

CORRECTED PRE-FILED TESTIMONY
OF JEANNE MENARD ON BEHALF OF
PETER MENARD AND ANNE BURNETT
SUBMITTED AT NORTHERN PASS
TECHNICAL SESSION ON FEB 2, 2017

SEC Docket NO. 2015-06

Corrections to

November 15, 2016 Pre-filed testimony of Jeanne M. Menard on behalf of Peter Menard and Anne Burnett and their property at 65 Nottingham Road, Deerfield.

Correction #1: Page 2, last line of answer to question # 2.

They went to great expense for underground utilities to the cabin because they did not want the new ~~power~~ line to disrupt this view.

Changed to: (in new paragraph)

In addition, they went to great expense for underground utilities to the cabin because they did not want an overhead utility line that would service the cabin to disrupt this view.

Correction #2: page 5, middle of 2nd paragraph, after (EMF) add:

... values as a result of proximity to an electromagnetic radiation field (EMF), states on page 89 that:

Correction #3: middle of paragraph, delete repeated phrase and extend quotation:

“In an inverse condemnation (i.e., an EMF property devaluation claim), the damage calculation should be the same as if the property were condemned because the public perceives that there is a health risk ~~when one lives in close proximity to a high voltage~~ when one lives in close proximity to a high voltage power transmission line. This perception among the prospective purchasers of the property results in a substantial loss of value.

Cancerphobia affects the minds of any prospective purchaser causing a loss of demand, a loss of market value” and therefore limits resale potential.

Correction #4 Page 9, 3rd bullet point.

- Chalmers report did a retrospective appraisal of 1 residential property in Deerfield. The report did not attempt to reconcile the fact that there were ~~more~~ residential properties purchased in Deerfield by the utility or agents for the utility, that were severely impacted by the proposed NPT ~~than fair market sales~~. How does this omission bias market value effects of NPT?

Changed to:

- Chalmers report did a retrospective appraisal of 1 residential property in Deerfield. The report did not attempt to reconcile the fact that there were additional residential properties, some of which were purchased in Deerfield by the utility or agents for the utility, others that may be fair market sales, that were severely impacted by the proposed NPT. How does this omission bias market value effects of NPT?

STATE OF NEW HAMPSHIRE SITE EVALUATION COMMITTEE
SEC DOCKET NO. 2015-06

JOINT APPLICATION OF NORTHERN PASS TRANSMISSION LLC & PUBLIC SERVICE
COMPANY OF NEW HAMPSHIRE D/B/A EVERSOURCE ENERGY FOR A CERTIFICATE
OF SITE AND FACILITY

CORRECTED VERSION of Pre-filed Testimony of Jeanne Menard filed on Nov. 15, 2016

The purpose of my testimony, on behalf of Peter Menard and Anne Burnett and their property at 65 Nottingham Road, Deerfield is as follows:

1. Due to my first hand real estate knowledge, I will be attesting to the negative impacts of Northern Pass Transmission proposed project (NPT) on the property value of 65 Nottingham Road, Deerfield, NH.
2. To refute the methodology and conclusions drawn from the Deerfield Haynes Road Subdivision Study and the Deerfield Case Study #50, 39 Haynes Road, which are located in the Applicants Appendix 46, known as High Voltage Transmission Lines and Real Estate Markets in New Hampshire: A Research Report by Chalmers and Associates, LLC (Chalmers Report).
3. To attest to the fact that the Applicant has failed to answer a key question before the Site Evaluation Committee as sited in Section 301.09 Effects on Orderly Development of Region, (b) economy of the region, section (4). That question is: "What is the effect of the proposed facility on real estate values in the affected communities?"
4. To testify that the size of this proposed project is so massive in comparison to the existing ROW structures and that NPT as proposed will be so ugly that the negative visual impact to my family's property can never be mitigated in our lifetime.
5. To attest that the value of 65 Nottingham Road, Deerfield NH, is not solely defined in terms of market value and because of NPT, will sustain losses in addition to market value losses.
6. To plead that the historic rural district of Deerfield Parade, in the spirit of our ancestors of 250 years ago, and with gratitude to those who have toiled to maintain such rural character for the benefit of all, be forever preserved without threat from overhead utility projects.

