 A. Because they reflect the body of literature that's been
7 done. Even though they do different techniques,
8 they're kind of looking at kind of the same -- they're
9 all asking the same question, "is there an impact on
10 property values?" They're using real data, using
11 legitimate statistical techniques. And, actually, I
12 think that's a strength from these is that they come at
13 it from different angles, and they all kind of come to
14 the same place.

15 Q. But you did say that five of the six used exactly the
16 same technique?

17 A. Well, I wouldn't say they "used exactly the same
18 technique." If you go through, there are certainly,
19 within, like, under hedonics, they certainly did a lot
20 of different types of approaches.

21 Q. Okay. Let me talk about one report, which is the -- I
22 always -- often refer to it as the "REPP report", but
23 you refer to it as the "Sterzinger report". Are you
24 aware of some of the cited flaws in that report?

1 A. I'll be honest, that's not my most favorite report out
2 of them, but it was one that did use statistical
3 techniques and was transparent on its methods, and did
4 not come to a conclusion of a statistical difference.

5 Q. You seem to like it in regard to the fact that it goes
6 to -- it looks at Vermont?

7 A. Yes, because it's the only one.

8 Q. And, is that -- okay. Let's talk a bit about that. If
9 you looked at -- one of the other reports, the Hoen
10 report from 2006, he goes into a fair amount of detail
11 as to the flaws in the REPP report. And, actually, are
12 you aware of that?

13 A. Correct.

14 Q. And, does he essentially state that "the flaws of that
15 report, the Sterzinger report, render the results
16 meaningless"?

17 A. I don't recall that specifically. If you -- I don't
18 remember his exact words, no.

19 Q. He says, "The authors' attempt to calculate a value for
20 the variable view of windmills without properly
21 controlling it." That's one of the statements in his
22 report.

23 A. Uh-huh.

24 Q. And, I'll read one other statement. "There is no

1 attempt to discern which properties with the ten
2 different five mile viewsheds can see the wind farms or
3 not." So, he also states that, "by controlling for
4 distance to the turbines" -- "by not controlling for
5 distance to the turbines, the authors made the
6 assumption that the viewshed effect was the same for
7 homes five miles away from the wind farm, as those in
8 the immediate proximity of the turbines."

9 A. Yes. I mean, that seems all reasonable what he said.

10 Q. Do you --

11 A. And, I -- it's one study out of the six, and it's one
12 of the first ones that was done. So, it was, you know,
13 kind of, in that aspect, groundbreaking. Was it a
14 perfect study? No. But I also think that the
15 information it provides is useful.

16 Q. How?

17 A. Because it -- he did use statistical techniques, he was
18 transparent on what he did, and it didn't uncover a
19 difference.

20 Q. He stated, "One of the other complaints is that the
21 sales transaction included those that were not
22 arms-length. As a result, the report included
23 transactions that do not represent the agreement
24 between a willing buyer and a willing seller."

1 A. Again, I think that there's some of the areas that
2 could have been improved. But, also, that that's one
3 out of the six. And, really, the reason for us that it
4 was noteworthy is because it did discuss Searsburg. It
5 was one that was -- the only one that was in New
6 England.

7 Q. All right. So, let's go on to another one of the
8 studies. This would be the Hoen 2006 report. And, are
9 you aware, in Mr. Hoen's report, this is where he
10 looked at Madison County, New York and Fenner.

11 A. Okay. Yes.

12 Q. Okay? He states, on Page 43 of his report: "To the
13 degree that other similar communities exist in the U.S.
14 in that they have similar land uses, medium home prices
15 and homeowner profiles, these results should be
16 transferable. Extrapolation of these results to
17 communities which do not fit this description without
18 careful consideration is not recommended." Are you
19 aware that he states that?

20 A. I don't specifically recall that, but I don't doubt
21 that he said that.

22 Q. Is it -- would the fact that you've included the Hoen
23 report here, even though he is stating that the results
24 should not be transferable to other locations that do

1 not have similar land uses, medium home prices,
2 *etcetera*, it would not -- that results cannot be
3 concluded elsewhere?

4 A. Yes. I think that we just included it as one study
5 that was -- that was well done, that didn't -- for that
6 area that didn't show any impact. I mean, trying to
7 find a study specific for New England or New Hampshire
8 is, other than the Lempster study, didn't exist.

9 Q. Okay. So, Mr. Magnusson, you're not saying that Antrim
10 has similar land uses, medium home prices, or homeowner
11 profiles?

12 A. I'm saying that --

13 Q. Have you done that comparison?

14 A. I didn't directly compare that one to Antrim.

15 Q. Okay. All right. So, now, do you know the difference
16 between "statistically significant" and "substantive
17 significant"?

18 A. Substantive?

19 Q. Sorry.

20 A. Okay.

21 Q. "Substantive".

22 A. I mean, for me, "statistically significant" is what I
23 tried to explain before, and I'm not sure if I did a
24 great job. Is where you have a statistical test, you

1 have some kind of a value, where, if it's greater than
2 that value, then it's considered "statistically
3 significant". So, the mean of -- if the average
4 selling price is below a certain point for the group,
5 then that would be statistically significant, when
6 otherwise it wouldn't be. That's the technique we use.
7 We use a very common value for doing that, very widely
8 accepted.

9 Q. Mr. Magnusson, but what is the difference between
10 "statistical significance" and "substantive
11 significance"?

12 A. I mean, to be honest, I haven't heard the term
13 "substantive difference" before, other than that this
14 is something that's noteworthy, I guess. I don't think
15 I use that term in any of my reports.

16 Q. You don't.

17 A. Okay.

18 Q. I'm asking you if you know the difference between those
19 two?

20 A. I mean, if you have the definition, I'd be interested
21 in hearing it.

22 Q. "Substantive significance" refers to the importance of
23 a meaningfulness of a finding from a practical
24 standpoint.

1 A. Okay. And, what --

2 Q. As opposed to being purely a mathematical finding.

3 A. And, what's the source on that?

4 Q. That would be Dr. -- there's one of many, many sources.

5 A. Uh-huh.

6 Q. That would be Dr. Osei Darkwa of the University of
7 Illinois, in Chicago.

8 A. In reference to what?

9 Q. Comparison of "substantive significance" and
10 "statistical significance". So, you don't know the
11 term "substantive" --

12 A. It's not a term that I've used or am familiar with, no.

13 Q. Okay. All right. So, are you aware, and the reason
14 I'm asking you this is because I want to ask you some
15 questions again about the Hoen 2006 report. Are you
16 aware in that report that Ben Hoen found that homes in
17 the nearby towns from Fenner, of Cazenovia and Nelson,
18 in fact, had higher property values than in Fenner.
19 Are you aware of that?

20 A. I don't recall that specifically.

21 Q. I'm going to quote you from the report, okay? So,
22 Mr. Hoen, when he identified that issue, spoke with the
23 local -- with the realtor about that. And, this is
24 what the realtor -- this is what he said the realtor

1 said.

