

SEC Docket 2015 #06

Joint Application of Northern Pass Transmission, LLC and Public Service Company of New Hampshire d/b/a Eversource Energy for a Certificate of Site and Facility

Pre-filed Testimony of Thomas and Madelyn Foulkes

The personal experience:

We are members of the non abutters group from Ashland to Deerfield living at 26 Nottingham Road in Deerfield where we will have a clear permanent view of several 140 foot towers from our property. We bought this property in 1976, built our home in 1978 and have lived on Nottingham Road and the Deerfield Parade area since 1973. Tom was in the Real Estate business at that time and when given the opportunity to purchase this property we could recognize it was and still is one of the better small parcels (5 1/2 acres) in Deerfield . What makes it so is its vistas south to views of South Road and the hills of Pawtuckaway State Park with only minor, almost invisible, barriers from the current power lines. We also have have direct access to 100s of acres of conservation land. This access takes a path under power lines where NPT is scheduled to pass. The current structures are mildly unattractive but they are far from the 140 foot height and 25 foot square steel lattice structures that NPT will require for their above ground lines proposed. This is a place we regularly walk our dogs taking us all the way back to the Lindsay Log Cabin. The little pond and cabin will also be greatly impacted by NPT as will our peaceful walks.

The testimony of the NPT experts regarding aesthetics and economic impact on those of us living along the path of this project seem to be consistently ignored or at best discounted. Unless our property is considered and registered as a historic property it receives no consideration. However, persons driving up Nottingham Road. (one can pick any site the experts evaluated) passing by, under or viewing the lines for a few seconds ARE given consideration for adverse impact. NPT says this is all based on the experts reading of the SEC guidelines. Given the brevity of their exposure to the lines, general non- ownership of affected property provides a low bar in coming to the conclusion that NPT project has only small adverse impacts to land owners and the State as a whole.

Along the 192 miles NPT experts found only 12 locations that they thought would have adverse impact. Again this is because of the limitation NPT experts placed on the SEC guidelines .

A study found in "Home Guide" summing several studies found power lines raise the question heard throughout this evaluation process. On average home prices are about 10% less than houses that do not see the lines. Visual impact is the key. Noise (humming) is a problem as well. Also, the impact tends to be greater on more expensive houses than less costly property. Wealthier buyers have more options and are more selective in their purchase. Rural property values tend to be affected more than urban properties. Rural property buyers want to get away from this type of environment. If one wishes to read more the site is below.

<http://homeguides.sfgate.com/much-power-lines-lower-real-estate-value-2979.html>

Taxes:

Eversource and its prior reiterations has a long history of feuding with Deerfield and other communities over property taxes. An example is what occurred in Deerfield in 1989. Public Service of NH (PSNH) prepared to take the town to court for over taxation of the substation, which is now to be the end point of NPT. The Deerfield Select Board agreed to pay back Public Service of NH (PSNH) about half - \$925,000 of the approximately \$1,800,000 collected between 1981 and 1989 rather than fight PSNH in court. In 1989 the town voted to take a bond for that amount to pay PSNH the agreed settlement. Speaking with a selectmen from that time period it simply is a fact that Deerfield did not have the legal strength or tax resources to gamble on an unknown outcome by taking on PSNH in a court action.

The Cost Benefit Analysis makes no attempt to include anything other than what Eversource will acknowledge as their industry standard property values of this project. They feel this will be accepted because most towns are in no position to defend themselves.

Several things Tom discovered in pulling the tax data from Deerfield's tax records:

First: Eversource pays their taxes "under protest" every year. Positioning for future challenges when the opportunity appears right.

Second: Small towns are not financially prepared to fight a large corporation in position of power due to lack of budget flexibility. Select Boards must live within the approved budget, any significant change must wait until the following March in hopes of receiving voters approval to fund such a challenge. This behavior goes on today as the NH Supreme Court accepted the appeals on Dec. 18, 2015 from northern towns disputing Eversource's based on market value taxation (a number of towns banded together in litigation to help their costs). In addition the town of Bow's 80 million evaluation of the Merrimack Station coal plant is now in court.