What qualifications do you have to render expert testimony regarding property values?

- NH licensed Realtor (# 42411) since 1992
- Broker/Owner of Parade Properties, since 1998, which is a real estate company located at 45 North Road, Deerfield, a company in good standing with the Dept. of State.
- Listing and selling sales experience of single family residential, land, waterfront properties, and condominiums, and limited commercial, in several NH communities. See recent Parade Properties advertisement (Exhibit #1)
- Demonstrated competence in preparing market analysis by qualifying to participate in the selection process for NH DOT to market surplus land parcels for the State of NH.

1. What is unique about 65 Nottingham Road, Deerfield?

This property is a 3rd generation antique home, purchase by my grandparents in 1950. It is situated in a rural historic district, was identified in the Section 106 process and is noteworthy given its setting on Deerfield Parade. This house is situated on 33 acres, 11 acres hay field, remaining managed woodland. From the home there is a commanding view of North Mountain of Pawtuckaway State Park. An 1800ft. private driveway leads from the house, down a hill and under the ROW to a log cabin built by local craftsmen in the '50s that overlooks a small pond. (tax map, exhibit 2)

2. Why did your grandparents buy this property?

My grandparents purchased this specific site because they loved the view of the mountain and diversity of the land, namely fields, forests, and wetlands. When they granted a 100 ft. easement to PSNH on March 17, 1954, they did so knowing they could shield the ROW with a tree buffer. They purchased trees immediately to plant at the base of the hill and let native vegetation grow to completely hide the wooden poles and wires from site.

In addition, they went to great expense for underground utilities to the cabin because they did not want an overhead utility line that would service the cabin to disrupt this view.

3. Can you put a price tag on a view?

One can look at land sales data to determine what a typical buyer might pay for a residential building lot compared with a similar lot with a view. Given Deerfield's topography, it is difficult in finding a "similar" lot. Lot sales in Deerfield for 2010 were limited due to a down real estate market; from Multiple Listing Service there is a list of 3 sales available for comparison of price, list and sold date, acreage, and DOM. (Exhibit #3a) A casual review will reveal a premium was

paid for a view on a 5 acre lot, Meetinghouse Hill Road. (Parade Properties listing sheet, Exhibit #3b) Full listing sheets of all properties on this list available upon request.

As you can see from the chart:

- The median lot price in Deerfield in 2010 was \$80,000.
- The lot with the outstanding view sold for \$130,000 on 4/12/10 with no HVTL influence and sold pre public announcement of Northern Pass.

A market snapshot was also taken from residential lot sales from a 12 month marketing period 11/9/15- 11/9/16 in Hooksett, NH which reveals an average lot sold price of \$91,250. The lot with a stellar view sold on 10/28/2016 for \$195,000.(Exhibit #4) There is no HVTL influence on this lot.

Typically, a more complete market analysis would consider other variables beside the view that might impact lot value: location advantages, lot size, buildable acreage, market adjustments due to the struggling economy, to name a few.

The intended purpose of these two land charts is to evidence that a desirable view is a major contributor to market value. These two examples are not enough sales data to be statistically significant, however they do support what most people would perceive to be true, buyers are willing to pay a premium for a view.

4. How can you determine market value losses to a property with a view that would be ruined by an industrial HVTL project like NPT?

The Chalmers report does not attempt to answer this question but chose instead to research the effects of the existing HVTL on property value on single family residences. My family is not concerned about the existing HVTL effect on property value. The applicant did not offer any NH based evidence that is even remotely applicable to the impacts of the proposed NPT on property values.

I would testify that stigmatizing properties with a HVTL, well above tree tops, would completely destroy the view and leave a permanent scar on the landscape thereby eliminating any value of the view the property owner once enjoyed. 65 Nottingham Rd. would stand to suffer losses far greater than represented in the Chalmers report.