2 MR. IACOPINO: Before you do that, --

3 MS. LINOWES: Sure.

4 MR. IACOPINO: -- is this the 2006 Hoen
5 or the 2009?

6 MS. LINOWES: 2006.

7 BY MS. LINOWES:

8 Q. Says "He believed there was a correlation between the
9 township Fenner and the value of homes, in that homes
10 of higher values were not being built in the township.
11 He attributed this to the windmills, and believed that
12 there was a correlation between values of homes and the
13 effect view of the turbines had on them. He said", the
14 realtor, "higher priced homes were not being built in
15 the Fenner area because of the view of the turbines.
16 That was the perspective of the realtor." Do you
17 remember reading that?

18 A. I don't specifically recall that. But, I mean, if it's
19 in the report, that's what he stated.

20 Q. So, the statistical significance that Mr. Hoen found
21 was that there was no effect, as you, I believe, you
22 are stating in your finding, of the view of the
23 turbines and the value of the homes?

24 A. Uh-huh.

1 Q. But the substantive significance is what the realtor is
2 saying?

3 A. To me, that sounds like somebody's opinion. And, it
4 wasn't tested. I mean, you know, somebody can say
5 whatever they think. I don't see anything from your
6 statement to indicate that that was actually even
7 validated. It just sounds to me like somebody's
8 opinion.

9 Q. So, you would place higher value on the statistical
10 side of things than what a realtor will be saying if
11 what he is seeing, in terms of the real estate market
12 in Fenner and surrounding towns?

13 A. My position --

14 Q. And, how much weight would you -- you would not put any
15 weight to that?

16 A. To be honest, no. Because my position would be, and
17 the same one we did in the study, is the prices speak
18 for themselves.

19 Q. Okay. Now, I want to look at the -- now, this is the
20 Hoen 2009 report, which is the Lawrence Berkeley
21 National Lab report. I would like to direct your
22 attention to the July 2012 testimony, IWAG-1 -- E1.

23 MR. IACOPINO: Give us a moment.

24 MS. LINOWES: Yes, sir.

1 MR. IACOPINO: Is it "E1" or "1"?

2 MS. LINOWES: I guess it's "1"? It's
3 "1".

4 MR. IACOPINO: Well, I don't know. I
5 just want to get to it, because I think it's right here.

6 MS. LINOWES: I think I called
7 everything within -- my apologies.

8 MR. IACOPINO: Okay. Are you referring
9 to your initial testimony?

10 MS. LINOWES: My own testimony, yes.

11 MR. IACOPINO: Okay. That is "1".

12 MS. LINOWES: Thank you.

13 WITNESS MAGNUSSON: Oh, that's "1"?

14 MR. IACOPINO: From July 31st.

15 MS. LINOWES: Yes.

16 BY MS. LINOWES:

17 Q. If you would look on Page 7 of 13, these are two slides
18 or two charts that were taken from the Hoen 2009 or the
19 Lawrence Berkeley National Lab study. Are you familiar
20 with these?

21 A. Uh-huh. Yes.

22 Q. Okay. Now, they did look at some 7,000 plus property
23 transactions. But, of those, 4,936 were properties
24 that there was a sales transaction involving them after

1 construction of the project. So, that's what "N=4937",
2 you're familiar with that?

3 A. Yes.

4 Q. Okay. Now, you can see the first one talks about the
5 distance from the turbines. And, that only 1 percent
6 of those homes that sold were within 3,000 feet of the
7 turbines, correct?

8 A. Yes.

9 Q. And, then, in the second chart, the view of the
10 turbines, he characterized the view as either "minor",
11 "moderate", "substantial" or "extreme", a very small
12 percentage had a moderate or extreme view of the
13 turbines, is that correct?

14 A. Yes.

15 Q. And, that the predominant number of transactions under
16 "view" had no view of the turbines, is that correct?

17 A. Yes.

18 Q. And, a significant number of the house transactions
19 were a good distance away from the turbines in the
20 first chart, is that correct?

21 A. Yes.

22 Q. Okay. Based on what you know of this data, will you
23 state today, and I recognize you're not a real estate
24 appraiser, I recognize you're not a realtor, and that

1 you're not legally obligated to -- no one's going to
2 come down on you with a hammer for saying the wrong
3 thing here, as an appraiser would be, but can you state
4 today that properties within one mile of a turbine will
5 have no property value impact?

6 A. In our study, I don't think we say that.

7 Q. I didn't ask you about your study. I'm asking today,
8 based on what you know of the studies that were done,
9 that you read, --

10 A. Uh-huh.

11 Q. -- that you relied on, and also based on what you saw
12 in Lempster, can you state today that there will be no
13 property value impact on homes within one mile of a
14 turbine project?

15 A. I think what we would say is that, and this is
16 consistent with what we saw in Lempster, you have a
17 very, very small percentage of homes that are directly
18 near turbines or having a direct view. We saw the same
19 thing in Lempster. And, based on that, is it possible
20 you might have one or two homes that have some type of
21 a -- some type of an impact, sure. But --

22 Q. Mr. Magnusson, --

23 A. Would you let me finish please?

24 Q. Go ahead.

1 A. But we, and I've read through actually the standards
2 for the -- some of the standards for the real estate
3 appraisers, to get an understanding of how they go
4 about doing that. And, what I'm saying is, based upon
5 the type of analysis we did in this and these other
6 studies, with the approach we took, we did not find any
7 statistically significant difference, whether it was
8 near a turbine or whether it was further away.

9 Q. Okay. But would you agree, I think you already stated
10 this, that the transaction -- the homes that were
11 involved in transactions in these studies, including
12 the one you did, the dataset you were working on was
13 dominated by projects -- by housing transactions that
14 were not anywhere near the turbines?

15 A. That's correct.

16 Q. And, statistically, when you dominate a dataset with
17 properties that are not impacted, what can you expect
18 the result to be?

19 A. If you compared a impacted group with a non-impacted
20 group, and you don't see any statistically significant
21 difference in their average selling price, that, to me,
22 is just compelling evidence that there isn't a
23 statistic differences -- a significant difference.

24 Q. Okay. All right. Now, let's ask you about that then.

1 You have so far refused to release the addresses of the
2 homes that were in your study, is that correct?

3 A. We have stated that the contract with Real Data
4 Corporation prevents us from releasing that dataset.

5 Q. You refused to provide the house sale information and
6 their percent of sale price, what the price was when it
7 was put on the market and what it sold for. That is
8 not information that's available in this proceeding?

9 A. Well, no, we presented it in aggregate format in the
10 report.

11 Q. Did you provide us with specific house sale
12 transactions and give us information about the percent
13 of the sale price and what the asking price was? Did
14 you give that information? Is that part of the record
15 in this proceeding?