Third: The power company has a history of being litigative, in essence bullying, using its size, influence and money to gain its ends. It also tends to be over impressed with its own judgement of what will work. In case of Seabrook to the recent RFP rejections. The general character of the company remains consistent in not the best ways.

Four: Reading ISO NE studies such as New England 2030 Power Systems Study Report to New England Governors at NESCOE.com show that Deerfield will be set to accept additional power lines from other sources as well as another Hydro-Quebec line. If this project is approved it lays the ground for easing future projects as the visual impacts will have already been discounted.

Taxes are the one benefit Deerfield and most communities along the route will gain from the NPT project. The question arises as to how this translates into the benefit to individual property owners. Based on Northern Pass data the project will represent 19% of Deerfield's property value, but the initial impact while significant in the early years depreciates each year for 40 years. A 2 1/2 percent loss in value each year, based on what Mr. Quinlan gave at an open hearing, will reduce that revenue and benefit. Using NPT data for Deerfield, assuming this is what they will accept as their starting point for property value, is \$122,955,075 but by year 20

that depreciates to \$64,551,415. At this rate in 40 years the property will be taxed at approximately \$38,000,000.

Whatever the tax benefit is, those properties most affected by the project will not receive any favored status.

The stain this project places on the landscape will remain forever. NPT is expected to continue supplying electricity and producing revenue at levels approaching its early years performance throughout the life of the line. To the town and the individual property owner the tax benefit of the project depreciates along with Northern Passes' tax evaluation while the project benefits to NPT will remain if not increase because their tax costs continually fall.

Cost/ Benefit:

The Julia Frayer study works well for Eversource's Board of Directors and upper management. It shows from a corporate perspective that it has viability. Even at that level Ms. Frayer had made assumptions and projects whole sale markets while not having read the Purchase Power Agreement between Eversource and Hydro Quebec. Particularly over the long term this information could alter market outcomes impacting the entire projection of reliability of the source and the competitive position NPT will have in the wholesale market. Further Ms. Frayer during her second day of answering questions indicated the goal of this project is not to reduce electrical costs, but is a price taker. NPT will sell to the highest bidder. She expects over 80% of the generated power will remain in New England, but New York is a likely market as well. NH is not in the equation as a buyer, NH's importance is in its position as the corridor to more lucrative markets.

If NPT is buried to the substation any benefit would remain intact while the visual impact would be removed. The one exception would be properties bordering the expanded substation. Again, these receive no additional consideration.

To account for a broader view of cost/benefit to include the full array of social and community impact this project places on the State requires a more complete analysis of what this means to communities and individuals along the 192 mile route. The applicant's experts seem to dismiss much harm to the environment, property values, and aesthetics. The sum of adverse impact approaches zero according to NPT experts. The negative externalities generated are limited or easily correctable. In our case we will be looking directly at a line of 140 foot towers; some are 150 feet, others property owners will be harmed to a much greater degree. Those nearby can also expect a humming sound from the lines.

The employment benefit is challenged in a study titled "Job Impacts in New Hampshire of the Proposed Northern Pass High Voltage Line" done in January 2012 by Polecon Research, their conclusion follows.

VIII. Conclusions

The proposed Northern Pass transmission line has generated much public debate but relatively little empirical analysis with which to make to make a decision about the desirability of the

project for New Hampshire and its residents. Analyses to date have largely been limited to those offered by proponents and participants in the project that provide relatively little data and information that allows for evaluating the validity of research findings. This report provides an independent analysis of the potential job impacts in New Hampshire resulting from the proposed project.