Mr. Chalmers states (pg. 3, 1.3) "it must also be noted that the existence of market value effects does not imply economic damages to the property owner. The owner at the time of easement purchase would have been compensated for market value effects. Further, if there were market value effects, subsequent owners would have purchased the property at a discount, so they would have suffered no economic damage." My grandparents granted the easement for \$1.00 as did many others.

The benefits of electricity in their home and business are clearly obvious. The 1952 Sears and Roebuck wiring book provides a reminder of what the 1954 easement granting had in store for the PSNH customers of that era. A switch! Electric servants! (Exhibit #5). What is different two generations later is that my grandparents, when granting the ROW easement, were not asked to suffer any losses or sacrifice the view on their property as we are today.

5. How does Anne Burnett and your family describe the impact of the NPT project on your family's cabin setting?

"The visual and audible discord between the immense towers and wires and the intended respite of the modest cabin, tranquil pond and surrounding forest could not be more stark. The deeded 'vegetative buffer' that used to block the original power line has been destroyed by recent poor ROW management practices. What once was thriving wild blueberry habitat, from which we filled our freezer, bears little resemblance today. Towers (upwards of 140 ft.) could never be blocked from view and upon approach, will have a disturbing visible presence from all points around the pond and cabin. NPT will spoil the quiet enjoyment of our property and ruin the intrinsic value of our family's treasure. Not all property value losses can be measured in \$'s."

There is a survey studies which identifies noise as a reason for decline in property value and there is evidence that show that HVTL generate noise, however there is no research available that correlate property value loss specific to the effects of increased noise of a HVTL line. It would be reasonable to assume, as my family does above, that the noise of these lines will contribute to the overall diminishment of value, even though we cannot quantify it in \$'s.

6. How can you claim that NPT will have negative market effects on property values?

Parade Properties listed a residential lot on Mt. Delight Road, Deerfield that has 527 ft. along the center line of the proposed NPT route. A sluggish economy still had a solid hold on the market in 2010 and the announcement of NPT was an additional blow. It had 6.49 acres and 1,280 ft. subdividable road frontage, enough for 2 lots. This parcel sold for \$59,000 on 5/30/2014. As you can see in (exhibit #6) the median value of single building lots sold in Deerfield in 2014 was \$59,450. In this case, no value of the potential additional lot was realized by the seller in the sales price, whereas the severely reduced price benefitted the buyer. The buyer subdivided the property subsequent to the purchase.

While marketing this property, Parade Properties witnessed the phenomenon of Prudent Avoidance, which is exhibited if a buyer perceives that there is a market influence that may pose a health, safety, or economic risk, they will avoid making that purchase. Some buyers responded negatively to the project overall and rejected Deerfield. Fear of NPT impact on a particular property and not having all the answers about the project has negatively reflected in the Deerfield real estate market and is still evident in my business today. 41 Haynes Road, Deerfield is a case

of homeowner's nightmare due to NPT. In this situation, a young family unsuccessfully tries to sell their home in 2011 due to severe impact of the NPT. The house is now vacant, new owner unknown. Reiterating a statement above, not all losses can be measured in \$'s. Deerfield lost a wonderful family who no longer live in our town and moved because of NPT effect on their property value and quality of life.

Michael Rikon, a consultant to the New York State Commission on eminent domain procedure law, in an article Electromagnetic Radiation Field Property Devaluation evaluates the Criscuola V. Power Authority of the State of New York decision (Exhibit 7) which relates to the diminution of property values as a result of proximity to an electromagnetic radiation field (EMF), states on page 89 that:

"In an inverse condemnation (i.e., an EMF property devaluation claim), the damage calculation should be the same as if the property were condemned because the public perceives that there is a health risk when one lives in close proximity to a high voltage power transmission line. This perception among the prospective purchasers of the property results in a substantial loss of value.

Cancerphobia affects the minds of any prospective purchaser causing a loss of demand, a loss of market value" and therefore limits resale potential.