16 A. It's not in numerical. But, if you look at some of the
17 figures, you'll actually -- it gives you the same
18 information that you want. It gives individual data
19 points. So, for example, in the Lempster property
20 value impact, Figure 4, Deed Price by Presale
21 Valuation", which is what you're asking. It's -- it
22 doesn't give specific numbers, but it gives the data
23 points, which is basically the same thing.

24 Q. I don't know, where are you looking?

1 A. So, I'm in Lempster property value impacts, Page 15.

2 Q. "Deed Price of Presale Valuation"?

3 A. That's right.

4 Q. And, what conclusion am I supposed to draw from that?

5 A. That the two are correlated. But what you're asking me
6 is, "did we release individual line item data for each
7 one?" No. But, in the report, we present out, in
8 different figures, individual data points.

9 Q. Mr. Magnusson, if a real estate appraiser were to look
10 at your report, which is the only piece of information
11 in the record today, would he be able to recreate
12 exactly the same report that you did?

13 A. No. They would need to go and go through the Register
14 of Deeds or pull that -- pull sales data.

15 Q. So, are you asking us to trust that you -- your
16 conclusion, without even being able to look at the
17 data, is that where we're at right now?

18 A. That's correct.

19 Q. Okay. Now, I want to ask you a question, this is
20 referring to IWAG-E1. This is a document or a report
21 written by Albert Wilson. And, it's called "Wind
22 Farms, Residential Property Values, and Rubber Rulers."
23 Did you get a chance to read this report?

24 A. I did.

1 Q. Now, on the bottom of Page 3 of the report, and then it
2 continues onto Page 4, he is critiquing the Hoen
3 2009/Lawrence Berkeley National Lab report. And, he's
4 also specifically talking about regression analysis.
5 He has concerns about regression analysis being used on
6 property transactions, okay? And, he says, "It's worth
7 noting that the IAAO", which is the International
8 Association of Assessing Officers, "standards
9 discourage the use of regression for the analysis of
10 the impact of proximate condition on value precisely
11 because of the small number of potentially influenced
12 sales available for analysis by regression. Instead,
13 the use of the classic three approaches of value (sales
14 comparison, income and cost) is encouraged as more
15 reliable under these circumstances." Do you see that?

16 A. Yes.

17 Q. Okay. Now, in your testimony, and we don't have to go
18 to it, but I'm hoping you remember it, in your October
19 supplemental testimony, I also -- you responded to some
20 of the critiques I make on the Lawrence Berkeley study.
21 And, you defend it by stating that "the study's authors
22 have credible credentials." Do you remember that? Do
23 you remember stating that? This on Page 8 of 12, on
24 Line 19, of your testimony.

1 A. Yes.

2 Q. Okay. And, you cite Dr. Ryan Wiser, that he's in civil
3 engineering. Is he an appraiser, to your knowledge?

4 A. I don't believe he's an appraiser.

5 Q. Is Mr. Hoen an appraiser?

6 A. I don't believe so.

7 Q. So, what credible credentials do they have?

8 A. The fact that they are familiar with statistical
9 techniques and are able to analyze a dataset, and
10 provide conclusions based on that.

11 Q. Mr. Magnusson, I have a degree in Software Science and
12 an MBA. Do I have the -- am I a credible -- do I have
13 the credible credentials to do such a study?

14 A. I think that, for the Hoen study, it would be
15 challenging, because it would require specific
16 background in hedonic analysis. But, I think, for,
17 because I have an MBA also, of course, I'm assuming you
18 took a statistics class, and a lot of this stuff is
19 very basic statistical analysis.

20 Q. Okay. So, that basically one doesn't need to be an
21 appraiser. All right. Are you familiar with the
22 appraisal technique known as "paired sales analysis"?

23 A. Can you give me a definition?

24 Q. Where you look at two comparable real estate

1 properties, and try to identify the -- if they are very
2 similar, you decide what the difference is and how any
3 differences in them contribute to --

4 A. Sure. Yes.

5 Q. -- or detract from the value of it?

6 A. Yes. That's what they refer to as, in your exhibit,
7 "sales comparison".

8 Q. Did you follow this technique at all?

9 A. No.

10 Q. Okay. And, are familiar with the appraisal technique
11 known as "resale analysis"?

12 A. "Resale analysis"? Explain that one.

13 Q. That is where you have a property that's sold, and then
14 it's sold again, and you compare the differences in the
15 value of the property after it's sold?

16 A. Yes.

17 Q. Okay. So, I take it you did not follow that at all?

18 A. We didn't follow it. I'm trying to recall, I think
19 there might have been a couple of examples. I don't
20 believe there are any in Lempster of resales.

21 Q. So, you don't -- okay.

22 MS. LINOWES: And, I have just a few
23 more questions, madam Chair.

24 BY MS. LINOWES:

1 Q. Okay. So, and one thing I wanted to ask you about. In
2 your testimony, on Page 7 of 8, this is your October
3 testimony. I believe that there is an error, because I
4 was trying to understand. This is Page, again, 7 of 8,
5 in your supplemental testimony.

6 MR. IACOPINO: I think his testimony has
7 12 pages.

8 BY MS. LINOWES:

9 Q. It does. What am I referring to? It's where you talk
10 about -- perhaps it is in the January, let me just
11 check that. Oh, it is your January testimony. I'm
12 sorry. On Lines 13, 14, 15. I wanted to, because
13 there was an error there, I think.

14 MR. IACOPINO: For the record, you're
15 talking about AWE 1, in the combined testimonies.

16 MS. LINOWES: Yes. Thank you.

17 MR. IACOPINO: It's the Testimony of
18 Ross Gittell. It's eight pages long.

19 MS. LINOWES: Right.

20 BY MS. LINOWES:

21 Q. Now, you say that "3 of the 5" -- that you say "Of the
22 88 single family home purchases sales transactions that
23 occurred...3 of them were within 1 mile...and 33 of
24 them were within a 3 mile radius". But, if you look at

1 your report, on Page 21, your testimony is not
2 consistent with your report. The report states that "3
3 of them are within 1 mile...16 are within a 3-mile
4 radius." So, which is accurate?

5 A. Table 7 in the report would be what the -- would be the
6 actual numbers. So, if there was a discrepancy, Table
7 7 is the one that would be correct.

8 Q. Okay. So, you --

9 A. This is just -- the testimony was just taken from the
10 report anyway. So, maybe something was transposed, I'm
11 not sure.

12 MS. LINOWES: So, I would defer to your
13 attorney, if you want to make a correction to that right
14 now, before I proceed?

15 MR. PATCH: Well, I think the witness
16 has said -- I think the witness has said that the table on
17 Page 21 of Appendix 14A is the one that would take
18 precedence. So, I think that would mean a correction on
19 Line 15, of Page 7 of the January 31 testimony, if I'm
20 correct.

