

**STATE OF NEW HAMPSHIRE  
SITE EVALUATION COMMITTEE**

**Docket No. 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**

**PREFILED DIRECT TESTIMONY OF GAIL MATSON AND CANDACE BOUCHARD  
ON BEHALF OF THE CITY OF CONCORD CITY COUNCIL**

**November 15, 2016**

**Background and Qualifications – Gail Matson**

**Q. Please state your name and address.**

A. My name is Gail Matson. My address is 7 Garvins Falls Road, Concord, New Hampshire.

**Q. Please describe your official capacity in the City of Concord?**

A. I have been a member of the City Council for the City of Concord since 2013 representing Ward 8. Ward 8 is located on the east side of Concord and includes the areas of Loudon Road and Pembroke Road, which will be impacted by the Northern Pass project. A map of the wards is attached as Exhibit A. I am also the Chair of the Northern Pass Committee which was created by the City Council. I also serve on the Airport Advisory Committee, Everett Arena Advisory Committee, Joint City/School Committee on Cooperation, Recreation and Parks Advisory Committee, Rules Committee and the Solid Waste Advisory Committee.

**Q. What is your professional background and experience?**

A. I am employed at the New Hampshire Department of Insurance as a Casualty Insurance Examiner. I have worked for the New Hampshire Department of Insurance since 2001, and my positions have included claims adjusting and special investigations. I served as the designee for the Commissioner of the Department of Insurance for the New Hampshire Auto Reinsurance Facility and the Commercial Auto Program. My testimony here is provided only in my personal capacity as a member of the City Council, and I am not representing the views of my employer.

**Background and Qualifications – Candace Bouchard**

**Q. Please state your name and address.**

A. My name is Candace Bouchard. My address is 71 Northeast Village Road, Concord, New Hampshire.

**Q. Please describe your official capacity in the City of Concord?**

A. I have been an elected member of the City Council for the City of Concord since 2008 representing Ward 9. Ward 9 is located in the heights, and includes the area of Portsmouth Street and Old Loudon Road, which will be impacted by the Northern Pass project. I am also a member of the Northern Pass Committee which was created by the City Council. I also currently serve on the Airport Advisory Committee, Fiscal Policy Advisory Committee, Recreation and Parks Advisory Committee, Rules Committee and Tax Exemption Policy Committee.

**Q. What is your professional background and experience?**

A. I am an Accounts Receivable Manager for Heritage Case Management since 1996. I am also a former Representative for the New Hampshire State House of Representatives, District Merrimack 18, which is an elected position that I held for eight terms since 1998. My testimony here is provided only in my personal capacity as a member of the City Council, and I am not representing the views of my employer.

**Purpose of Testimony**

**Q. What is the purpose of this prefiled direct testimony?**

A. Our testimony is being presented on behalf of the City of Concord's City Council. Our testimony is for the following purposes: First, our testimony provides an overview of the

1 work and recommendations of the City of Concord's Northern Pass Committee. Second, our  
2 testimony explains how it is the opinion of the City of Concord City Council that the Northern  
3 Pass project as proposed will have negative impacts on the City of Concord. It is anticipated that  
4 further testimony on additional issues such as natural resources, historic sites, aesthetics and the  
5 public interest will be provided by the current deadline of December 30, 2016.

6 **Q. What are the City Council's recommendations in this proceeding?**

7 A. The City Council's recommendation is that the Northern Pass project should not  
8 be approved as it is currently proposed.

9 **Northern Pass Committee**

10 **Q. Please describe the City of Concord's Northern Pass Committee.**

11 A. At its March 9, 2015 meeting, the City Council appointed a committee to examine  
12 the Northern Pass project specific to its impact on Concord. The Committee was comprised of  
13 Councilor Gail Matson (Chair), Council Candace Bouchard, Councilor Mark Coen and Mayor  
14 Pro Tem Daniel St. Hilaire.

15 **Q. How many times did the Northern Pass Committee meet to obtain input from**  
16 **the public about the project?**

17 A. The Northern Pass Committee met six times to review the matter and obtain input  
18 from the public between March 23, 2015 and October 5, 2015. During those meetings,  
19 testimony was taken from representatives of the Northern Pass, the Society for the Protection of  
20 New Hampshire Forests, the Appalachian Mountain Club, and the general public.

21 Approximately 50 people testified during those meetings. The Northern Pass Committee also

1 received over twenty email messages from the public for the Northern Pass Committee's  
2 consideration. A copy of the minutes from those meetings are available at  
3 [www.concordnh.gov/Archive.aspx?AMID=162](http://www.concordnh.gov/Archive.aspx?AMID=162).

4 There were also non-public meetings with legal counsel after the City of Concord's  
5 intervention was filed at the New Hampshire Site Evaluation Committee.

6 **Q. Did the Northern Pass Committee receive any petitions from the public?**

7 A. Yes. A petition was received on October 13, 2015 requesting burial of the  
8 proposed Northern Pass Project through Concord. There were 810 signatures on the petition.  
9 The petition is available on the City's website at  
10 [www.concordnh.gov/ArchiveCenter/ViewFile/Item/2408](http://www.concordnh.gov/ArchiveCenter/ViewFile/Item/2408).