7. Have you read Appendix 46 of the Application, the Chalmers Report?

Yes, I have. I am the listing broker for the residential Case Study #50; 39 Haynes Road, Deerfield. I am very familiar with Deerfield Subdivision study parcels as described in the report in section 5.2.10. (see tax map Exhibit 8)

8. What criticisms do have of the Chalmers Report?

Mr. Chalmers has stated generalizations made from his work are not intended to be applied to specific properties. 65 Nottingham Road is a unique NH property. If you review the property tax cards provided by the applicant you will find that the majority of properties abutting and adjacent to the ROW are also unique. Chalmers offers an explanation of the general absence of market value effects on page 94, section 7.5.2 and states:

"HVTL effects are most likely in the situation where there are similar properties except for the HVTL. This condition seldom holds in New Hampshire due to variability of terrain and the generally heterogeneous housing stock, i.e. the HVTL are seldom the principal differentiating factor between properties."

Chalmers' New Hampshire-Specific Research Initiatives", which utilized residential sales to measure market value effects of HVTL, is far from adequate to demonstrate market effects of

NPT on property values. In case study analysis of individual properties, the potential effects of a buyers response to the HVTL may be offset or mitigated by other factors influencing the pricing decision and this likely contributes to the lack of findings in Chalmers work. Statistically reliable evidence is needed in order for the Site Evaluation Committee to determining the effect of NPT on market values. The conclusions of his report are generalizations, not specific to any one property, any one community, nor any one region of NH. Site 301.16 directs the committee to consider private property in determining the public interests.

I base this criticism on the fact that HVTL structure heights and styles were not held as a constant in the Chalmer NH case studies from which the study group conclusions and overall generalizations were based. Some case studies have wooden pole configuration while others are steel towers, there are varying heights of structures on varying ROW widths. In study area 3, Chalmers selected a few distribution lines, not what we would perceive as HVTL lines to do his analysis along with varied ROW configurations all within that one study group. Collectively, the only thing the HVTL lines used in the NH Research Specific Report have in common is that they happen to be located in NH.

Mr. Chalmers concludes on page 95; Sect 7.5.4 that “Where there are Market Value Effects, They Decrease Rapidly with Distance”. It provides no consolation that market value effects may decrease with distance because homeowners along the ROW do not have the luxury of moving their property away from the ROW. Case in point: 140 Nottingham Road, home of long time Deerfield residents Joan and Phil Bilodeau, have extreme property value devastation with the siting of the expanded NPT substation in their backyard in addition to unimaginable losses to their way of life that cannot be measured by \$’s.

9. What is the best approach to isolating the effect of NPT on property values in NH?

Francois Des Rosiers, in article titled Power Lines, Visual Encumbrance and House Values: A Microspatial Approach to Impact Measurement, published in the Journal of Real Estate Research, vol. 23 No. 3- 2002 states on page 1 that

“Over the past two decades, environmental issues have drawn greater attention in the economic and real estate literature, particularly with respect to their impact on property prices. Despite its inherent weaknesses, the hedonic approach remains the most reliable tool for measuring environmental negative externalities...” The hedonic pricing model is used to estimate the extent to which each factor, like the presence of a HVTL, affects the price.

A large number of sales is needed to perform an accurate analysis of HVTL impact on property values. Chalmers uses his own results from earlier research (Chalmers and Voorvaart, High-Voltage Transmission Lines: Proximity, Visibility, and Encumbrance Effects, 2009) that used multiple regression analysis from suburbs of Hartford, CT and Springfield, MA and suggests on

(pg. 16) that “the conclusions of no statistically significant effect of HVTL proximity or visibility on the market value of residential properties” would have applicability to “suburban neighborhoods in southern New Hampshire around the Concord, Manchester, and Nashua urban areas” (emphasis added) without providing any reproducible evidence to support this comparison claim.