21 BY MS. LINOWES:

22 Q. Yes. As well as the percentage on Line 14, it should
23 be "3.4 percent", I believe?

24 A. (No verbal response).

1 Q. Is that a "yes"?

2 A. I don't know. I'd want to recalculate it before. But,
3 I mean, the Table 7 should be the one that we're going
4 off of.

5 Q. Okay. All right. So, just so the -- there are a
6 number of locations within your report, and I'm just
7 going to read one, it's right from the Executive
8 Summary, and elsewhere, you state: "Statistical
9 testing did not show a statistically-significant
10 difference between the average presale valuation price
11 of properties with no view, an obscure view, or a clear
12 view of one or more turbines." And, then, you go on to
13 state: "While caution must be used due to the small
14 sample size, there is no evidence to support that an
15 obscure or clear view of a wind turbine reduced the
16 selling price of the property below what it should have
17 been." And, you make that statement multiple times --
18 well, then -- multiple times throughout the report, and
19 I won't highlight all of them.

20 But, my question for you is, in a
21 dataset that is dominated by projects that -- that
22 properties that are nowhere near the turbines or at
23 least have no view of the turbines, how much weight can
24 I -- can anyone put to that second sentence?

1 MR. PATCH: Can we just have a specific
2 cite to where you read from?

3 MS. LINOWES: Oh, sure. It is -- well,
4 I think -- I have several locations where it's in. Okay,
5 I'll look at -- it's on Page 23, under "Visual Impact".

6 BY MS. LINOWES:

7 Q. The sentence, it's in the middle of the paragraph,
8 "While caution must be used due to the small sample
9 size, there is no evidence to support that an obscure
10 or clear view of the wind turbine reduced the selling
11 price." So, is that a statistical conclusion that
12 you're making? There's -- and, how much weight do we
13 put on that, given a dataset that is dominated by
14 properties that have no view of the turbines or no
15 affect from the turbines?

16 A. Well, I think our finding is basically consistent with
17 what other studies have kind of used similar language,
18 is that we didn't find any statistically-significant
19 difference. What I'd like to do is just take a look
20 at, because it gets at what you're asking, and this
21 actually kind of goes to your comment about being
22 "substantive", if you going go to Page 24 of the
23 Lempster property value impact report. If you look at
24 Figure 12, and, hopefully, I can explain this well.

1 This shows what the -- this shows the different
2 properties. And, so, the "none" on the left, this is
3 kind of like the big ones that you're referring to, the
4 ones -- the big group that -- the non-impacted group.
5 Then, you have the "obscure" and "visible". That's the
6 -- an assessed valuation, which we used in our study,
7 assessed valuation, that wasn't one we came up with.
8 And, you'll see that, if you look at it, for those
9 homes in the "obscure" and "visible", they had pretty
10 much the same average selling prices. And, so, what we
11 next did was look at Figure 13, and say "okay, what's
12 the difference between the sales transaction price and
13 the presale valuation? Because what you would expect
14 is that, if that -- if having an obscure or a view of a
15 turbine has had some kind of impact on it, and assuming
16 that assessors know what they're doing and did a good
17 job of that, those two, "obscure" and "visible", should
18 be well below the average, and they aren't. So, this
19 is more just kind of eyeballing it. You don't even
20 have to worry about statistical tests.

21 Q. Again, Mr. Magnusson, none of this data is available to
22 anyone in these proceedings. So, you're -- you massage
23 the information and package it into a graph, but no one
24 in this room, I believe, and correct me if I'm wrong,

1 is capable at this time -- or, able, I should say, of
2 drawing -- of understanding -- of taking data and
3 mapping it to this figure, is that correct?

4 A. Well, first of all, we didn't massage any data. Second
5 of all, --

6 Q. You packaged it.

7 A. -- this information is publicly available. There's
8 nothing to prevent you from going out and independently
9 verifying, rather than taking a dataset that I provide
10 you, which I might have, you know, and recreating the
11 results. There's nothing. It's public information.

12 Q. Okay. Now, I want to -- let's move on. I have two
13 more questions and I'm done, I promise. The first one
14 is, you had made reference -- you make reference to
15 your -- in your document to a "good neighbor
16 agreement", and you were asked earlier today what a
17 "good neighbor agreement" is. And, I actually have
18 provided you with a copy of the Lempster Wind, what is
19 called "Wind Farm Neighbor Agreement". Have you ever
20 seen this agreement?

21 A. No, I haven't.

22 Q. Okay. Now, you had characterized a "good neighbor
23 agreement" as, I believe, correct me if I'm wrong, it
24 sounded like you were saying "it was an opportunity for

1 the wind developer to make a property owner whole
2 again, if there were impacts due to the proximity to
3 the turbines." Is that about how you characterize it?
4 I'm paraphrasing here.

5 A. For a "good neighbor agreement", again, I'm not
6 familiar with any specifics. My understand is it's
7 something where a property owner and a wind developer
8 come to some sort of a common agreement, and they sign
9 a contract.

10 Q. But you don't --

11 A. I don't know specifics.

12 Q. Okay. Well, then, let's look at that, this agreement,
13 the Good Neighbor Agreement. Under "Grant of Rights",
14 I'll just -- there are two paragraphs there. One
15 called "Noise Waiver" and the other called "Setback
16 Waiver". I mean, does that sound like an easement, a
17 purchase of an easement, versus a -- versus -- I don't
18 know what else your -- whatever else you're thinking a
19 good neighbor agreement is. And, this says: "Owner
20 hereby grants to Lempster the right and privilege to
21 generate and maintain audible noise levels in excess of
22 55 decibels on and above the owner's property." Does
23 that sound like actually it's an easement agreement?

24 A. You're asking me something that I'm not familiar with.

1 I mean, from looking at this, it sounds to me like
2 somebody would be agreeing to a noise waiver.

3 Q. I'm bringing it up, because you did make a comment,
4 it's specifically in your testimony about good neighbor
5 agreements, but you don't really know what a good
6 neighbor agreement is, is that correct?

7 A. As far as specifics on any one, no. But the extent I
8 discuss it is in the report, and that would be what my
9 familiarity with it is. I could try to find the
10 specific reference.

11 Q. Is it -- but have you ever seen -- you haven't really
12 ever seen one?

13 A. No. This would be the first time I've seen a specific
14 good neighbor agreement.

15 Q. And, then, are you familiar with the concept of a
16 "property value guarantee"?

17 A. No.

18 Q. Okay. And, now, the last report I want to bring up,
19 this is a document -- this is a news report from
20 November 12, which is one of the reasons why it wasn't
21 in my exhibits. It's very new. This is a newspaper
22 article from the *Copenhagen Post*, in Denmark. And, I
23 want to read the third paragraph there. It says that
24 the Parliament -- it says "The loss-of-value clause was

1 passed by Parliament in 2008." That the government of
2 Denmark passed a loss-of-value clause to protect
3 property owners living in the vicinity of wind
4 turbines. Are you aware that that happened?