11 **Q. Were Northern Pass officials in attendance at the Northern Pass Committee**  
12 **meetings?**

13 A. Yes. Officials with the proposed Northern Pass Project attended every meeting  
14 between March 23, 2015 and October 5, 2015 and provided answers to the Committee's  
15 questions and fulfilled requests for information solicited by Committee members. Northern Pass  
16 representatives also submitted a PowerPoint presentation and a set of visual simulations  
17 depicting the Loudon Road and D'Amante Drive intersection, as well as perspectives from  
18 McKenna's Purchase.

1           **Q.     In examining the project, were there any key areas upon which the**  
2 **Committee focused?**

3           A.     Yes. There were five key areas, which were (1) property tax implications; (2) the  
4 impact on residents; (3) burial alternatives; (4) the Forward New Hampshire Fund; and (5) Site  
5 Evaluation Committee intervention.

6           **Q.     What issues did the Northern Pass Committee consider relative to property**  
7 **taxes?**

8           A.     With respect to property tax implications, one of the central points put forth by  
9 the proposed Northern Pass Project has been the tax payments that would be generated by the  
10 value of the new infrastructure. At the time of our review and meetings, the City of Concord's  
11 portion of the project is estimated by Northern Pass to be valued at \$30,856,902 which Northern  
12 Pass calculated would generate \$548,636 in total tax payments for Year 1 to the City of Concord  
13 and the applicable school district. This information was set forth in a report entitled "Concord:  
14 Illustration of Northern Pass Transmission Local Property Tax Payments," submitted to the  
15 Committee on September 15, 2016 by Lisa Shapiro, and economist for the Northern Pass project.

16           The amount of taxes paid to the County of Merrimack would be separate from this  
17 number based on its tax rate. In an April 22, 2015 letter to the Northern Pass Committee,  
18 Northern Pass officials estimated that the County tax payment would be approximately \$90,000.

19           Our Committee found that the "net book" methodology that Northern Pass prefers to  
20 utilize in valuing the utility infrastructure would present the City of Concord with a continuously  
21 declining value over a twenty year horizon. According to testimony and documentation provided

1 by Northern Pass' economist, Lisa Shapiro, Northern Pass contends that the value of its project  
2 would drop from \$30,856,902 in 2019 (Year 1) to \$18,756,379 in 2038 (Year 20).

3 The Committee was notified by the City of Concord's Director of Real Estate  
4 Assessments, Kathy Temchack, that she would not employ a "net book" value methodology and  
5 instead would utilize a "replacement cost new less depreciation" methodology. The latter would  
6 allow for the depreciation but mitigate for some of the loss in value through the application of an  
7 inflation factor based on a potential replacement value.

8 The Northern Pass economist noted that the tax payments generated by Northern Pass  
9 could actually increase, despite the declining project value, based on the assumption that the  
10 annual increases to the local tax rates would outpace the percentage of depreciation. While this  
11 could occur, it is also important to note that in a period of significant overall community tax base  
12 growth, the tax rate might not outpace the depreciation and Northern Pass would garner a benefit  
13 that other property owners in Concord would not enjoy.

14 Although the City of Concord at present is not legally compelled to utilize Northern Pass'  
15 methodology, Eversource has litigated in New Hampshire to have this "net book" approach be  
16 the accepted methodology applied by municipalities in value its infrastructure.

17 **Q. What concerns did the Northern Pass Committee have about the proposed**  
18 **project's impacts on residents?**

19 The most frequent and visceral concern raised by the public in testimony and  
20 correspondence related to the overhead lines and supporting structures. Residents that testified

1 or submitted correspondence expressed significant worry about the possible line noise and visual  
2 impact of this project and the fear of its potential negative effect on property values.

3 In reviewing visual simulations, the Committee and Northern Pass mutually agreed that  
4 lattice structures would be unacceptable and would not be considered in Concord. We  
5 understand that Northern Pass instead chose to use H-frame and monopoles.

6 **Q. Did the decision to use of H-frame and monopole structures alleviate the**  
7 **concerns about the impacts that the proposed Northern Pass project would have on the**  
8 **City of Concord?**

9 A. No. The most common height of the proposed Northern Pass structures would be  
10 100 feet in height, with a maximum height of 125 feet. Northern Pass also intends to relocate  
11 the existing 115kV line. The most common height of the 115kV line structures is currently 43  
12 feet, and in many areas it does not exceed the treeline. The most common height of the relocated  
13 structures will be 88 feet, with a maximum structure height of 120 feet. The height of the new  
14 and relocated structures will be out of character with the surrounding landscape and properties.