10. Do you have any criticisms of the comparison sales approach used by Chalmers in the Case Studies?

Yes. Consider the following from Transmission Lines & Property Value Impacts A Summary of Published Research on Property Value Impacts from High Voltage Transmission Lines, prepared for the MSTI Review Project, (full report attached as Exhibit #9) on page 4:

“Appraisal techniques, namely the comparison sales approach, look for differences in market performance of properties affected by high voltage overhead transmission lines to otherwise comparable properties not affected by a transmission line. Criticisms of the comparison sales approach have to do with the influence of an author’s expert judgment in locating and refining a set of comparable sales for analytical purposes. The implication is not so much that another appraisal would come to different conclusions, but rather that the choice and manipulation of comparables could influence the finding of price impact. This makes peer review and publication in professional and academic journals an important threshold for credibility of comparison sales studies.” 7

The following footnote is especially important:

Footnote 7: The following quotation is from an article in Right of Way magazine, a professional journal: “...Appraisals focusing on transmission line impact are unusually complex, and when insufficient market data is available, the valuation process can become somewhat arbitrary.” Rigdon, G. J. (1991). 138 KV Transmission Lines and the Value of Recreational Land. Right of Way, December 1991: 8-18, 15. Retrieved May 11, 2012, from <http://www.irwaonline.org/eweb/upload/1201a.pdf>.

In the MSTI Review Project Summary of Key Literature Transmission Lines & Property Value Impacts, page 3 Analysis section, states that “There are costs associated with the permitting, construction, and operation of a new high voltage overhead transmission line in a right of way on private property that unique to each property. Professional real estate appraisal is the only appropriate way to assess impacts, or potential impacts, to individual properties.”

11. What do you think of Chalmers dismissal of “owners” and “public” perspective of HVTL market value effects in favor of “market value” perspective which must be derived by market data? (pg. 4 of Chalmers Report)

I think public perspective deserves far more research. NH public perspective was considered and is reflected in House Bill 626 which authorizes energy infrastructure development and designating energy infrastructure corridors as noted:

“and as its citizens become more aware of the value, to themselves and others, of the state’s natural landscapes, it has become increasingly difficult to site and develop large-scale above-ground energy transmission lines from neighboring lower cost regions without unacceptably high development costs and regulatory delays, unacceptable negative impacts on the state’s most valuable natural landscapes, and the potential for unacceptable adverse impacts on adjoining private property values.”

The Preliminary Study Report of May 27, 2011 was prepared by Underwood LLC; Impact on Value of High Voltage Transmission Lines Towns of Deerfield and Littleton. (See Exhibit 10,) The purpose of the report was to take a broad look across the market spectrum using 4 sales from each of the two towns to see if the value of residential properties that abut or bisect existing HVTL is impacted. The methodology used after parcel selection was to review tax cards, confirm data in MLS where available, and with a person directly involved in the transaction, did a comparison of sales data. The author indicated that in all cases all sales were arm’s length transactions (see tax card and deed Exhibit #11). It was reported in the Northern Pass Property Value Impact release (Exhibit # 12) that:

“Based on the preliminary analysis contained herein, there is no market evidence in either Deerfield or Littleton that would indicate diminution of property value due to high voltage transmission lines. This conclusion is further supported by interviews conducted with individuals involved in the market transactions of properties abutting HVTL corridors.”

The public has voiced their concerns and opinions in hearings, written scoping comments, petitions and DEIS comment records, and one major component of that perspective is that NPT will have a negative effect on private property values. Negative public perspective on overhead transmission line impacts is increasingly evident in the news and in the professional literature with each passing decade.

Kurt Kielisch, author of Valuation Guidelines for Properties with Electric Transmission Lines, published and copyright @ Appraisal Group One, states that “Perception = Value.” According to his literature study, the majority of people’s perception of HVTL is one of fear (for health reasons) and aesthetics concerns.