5 A. No.

6 Q. Okay. Now, the last paragraph on that first page,
7 there's a quote there that says: "We know that the
8 large wind turbines are a bother to people living next
9 to them, and that they devalue their properties. We
10 can always discuss whether the amounts suffice, but we
11 got the compensation deal through though. Otherwise,
12 they wouldn't have got anything." So, what does that
13 tell you?

14 A. What that says to me from that statement is I don't see
15 anything specific that supports that statement.

16 Q. Okay. Then, fine. Let's go up to the second paragraph
17 then. It says: "An evaluation of the 551 compensation
18 payments made to people living next to wind turbines
19 indicates that the average amount was 57 [sic-57,000]
20 kroner. Estate agents say the amount is often far
21 below the actual property value loss, which in some
22 cases is up to 20 percent." Does that say anything to
23 you?

24 A. To be honest, no. I still don't see anything -- those

1 are a couple of facts without any -- I mean, I don't
2 see a reference to a report or anything to support
3 those statements.

4 Q. Okay. So, you think that this story is basically
5 bogus?

6 A. I said I don't have enough information to conclude one
7 way or another.

8 MS. LINOWES: Okay. All right. Thank
9 you very much, madam Chair.

10 MS. BAILEY: Thank you. Mr. Roth.

11 MR. ROTH: This will be very brief.

12 BY MR. ROTH:

13 Q. In your property value study, you mentioned several
14 times that the data should be used with "caution" or
15 "some caution" interpreting these results. What should
16 the Committee do with that kind of a qualification?
17 What, in terms of using caution with your conclusions,
18 given the small amount of data used to make those
19 conclusions, what should they do with that?

20 A. I think, basically, just what you stated. That's a
21 fact that, you know, you should take into account when
22 considering any information. This is the information
23 we found by going through several, you know, six
24 different studies, reaching similar conclusions. Our

1 own study reaching a similar conclusion of no
2 statistically-significant. It is a small sample size.
3 So, from a, you know, statistic standpoint, you always
4 have to just be careful with that.

5 Q. So, are you saying that the small sample size and your
6 request or your suggestion that the Committee use
7 "caution" tends to lessen your degree of certainty
8 about the reliability of your findings?

9 A. Well, I don't think it impacts the reliability. I
10 think it's something, it's a fact to take into account.
11 But, basically, what I would take away from it is,
12 there isn't any evidence that there is an impact.

13 Q. But you would admit that it's based on a small sample
14 size, and you would urge people to use caution with
15 that conclusion?

16 A. As we said in the report, sure.

17 Q. Okay. Now, I look at your resumé, and note, in the
18 "Summary of Research", and this is Attachment MM-1 to
19 your October testimony.

20 A. Okay.

21 Q. And, I note a number of studies, some in progress,
22 let's see, one, two, three, four, five, six, I don't
23 know how many, over the past few years, a significant
24 number of studies that you've done. And, these studies

1 have been "sponsored" by people. What does that mean,
2 "sponsored"?

3 A. "Sponsored" would mean that that was the organization
4 that paid for the study.

5 Q. Okay. So, they're, like, for example, in this case,
6 Antrim Wind Energy paid you to do the property value
7 study and the economic impact study, correct?

8 A. Yes.

9 Q. And, based on information that was provided to me by
10 counsel to the Applicant, it appears that your
11 compensation for this Project was something like
12 \$22,000, is that about right?

13 A. Sounds about right.

14 Q. Okay. And, are you getting comparable amounts for
15 these other studies?

16 A. Some have been less, some have been more.

17 Q. Okay. That's not bad work for a graduate student, is
18 it?

19 A. Well, I mean, I'm not a graduate -- I'm working on my
20 Ph.D, but I'm a graduate. I have my MBA.

21 Q. Okay. But you're still a student, correct?

22 A. No.

23 Q. No? You're not? How are you still working on your
24 Ph.D and not still a student?

1 A. I'm part-time Ph.D.

2 Q. Okay. When do you expect to complete your Ph.D?

3 A. Maybe a couple years.

4 Q. Okay. Now, in your work in this area, have you -- do
5 you continue to follow the economic trends of the
6 renewable energy industry?

7 A. To some extent, I stay familiar with it. But, I mean,
8 it's certainly not as in-depth as when I'm working on a
9 study, no.

10 Q. Okay. Are you familiar with the Production Tax Credit?

11 A. Familiar, somewhat, yes. I know that's an ongoing
12 issue.

13 Q. And, are you aware that it's kind of up for grabs right
14 now with Congress?

15 A. Yes.

16 Q. Okay. Now, if the Production Tax Credit were not to be
17 renewed, would that have any impact on your findings in
18 your economic study?

19 A. It wouldn't, because we didn't -- there's a lot of
20 factors that we could have included. And, in our
21 study, we were pretty transparent about the factors
22 that we did include, because we thought those were
23 pretty concrete.

24 Q. Well, I understand that you didn't include it. What

1 I'm asking you is, is there -- would it affect, if you
2 were to include it, the lack of a Production Tax
3 Credit, would that affect your findings, for example,
4 with employment?

5 A. No, because we didn't include it in the first place.
6 For what we did, it didn't factor in at all.

7 Q. Okay.

8 A. This was a local area economic impact study.

9 Q. Okay. So, if, for example, so, I guess -- I think
10 we're going a little bit around in circles, and maybe
11 I'm just not understanding you or you're not
12 understanding me. I know you didn't include it, and,
13 so, therefore, it didn't show up as having any effect
14 in your study. But, if you were to include it, would
15 it have an effect on your conclusions?

16 A. No, because, basically, our assumption was based on the
17 cost of the Project and it moving forward. So, whether
18 it was in place or not wouldn't have been a factor.

19 Q. Okay. Are you aware that, in terms of job creation,
20 that Acciona, for example, has begun laying employees
21 off?

22 A. I've heard of some lay-offs. That specific, I haven't.
23 That specific instance, I haven't.

24 Q. Okay. So, in terms of job creation, isn't there also,

1 at this point, and perhaps since your initial testimony
2 and your study, there have been job losses in the
3 industry as well, correct?

4 A. Right. But, again, this was a local area economic
5 impact study for New Hampshire, and there's no wind
6 manufacturers in New Hampshire.

7 Q. Okay. And, have you heard of other job losses
8 throughout the industry?

9 A. I'm not sure what you mean.

10 Q. Well, I mentioned "Acciona", and I can't remember
11 whether you said you had heard about Acciona. But have
12 you heard in general that the industry is sort of
13 flattening out or losing jobs, rather than gaining?

14 A. I mean, I haven't seen any specific statistics on that.
15 I've heard, like you mentioned, some reports in the
16 news.

17 MR. ROTH: Okay. That's all I have.

18 Thank you.

19 MS. BAILEY: Thank you.

20 MR. IACOPINO: Ms. Block, it's my
21 understanding you have some questions that Ms. Longgood
22 asked you to ask of the witness, is that correct?

