

**THE STATE OF NEW HAMPSHIRE
NEW HAMPSHIRE SITE EVALUATION COMMITTEE**

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 to Construct a New High Voltage Transmission Line and Related Facilities in New Hampshire.

Docket No. 2015 – 06

1 **Pre-Filed Direct Testimony of Leslie Otten, on behalf of Dixville Capital, LLC and Balsams**
2 **Resort Holdings, LLC.**

3 **Q. Please state your name, business affiliation, and business address.**

4 A. My name is Leslie Otten, and I am the lead developer behind The Balsams Resort
5 redevelopment in Dixville, NH, on behalf of Dixville Capital, LLC (“Dixville Capital”)
6 and Balsams Resort Holdings, LLC (“BRH”), with a business address of PO Box 547,
7 Bethel, Maine 04217.

8 **Q. Please summarize your relevant professional background.**

9 A. I am the lead developer of Dixville Capital and BRH, who are developing the former
10 Balsams Resort in Dixville, New Hampshire, into a premier year-round, vacation
11 destination, representing an investment in excess of \$143 million into the project. The
12 redevelopment effort anticipates a dramatic expansion of the ski terrain, extensive and
13 fully-integrated trail networks for hiking, biking and Nordic skiing, revitalization of the
14 existing Donald Ross golf course, construction of a state of the art baths and spa, and a
15 bed base in excess of 400 between the restoration of the historical Hampshire/Dix House
16 and the construction of the proposed Lake Gloriette House. I have 40 plus years in resort
17 and ski resort development and operations having developed resorts across the country
18 spanning from Maine to California, and as a result have an acute knowledge of the real

estate markets, in addition to understanding the critical components to overseeing ski and resort operations.

Q. Where is the Balsams Resort located in proximity to the NPT Route?

A. The proposed 1,090 MW electric transmission line would run parallel to and abut the northern and eastern boundaries of the Project, comes within a half-mile of the Project's boundary in the northern tip, and is approximately 4 miles from where the majority of the redevelopment is slated to be constructed.

Q. Do you anticipate that NPT will impact the Balsams Resort's ability to sell real estate or attract vacationers?

A. I do not believe the construction of NPT will adversely impact tourism or real estate sales based on the current route configuration. I believe many individuals understand the importance of diversifying our power supply by adding clean, low-cost hydropower. Currently, wind towers sit on the mountain ridges above Dixville, and are in full view from the property. I don't believe they negatively impact the landscape but rather represent renewable energy, and combating climate change. Likewise, the NPT transmission line would make a large source of renewable energy available to advance our collective goal to prevent further climate change.

The North Country is a beautiful place, where people are able to enjoy its beauty, the great outdoors and its associated activities, and the peace and tranquility that comes with it. NPT will have a significant impact on reducing dangerous emissions created by traditional power generation, by lower CO² emissions up to 3.3 million tons per year. That is the equivalent of removing 690,000 cars from our roadways on an annual basis. It

41 is emission reduction efforts like this that will help to preserve the beauty of the North
42 Country.

43 Based on my extensive experience in operating ski resorts across the country, it is not
44 uncommon for resorts to be located within close proximity to transmission lines, as these
45 sorts of operations are traditionally heavily energy dependent. From my perspective, this
46 has not impacted the visitation to any resort I have been affiliated with and is commonly
47 accepted as a need.

48 I can specifically point to the response the Balsams Resort's sales and marketing efforts
49 have produced to date. Since we launched our website in 2015, outlining the plan for the
50 Resort's redevelopment, we have had more than 1,200 inquiries regarding vacation stays,
51 hundreds of requests for hosting wedding and conference functions onsite, and initially
52 more than 200 individuals have made \$1,200 deposits in order to become Reservation
53 Holders, reserving the ability to purchase future real estate offerings. Since August 2016,
54 more than 90 of those individuals have visited that Balsams site, and made 5% deposits in
55 order to select their future residence for purchase. These deposits represent approximately
56 \$18MM in future sales, pending AG Approval. With this level of response and feedback
57 from the market, we do not believe NPT will impact the Balsams redevelopment nor
58 future real estate sales.