The proposed Northern Pass project will contribute to job growth in NH during a three year period, adding as much as one-tenth of one percent (.001) to forecast job growth during the second year of the construction project, but our results also suggest that estimates of job impacts produced by Northern Pass are much too high. Job impacts are highly dependent on the amount of project expenditures that go to New Hampshire firms. Based on the availability in New Hampshire of needed project expertise, material and labor inputs, as well as evidence from past transmission line construction projects completed by Northern Pass partners, NH businesses are likely to benefit from no more than 11 to 19 percent of project expenditures.

Even when the job impacts related to spending by out-of-state construction workers are included (something not included in estimates of job impacts provided by NPT) our results indicate that the job impacts of the Northern Pass project will be about one-half the size estimated by NPT.

We also conclude that based on one benefit/cost measure, jobs per mile of transmission line, counties in Northern New Hampshire will receive disproportionately fewer benefits from the project.

One further note on employment in NH. The Department of Labor's September data has NH at a 2.9% unemployment rate. The available pool of qualifying labor is already very limited.

Future:

Long term studies from ISO New England place Deerfield in the center of electric distribution. Its 30 year study map leads to the Cate Road substation as inflows from Canada and Maine lead out to Massachusetts and Vermont to supply larger populations further south. This will change the town dramatically over the next several decades. This far accelerates and exceeds any of the changes over past history of the town (with the possible exception of the closing of the mills in Manchester).

The map below projects the future route for wind power coming from Maine into the Deerfield Substation in an ISO NE 2030 Study. Add in the NPT route sets Deerfield to be a very different place than most of us living here ever envisioned.

Taken from ISO study in 2009



Potential Overestimating its project qualities:

Below is the opening paragraph of a case study of PSNH's management of the Seabrook Nuclear plant. Given this history and its failure to qualify to bid the Clean Energy RFPs to Massachusetts, Connecticut, and Rhode Island, Eversource is so head strong as not to recognize the full challenges of being a supplier to these markets. They appear not to learn from their past errors.

Seabrook: A Case Study in Mismanagement is another example of PSNH management style.

[Irvin C. Bupp, Cambridge Energy Research Associates](#)

Abstract

The Seabrook nuclear power plant construction project is an unqualified financial disaster. It simultaneously threatens its chief owner, the Public Service Co. of New Hampshire (PSNH) with bankruptcy and the company's electricity customers with huge rate increases. The fifteen-year history of the project is reviewed to identify "what went wrong?"

The review suggests that the basic problem has been mismanagement by both PSNH and by government regulators. A three-year regulatory imbroglio over the environmental effects of the plant's cooling system was extremely costly in the mid-1970s.

By the time this problem was belatedly resolved, the project had begun to outstrip the financial resources of its owners. These resources were seriously weakened by a political battle over how to pay for construction costs.

By the end of the 1970s, the risks of proceeding with Seabrook were beginning to exceed the benefits. PSNH management, however, chose to accept these risks, in effect betting their company that the project could be completed.

Recommended Citation

FILE: /main/production/doc/data/assets/site/ir_journal/ir_citation.inc

Bupp, Irvin C. (1985) "Seabrook: A Case Study in Mismanagement," *New England Journal of Public Policy*: Vol. 1: Iss. 1, Article 6.

Available at: <http://scholarworks.umb.edu/nejpp/vol1/iss1/6>

Our Conclusion:

The testimony of the applicant professionals are logical and follow their assumptions based of the limited perspective of SEC guidelines related to each topic they take on behalf of Eversource. Just as Eversource's legal Counsel the experts have directed and guided the project attributes in and around the greater impacts this brings to those living along the 192 miles. The experts underestimate the cost to property values, aesthetics, tourism, history. They mostly dismiss the adverse visual impact, simultaneously overestimating job creation for NH residents. The tax benefit is the one point that has some reasonable affect to hold true. The downside the the history of Eversource aggressive stance over it property evaluation, the towns and cities will need to be prepared to go to court and budget accordingly to protect and maximize this benefit. Long term consequences to each side means millions of dollars kept or lost thought these challenges.

To some degree the project is being subsidized by the State, communities and property owners being impacted along the 192 mile line.

Sincerely submitted

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Deerfield, NH