23 MS. BLOCK: Yes.

24 BY MS. BLOCK:

- 1 Q. Ms. Longgood is particularly concerned about property
2 value. And, she pointed out to me that, on Page 12 of
3 your Lempster report, you say the 2011 report of
4 "Heintzelmen and Tuttle did identify some isolated
5 negative impact in two counties in New York." And,
6 also, further, in your supplemental testimony, you, and
7 I'm sorry I don't have that one, you state "there were
8 isolated rare instance property value declines." So, I
9 think in both of those things would you agree that
10 you're saying property value could decrease? That in
11 both of those places?
- 12 A. For the testimony, do you remember where that is?
- 13 Q. In your supplemental testimony, it was a statement --
14 no, I'm sorry. The computer was taken away, and I
15 don't have that. I think the statement was something
16 like "isolated rare instances".
- 17 A. Okay. Yes, it looks like it's Page 9, Line 13.
- 18 Q. Okay. So, my question is, in both of those instances,
19 you're stating an isolated property value could
20 decrease?
- 21 A. Yes. And, that's consistent with what we had in the
22 report. It is possible. In Lempster, we did not
23 identify anything like that.
- 24 Q. Okay. And, I guess what I'm -- the question that Jan

1 had were, specifically, could you identify the factors
2 that would make that happen?

3 A. I think, from the studies that, actually, looking at
4 this one and the other one, is that we actually do talk
5 about this in the report, is that it seems like one of
6 the real impacts that is possible is the anticipation
7 effect, where people kind of panic sell. That does --
8 there does seem to be some evidence to suggest that can
9 happen. So, I think the better that the process is at
10 kind of involving everyone and making people certain
11 about what's going to happen, that will help with that
12 impact. But, long term, nothing we really found
13 indicated any type of long-term impact on property
14 values.

15 Q. Okay. Even though the reports both state that, you
16 don't see that?

17 A. No.

18 Q. Okay. Do you see that potential for that happening to
19 any property within this Project area?

20 A. I mean, based on the evidence that we have, I don't --
21 we don't have any evidence to suggest that would be the
22 case.

23 MS. BLOCK: Okay. That was the end of
24 the questions. Thank you.

1 MS. BAILEY: Okay. Thank you.

2 Questions from Committee members? Chairman Ignatius.

3 CHAIRMAN IGNATIUS: Thank you. Good
4 afternoon, just barely, Mr. Magnusson.

5 BY CHAIRMAN IGNATIUS:

6 Q. If you would help me, and you may have done some of
7 this during the period I was out, but, in your -- in
8 your local impact study, you have so many different
9 quantifications of job impacts and value to the local
10 community that are in different time periods. There's
11 the construction phase, post-construction phase, some
12 are set annually, some are set as over the lifetime,
13 the 20-year operation of the Project. If you could
14 summarize, and you don't have to go through any
15 particular chart, whichever is easiest for you, just in
16 -- let's use one common set of standards, if it's
17 useful to do, annual -- let's start with jobs.

18 A. Okay.

19 Q. The number of direct local jobs, indirect, and induced,
20 and you tell me the time period you're measuring it
21 over, and maybe we'll go from there.

22 A. Sure. I think, probably the best place to look is the
23 "Economic Impact Study of the Proposed Antrim 30
24 Megawatt Wind Power Project". And, I don't know what

1 the exhibit number is.

2 MR. IACOPINO: That would be AWE-3,
3 Appendix 28 -- Appendix 14B, electronic Document 28.

4 **BY THE WITNESS:**

5 A. I'm hoping that the Executive Summary is the clearest
6 way to kind of get that information across. If you go
7 to Table 2, that talks about impacts during the
8 construction phase. And, as far as kind of local area
9 jobs, which we discussed earlier in the day, is the
10 kind of -- it's not just Antrim, it's the local area,
11 and our studies define this as "Cheshire, Hillsborough,
12 Merrimack, Rockingham and Sullivan County." So, within
13 that region, we'd expect to see 23 jobs, kind of
14 construction jobs working on the Project. Forty-seven
15 (47) supporting it indirectly. And, that could be
16 every suppliers to the Project, for example, like a
17 gravel pit that provides gravel to the Project, those
18 types of things, the "47 indirect". And, then, "16
19 induced", which would be, when people from direct or
20 indirect jobs spend their wages and income in the local
21 economy, that would stimulate an additional 16 jobs.

22 **BY MS. LINOWES:**

23 Q. Okay. And, that's over what period of time? Just
24 during the construction phase?

1 A. That's correct.

2 Q. And, how long is the construction phase anticipated to
3 be?

4 A. To be honest, I'm not sure exactly what the specific
5 start and end date at this point is.

6 Q. All right. Then, post-construction?

7 A. Post-construction would be Table 3. And, so, we would
8 expect that a total of 13 local area jobs, with three
9 being directly employed on the Project, kind of
10 maintaining the turbines. Six indirect. So, to me,
11 one of the clearest ones in my mind is like the guy who
12 drives the plow, to make sure the roads are plowed,
13 those types of jobs. Somebody who brings, you know,
14 things that you need on-site, local businesses bringing
15 in resources to that. And, then, four induced. So,
16 again, people at the grocery store, retail store,
17 healthcare.

18 Q. And, of the three on the Project, those are people
19 actually working for AWE managing whatever needs to be
20 managed at the turbines and the substation?

21 A. That's correct, yes.

22 Q. Does it include the substation actually?

23 A. These, to be honest, I'm not sure if it would include
24 that or not.

1 Q. And, then, did you say there would be ten other local
2 direct jobs that aren't on the Project site
3 specifically, but in your area?

4 A. That's correct.

5 Q. And, what would those sorts of jobs be?

6 A. So, again, like with the indirect, the guy who plows
7 the roads during the winter, you know, let's say, --

8 Q. Oh. I'm sorry. I misunderstood. I thought you were
9 saying there were 13, 3 of which were on the Project.
10 I wrote that down wrong. Okay. So, it's a total of
11 13.

12 A. That's correct.

13 Q. Three --

14 A. Three.

15 Q. -- for the project, --

16 A. Yes.

17 Q. -- and then six in the indirect, and four induced?

18 A. That's correct.

19 Q. All right. And, that lasts for how long a period of
20 time?

21 A. That would be -- that's an annual figure. So, that
22 would be basically as long as the Project's
23 operational.

24 Q. So, annually, for the lifetime of the Project?

1 A. Correct.

2 Q. All right. And, on the economic value brought into the
3 community, I think I followed -- I think I was able to
4 follow the time period that you were measuring it over
5 for each of those. So, I won't ask you to go through
6 that again.

7 I wanted to ask you a follow-up to some
8 questions that Ms. Linowes was asking you about. The
9 potential that your study was losing significant
10 findings because you had so many -- significant
11 findings related to people who had a view of the
12 turbines, because there were so many in the study that
13 had no view of the turbines.