59 **Q. Why do you support NPT?**

60 A. The Balsams supports NPT for several reasons, including that it is a supporter of
61 renewable and sustainable energy, which NPT represents. Further, New England is in the
62 midst of a potential energy crisis where more capacity is being retired than is coming
63 online which could ultimately create a shortage for the entire State. The Balsams will be a

large energy consumer and having reliable access to a low cost, renewable supply, is critical to its operations.

Additionally, the Balsams is located in Coos County, and in order for businesses to be successful, it is important for the community to be healthy and the work force strong.

Economic development opportunities are needed for this to occur, and NPT represents a significant economic impact in relation to job creation and decades of tax revenues.

Q. Why is renewable power important to the Balsams Redevelopment?

A. Having long been an advocate of renewable energy, including owning a wood pellet business which currently operates within New England, sustainability has always been a major component to the Balsams Redevelopment plan, and reducing the use of fossil fuels onsite to the greatest extent possible is contemplated. For example, utilizing biomass for heat production is contemplated in the long term plan, and utilizing the natural resources onsite, such as the Balsams Springs, allows us the opportunity to position the Balsams in the market as a “Green Resort”. Farm to table and locally-sourced produce is a component to our culinary plan, and the contemplated Marketplace will provide local vendors the opportunity to showcase their products. Having access to clean, renewable hydro-power compliments the overall vision and master plan for the Balsams as a sustainable and environmentally responsible development.

Q. Does the current power infrastructure cause concern to the Balsams Redevelopment?

A. The Balsams Resort, once operational, will require a substantial and reliable source of power in order to maintain operations. As an example, the proposed ski operations contemplated in Phase I of the redevelopment alone will require a base load of

87 approximately 10MWs, with the potential demand of 25MWs as expansion plans for the
88 village and ski operations come to fruition. With more than 8,000 MW of capacity either
89 having been retired or slated to be retired by 2020, the power capacity to New England
90 that NPT represents is vital to ensure that sufficient capacity exists to sustain the
91 Balsams' operations. The cost of purchasing power will be among the Balsams' top
92 operating costs, second only behind payroll. We estimate that having access to NPT's
93 low-cost hydropower will reduce operating expenses by approximately \$200,000 per year
94 over current prices.

95 Further, all business attraction or expansion efforts within New Hampshire, the Balsams
96 included, are dependent on sufficient power resources being available, and at competitive
97 price points. New Hampshire's historically high cost of energy has made it challenging
98 for energy intensive industries to be successful. NPT will help to mitigate this on-going
99 challenge.

100 **Q. What impact do you believe the construction of NPT will have on Coos County,**
101 **where the Balsams is located? And what impact will this have on your project?**

102 A. Coos County is one of the most economically distressed regions in the Northeast, with its
103 economy having been decimated over the last decade by the overall demise of
104 manufacturing and paper-making industries and the former Balsams' shuttering in
105 December, 2011. In order for the Balsams' redevelopment to be successful, we will need
106 access to a motivated and skilled work-force. Much of the work force in Coos County is
107 unemployed, under-employed, or has had to relocate to areas where employment
108 opportunities exist. NPT represents 2,600 jobs during construction, and more than
109 \$30MM in tax revenue on an annual basis to the region. Knowing that these employment

positions will be available in Coos County will be meaningful in retaining and attracting a skilled work force in the area, which will be important when the Balsams begins construction and creates 600 construction jobs that will need to be filled. Once operational, the Balsams will employ approximately 400 individuals directly on-site, and the many years of construction that both the NPT and the Balsams projects represents, means the higher likelihood that a strong work force will be in place once operations begin. Both NPT and The Balsams can help stabilize the economy, provide for good employment opportunities and help strength the access to workforce in the region. Further, New Hampshire as a whole has the unique challenge of retaining its younger generations and workforce. Currently, approximately a third of the population is over 60, ranking NH as the 4th oldest population nationally, and the percentage of younger residents continues to decline as the employment opportunities, primarily in the Northern tier are limited. This results in recent graduates and younger generations to leave NH for employment opportunities elsewhere. These projects represent the opportunity to attract and retain younger generations, bolstering the workforce, and creating a more sustainable base of residents who will live, work and contribute to the overall economy within Coos County and the State.

Q. Does this conclude your testimony?

A. Yes.