12. Are there any studies that reflect how appraisers perceive HVTL?

Charles Delaney and Douglas Timmons in their research paper entitled High Voltage Power

Lines: Do They Affect Residential Property Value? Published in Journal of Real Estate Research (summer 1992) administered a survey to appraisers with 219 usable responses, 93.9 % cited the reason for Decline in Value Due to HVOETL Proximity was that they were Visually Unattractive. See complete table of responses in (Exhibit #13). Though the number of appraisers from New England was too low for a statistically significance, it is noteworthy that the Regional Analysis of the Mean Percentage Decline in Residential Property Value Due to HVOETL Proximity, in New England is 15.5% , more than twice than the Midwest (7.77%)

13. What other deficiencies do you find in the Chalmers Report as it pertains to market value effects due to HVTL's?

- Lack of evidence from the applicant to prove that there will be no diminishment of property value on those private properties that are to be encumbered by an imposed buried high voltage transmission line easement.
- Lack of evidence from the applicant to prove that noise from the proposed project will not jeopardize marketability of private property. I can testify to negative market effects of the hum of the existing substation on certain properties located in Deerfield.
- Chalmers report did a retrospective appraisal of 1 residential property in Deerfield. The report did not attempt to reconcile the fact that there were additional residential properties, some of which were purchased in Deerfield by the utility or agents for the utility, others that may be fair market sales, that were severely impacted by the proposed NPT. How does this omission bias market value effects of NPT?
- New Hampshire real estate is made up of property types that were not addressed in Chalmers report, and by focusing exclusively on single family residential sales and subdivision studies only, properties such as condominium sales, second home sales, waterfront property, residential properties that are off the grid, and conservation land, which have a significant percentage of any real estate market regionally, are being shortchanged with regards to NPT property value impact analysis.

14 .Was the Chalmers report designed to capture the market response associated with the potential initial stigma of a transmission line proposal?

I believe not. In a summary of key literature entitled Transmission Lines & Property Value Impacts, A Summary of Published Research on Property Value Impacts from High Voltage Transmission Lines , prepared for the MSTI Review Project it states on page 2 Key Findings, that "There is some limited evidence in other research that market impacts can be greatest during the siting and construction period-anecdotal information...". It is therefore imperative for the Site Evaluation Committee to allow testimony from market participants to determine what effects the NPT have had on the real estate markets from another region other than Deerfield.

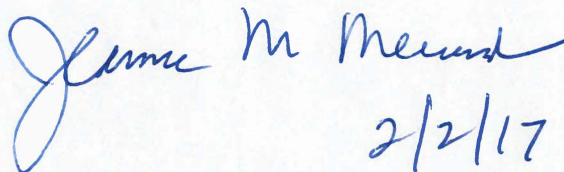
15. How will NPT effect the homes in the historic Deerfield Parade area?

During a community effort to revisit Deerfield's Vision in August of 2011, for the purposes of updating Deerfield's Master Plan, when residents were asked "I chose to live in Deerfield because"... 70% responded "Quality of life" and 49% answered "Visual Appearance". When residents were asked "What do I like most about living in Deerfield", Rural Character topped the list at 46%. (Table is Exhibit #14) This project with tall towers visible from Nottingham Road on the approach to Deerfield Parade as well as from private property, is not consistent with expectations and perceptions of what people look for when they move to Deerfield. NPT would irreparably impact the historic essence of this area. These homes in the Parade setting collectively contribute to exactly what is defined by Deerfield's Vision and what we wish to preserve.

Since Deerfield's Vision has never been challenged before by a project like NPT, as an intervenor, I find myself in the position of defense. I do not want my family, community, and state to suffer damages only then to have the evidence needed to prove impact and loss. What I must bring forward then may be astoundingly simple and pure, but for three generations we have loved where we live, we cherish Deerfield's heritage and our views, and we never take for granted what makes Deerfield such a special place. It is in this spirit that I intervene, to defend against the Northern Pass.

Jeanne Menard reserves the right to file additional testimony as allowed per SEC rules and future changes to the schedule.

This concludes the Pre filed testimony of Jeanne Menard on behalf of my dear sister in law, Anne Burnett and my recently deceased beloved brother Peter Menard of 65 Nottingham Road, Deerfield.

2/2/17