14 A. Right.

15 Q. And, if the database is skewed heavily towards people
16 with no view, then the results would be skewed towards
17 people who had no impact. I think that was kind of her
18 question, wasn't it?

19 A. Yes.

20 Q. Is that a legitimate concern about your study?

21 A. I don't think so.

22 Q. Why not?

23 A. Well, because, if you have a -- if you have a large
24 group that presumably would have no impact, being far

1 away, no view, and their average sale values are the
2 same as those that are close by, even though it's a
3 small number, that goes back to that figure I showed
4 earlier. I mean, if you had it where those were having
5 some kind of a really substantial impact, there's no
6 question in my mind those numbers would be lower. I
7 mean, it just, to have houses that we look -- because
8 you could have it where they're selling for the same
9 value if the houses were being appraised at a different
10 value. But we looked at appraised values, and they
11 weren't -- you know, there's nothing that shows that
12 there was anything different from this, whether they're
13 close to them or whether they saw a view or whether
14 they weren't. To me, the fact that most of them don't
15 have views shows that you're only having a very small
16 number of properties that potentially could be
17 "impacted".

18 But, from a statistical standpoint, in
19 our analysis, to me that isn't something to be
20 concerned about. As far as, I mean, we state that,
21 kind of your lingo is that, from a statistical test,
22 yes, that is something that it's a fact you want to
23 take into account. But, I mean, just from what we saw,
24 we would have expected to see a much more -- more of an

1 impact. We would have expected to see some decrease in
2 sales price, and just we didn't see it.

3 Q. And, the fact that you were looking in Lempster and
4 surrounding towns in a period of time when home sales
5 have not been robust, does that cause any question in
6 your mind about the validity of what you're finding?

7 A. I mean, there's certainly been kind of a -- you know,
8 the hard housing market. But, by the same token, we
9 also looked at surrounding communities, to try to take
10 that into account. And, I mean, there was -- by
11 looking at surrounding communities, there wasn't
12 anything to suggest that Lempster was behaving any
13 differently than any of the other communities. So,
14 that would be how we tried to take that into account.

15 CHAIRMAN IGNATIUS: All right. Thank
16 you. I have no other questions.

17 MS. BAILEY: Okay. I think we're on to
18 redirect.

19 MR. PATCH: I just have a --

20 MS. BAILEY: Do you need a break, a
21 short break?

22 MR. PATCH: No, I just have a few
23 questions. Thank you.

24 **REDIRECT EXAMINATION**

1 BY MR. PATCH:

2 Q. Mr. Magnusson, you were asked a number of questions
3 about the chart in Ms. Linowes' testimony, you know,
4 that had that "\$90 a megawatt-hour" extended out over
5 20 years. I mean, first of all, you don't know the
6 basis for the information in that chart? That was just
7 something from Ms. Linowes' testimony, wasn't it?

8 A. That's correct.

9 Q. And, there were a number of questions that you were
10 asked at that time with regard to sort of the market
11 rate, and the implication being that the price for
12 power under a PPA would be somehow above the market
13 rate. Do you remember those questions?

14 A. Yes.

15 Q. Isn't it typical that, when a PPA is done, that there
16 is a fairly rigorous RFP process, you know, through
17 which a willing buyer and a willing seller ultimately
18 come to some agreement?

19 A. That's correct.

20 Q. So, doesn't that, in effect, represent a market rate?

21 A. That would represent the -- yes. In the fact that you
22 have a willing buyer and seller coming together on a
23 transaction, and then agreeing on a price, that would
24 be a market transaction, yes.

1 Q. There were some questions about a project in Illinois,
2 and it attempts to try to compare that to Antrim and/or
3 Lempster. Do you remember questions about that?

4 A. Yes.

5 Q. Do you have any familiarity specifically with that
6 project in Illinois or what a project in Illinois would
7 look like, as compared to a project here in New
8 Hampshire? And, I'm thinking about the visibility of
9 wind turbines in Illinois, versus the visibility of
10 wind turbines in Antrim or in Lempster.

11 MR. ROTH: Madam Chairman, I'm just
12 going to object that Attorney Patch's questioning is --
13 he's leading the witness in a really fairly vigorous way.
14 And, I think he should be, you know, making his questions
15 more along the lines of a typical direct examination
16 question, and stop feeding the answers to the witness.

17 MS. BAILEY: Do you have a response?

18 MR. PATCH: I'd be happy to try to
19 rephrase the question, I guess. If I was leading him, I
20 don't think I was, but I'd be happy to make sure that I'm
21 not.

22 MS. BAILEY: Okay. Thank you.

23 BY MR. PATCH:

24 Q. Do you remember questions about an Illinois project?

1 A. Yes.

2 Q. And, do you remember questions related to, you know,
3 the impact that wind turbines would have on property
4 values in Illinois, as compared to in Antrim and/or in
5 Lempster or in the New England area?

6 A. Yes.

7 Q. And, what is your understanding of any differences or
8 similarities with regard to a wind project in Illinois,
9 versus wind projects here in New England or in New
10 Hampshire?

11 A. I'd say one of the main difference is just kind of the
12 topography. Again, in New England, we have hills and a
13 lot of the trees. In Illinois, it's much flatter
14 terrain, with not as many trees or other obstacles to
15 views of the turbines.

16 Q. So, would the impact on property values, to the extent
17 there were any, be more significant or less
18 significant?

19 A. I think, if you were to look at Illinois, you would
20 have a higher number of properties that would "be
21 impacted" in some way by the turbine, meaning that
22 they're close to it or have a view of it, as opposed to
23 is the case in what we observed in Lempster or Antrim.

24 Q. There have been a number of questions about the --

1 about the impact of -- the economic impact in the study
2 that you did. How would you characterize the study you
3 did sort of on a scale of "conservative" versus "not
4 conservative"? Do you have some way of characterizing
5 the way that you did that study?

6 A. Well, we mention this in the report. And, one thing in
7 any report I've ever worked on with Professor Gittell
8 is he has a very well-respected reputation, and he does
9 not want to put out information that's misleading or
10 exaggerated. So, any time, when we work on studies
11 together, we are very careful to make sure that we use
12 very reasonable, grounded assumptions, that will give a
13 conservative, but accurate picture of a situation.

14 Q. I want to direct your attention to your October 11th
15 testimony. And, there's a sentence there, at the
16 bottom of Page 5, and it goes over onto the top of
17 Page 6. I wonder if you would sort of, and this is a
18 -- basically, a discussion about job impacts --

19 MR. ROTH: I'm going to object to this
20 question. We had this problem last time, where Attorney
21 Patch is now asking the witness to read his prefiled
22 testimony as some form of redirect. And, I don't think
23 that's an appropriate redirect.

24 MS. BAILEY: He hasn't even asked the

1 question yet. I don't think he's asked him look -- to
2 read it, --

3 MR. ROTH: He did.

4 MS. BAILEY: -- he's asked him to look
5 at it.

6 MR. ROTH: He just asked him -- well,
7 you know, let me ask the question. But, if that's where
8 he's going, having him read the prefiled testimony into
9 the record, and then saying "yeah, that's correct", is not
10 redirect.

11 MS. BAILEY: Let him ask the question
12 please.

13 BY MR. PATCH:

14 Q. I would ask you again to take a look at Page 5, at the
15 bottom of Page 5, of your October 11th testimony. And,
16 there's a sentence that carries over onto the top of
17 Page 6. Do you see where I mean?

18 A. In relation to the Vermont study?

19 Q. That's correct.

20 A. Yes.

21 Q. And, you just testified with regard to how you consider
22 this study that's been done to be "conservative",
23 basically. And, I wonder if -- if you have anything
24 you'd like to add in terms of what is said at that

1 point in your testimony?

2 MR. ROTH: I'm going to make the
3 objection now. Because the time for making his prefiled
4 testimony has long since past, and this is -- he had an
5 opportunity when he first swore him in to add to the
6 testimony, and he declined that opportunity. And, so,
7 here we are, now on redirect, so-called "redirect", trying
8 to bolster the direct prefiled testimony. And, I don't
9 think that's an appropriate redirect question.

10 MR. PATCH: What I'm trying to do is to
11 respond to any suggestions that were created in
12 cross-examination that in some way the results that were
13 obtained from the study that Mr. Magnusson and Professor
14 Gittell did were overstated.

15 MR. ROTH: He already was questioned
16 about that, and he said they were ultraconservative, and
17 Professor Gittell is the greatest, most honest guy in the
18 world. So, I think this is so unnecessary.

19 MR. PATCH: I'll move on. I'll move on.

20 MS. BAILEY: Okay.

21 BY MR. PATCH:

22 Q. There were a number of questions, do you recall, on
23 cross-examination with regard to a comparison between
24 Lempster and Antrim, with regard to impacts that

1 visibility of the turbines would have on property
2 values? Do you remember questions about that?

3 A. Yes.

4 Q. And, in terms of Lempster, do you know how close some
5 of the residences are in Lempster? I think there may
6 be a reference in your report.

7 A. Yes, I'm trying to recall specifically.

8 Q. I think, maybe just to facilitate things, if I could
9 direct your attention to -- I think there's a Footnote
10 19, on Page 27 of Appendix 14A. And, there's a
11 reference there to a landowner and the distance that
12 that landowner is from a residence. That may not be
13 the only place. But I guess I'm trying to get a sense
14 of what your understanding is about how close
15 participating and non-participating residences are in
16 Lempster?

17 A. Well, I mean, as far as exact footage, I don't recall
18 the exact footage. I know that some are extremely
19 close to Lempster.

20 Q. And, in this case, Footnote 19 refers to "less than
21 500 feet", that's, I believe, a participating
22 residence.

23 A. Okay. Yes. That sounds familiar.

24 Q. And, do you know what the closest residence would be in

1 the case of Antrim? I can direct your attention to a
2 couple of places in the record in which that appears,
3 if you're not totally familiar with that.

4 A. My understanding is it's 2,800 feet.

5 Q. So, there's a significant difference -- or, I'm sorry,
6 I'll withdraw that question. Is there a significant --
7 is there a difference between the distance in Lempster
8 to the nearest residence versus that in Antrim?

9 A. That's correct. I mean, there's properties in Lempster
10 that are much closer than 2,800 feet.

11 MR. PATCH: That's all our questions.

12 Thank you.

13 MS. BAILEY: Thank you. We do have one
14 more question from the Bench. Mr. Dupee.

15 MR. DUPEE: Thank you, madam Chair.

16 Thank you for being able to be with us to today.

17 WITNESS MAGNUSSON: Thanks.

18 BY MR. DUPEE:

19 Q. My question goes to the -- my question goes to your
20 chart, it's Appendix 14A, and it would be Figure 14,
21 which is the "Correlation between Sales Price to
22 Turbine Distance".

23 A. Okay. Yes.

24 Q. And, basically, you conducted a least squares

1 regression model?

2 A. That's correct.

3 Q. Okay. So, the idea here is that, if one is closer to a
4 turbine, that the selling price or the price would be
5 lower, and if you were farther away it would be higher,
6 if there was some sort of relationship between the
7 variables?

8 A. That's correct. You would expect to see if -- the fact
9 this is flat indicates that there's really - distance
10 has no factor. If it was a factor, you would expect
11 sales prices to be lower closer to the turbines and
12 higher further out. So, you would expect to see kind
13 of a positive slope.

14 Q. So, sir, what is the definition of the variable
15 "Deed_Price"? How is that calculated?

16 A. Well, "Deed_Price" was just the -- the actually sales
17 transaction price.

18 Q. Sales price.

19 A. Yes. So, that is not the best label, but --

20 Q. So, let me ask you this question. So, if we look at
21 your chart, if I go over to turbine distance of, say,
22 one mile. Let's assume my house was worth \$600,000,
23 that was what I asked for it.

24 A. Okay.

1 Q. I got \$200,000 for it. So, there is a significant
2 impact on the price of my property, however, this chart
3 would not reflect that?

4 A. I guess. I mean, I can't recall any property where we
5 saw that great a difference between what the kind of
6 assessed value is and what the actual sales price value
7 is. So, and, you know, it might be that the market
8 value for how you set the house, whether or not a wind
9 turbine was there, was actually 200,000.

10 Q. Right. So, if I was going to look at this regression,
11 I may look at the ratio of asking price to sales price,
12 which might be a better proxy for what's happening
13 here. So, if, in fact, there is no -- your question
14 is, "Did I get less money than I thought I was going to
15 get, --

16 A. Than you would have otherwise.

17 Q. -- not so much that I was closer or further away?

18 A. That's right.

19 Q. This chart doesn't really reflect that question.

20 A. No. Kind of the way that you would get, as some of the
21 other figures I showed, where it's showing that
22 correlation of assessed value and deed price. And, in
23 general, they're a very good match. Meaning that, it's
24 what the value of the house was -- let's say a house

1 was assessed at 180,000, sold for around 180,000. It
2 would be -- you have -- I mean, you always have some
3 variability around that. But, very consistently, the
4 assessed value is a very accurate reflecter of sales
5 price.

6 MR. DUPEE: Thank you. No further
7 questions.

8 MS. BAILEY: Do you have any redirect?

9 MR. PATCH: No.

10 MS. BAILEY: No? Okay. All right.
11 Thank you for your testimony. The witness is excused.
12 It's 12:20. So, why don't we take an hour for lunch now,
13 and we will resume with Mr. Colin High.

14 (Whereupon the lunch recess was taken
15 and this **Morning Session ONLY** ended at
16 12:22 p.m. The hearing to resume in a
17 transcript to be filed **under separate**
18 **cover** so designated as "**Afternoon**
19 **Session ONLY**".)