15 **Q. What discussion did the Committee have with Northern Pass relative to**  
16 **burial of the lines?**

17 A. The Committee asked Northern Pass officials whether the line could be buried in  
18 Concord, similar to the proposal to bury 52 miles within the White Mountain Forest in addition  
19 to the 8 miles that was already proposed to be buried in the North Country. Northern Pass  
20 officials responded that the cost for aerial installation are approximately \$3 million per mile.  
21 They stated that burial would be approximately \$8 to 13 million per mile depending on the soils,



1 topography, etc. In addition, Northern Pass officials posited that the existing easements within  
2 the right of way in Concord did not allow for an underground installation and that renegotiation  
3 of all the easement would be challenging.

4 In response to that concern, the Committee inquired about the feasibility of Northern Pass  
5 burying the line along roadways, similar to the proposal for the White Mountain Forest. Jerry  
6 Fortier, the Northern Pass Project Director, stated that the project would likely be precluded from  
7 using Interstate Highway 93, but he acknowledged that it is a long standing-practice for lines to  
8 be buried along non-interstate roadways.

9 **Q. Did the Northern Pass Committee ask Northern Pass officials to provide a**  
10 **specific cost for burying the lines in Concord?**

11 A. Yes, the Northern Pass Committee requested a cost estimate breakdown for burial  
12 of the lines in Concord. The Northern Pass Committee did not receive this information.

13 **Q. What issues did the Northern Pass Committee consider relative to the**  
14 **Forward New Hampshire Fund?**

15 A. The Committee considered the Forward New Hampshire Plan, which is a \$200  
16 million fund dedicated to “support important initiatives in tourism, economic development,  
17 community investment, and clean energy innovation.” Northern Pass officials explained to us  
18 that the fund was for the entire state, and not simply communities that are along the Northern  
19 Pass route. Investments from the Fund would be made over 20 years. Northern Pass officials  
20 indicated that an advisory committee is planned to oversee the Fund but it has not yet been

1 convened. The Committee felt that the Fund was worth monitoring and recommended that City  
2 Staff stay informed of how the fund evolves.

3 **Q. At this time, has any of the Fund been dedicated for projects within the City**  
4 **of Concord?**

5 A. No.

6 **Q. What discussion did the Northern Pass Committee have relative to**  
7 **intervention at the New Hampshire Site Evaluation Committee?**

8 A. The Committee felt that it was necessary for the City of Concord to intervene in  
9 the Site Evaluation Committee. The City of Concord had already intervene in the United States  
10 Department of Energy.

11 **Q. As a result of those meetings, did the Northern Pass Committee prepare an**  
12 **interim report to the Mayor and City Council?**

13 A. Yes. An interim report to the Mayor and City Council was provided on October  
14 6, 2015. A copy is attached as Exhibit B.

15 **Q. What was the recommendation of the report?**

16 A. The report recommended the following three actions:

17 (1) That the Council direct the City Solicitor to file for intervenor status with the  
18 State of New Hampshire Site Evaluation Committee relative to the Northern Pass  
19 application;

20 (2) That City staff continue to follow the evolution of the Forward New Hampshire  
21 Fund; and

1           (3)     That the City Council recommend, based on the information to date, that Northern  
2           Pass bury its proposed line along the entire 8 mile route through Concord.

3           **Q.     Did the City Council approve those recommendations?**

4           A.     Yes. The City Council approved those recommendations at its meeting on  
5           October 13, 2015.

6           **Q.     Why is it important that Northern Pass bury the proposed lines through**  
7           **Concord?**

8           A.     The response to this question primarily relates to visual impact and aesthetics,  
9           which will be addressed in more detail in the prefiled testimony that is currently due on  
10          December 30, 2016. However, as a general overview, the Committee did not feel that the  
11          proposed project preserved the scenic quality of much of Concord, and would not be harmonious  
12          with its surroundings. A large portion of the proposed project is located in rural and residential  
13          zoning districts, and the project will be out of character with the area. Due to the very significant  
14          increase in the size and height of the structures, which exceeds the treeline, the project will be  
15          offensive because it will significantly diminish the scenic quality of the area.

16          We were also concerned about the height of the structures along the commercial and  
17          residential areas in easterly Concord once the project passes Portsmouth Street. There are large  
18          structures proposed near Alton Woods (an apartment building complex), Loudon Road (a  
19          commercial area near Shaws and the Steeplegate Mall), McKenna's Purchase (a condominium  
20          development) and Pembroke Road. A new senior living facility is being built in this area, and  
21          the project will be immediately adjacent to this facility.

**Undue Interference With Orderly Development**

**Q. Is the City of Concord City Council concerned that the proposed Northern Pass Project will unduly interfere with the orderly development of the City of Concord?**

A. Yes. As indicated above, the City Council has many concerns about this project's impact on the rural character of areas in Concord, as well as its impacts to the residential and commercial properties that are adjacent to the proposed project. As currently proposed, the proposed project will have undue interference with orderly development of the City of Concord, and any public benefits are outweighed by the negative impacts that the project will have on the City of Concord. The placement of the new transmission line is extremely close to several very congested areas, both commercial and residential. The lines cross Loudon road which is a critical economic area in Concord and will have negative impacts on commercial development, as well as the residential quality of life. Concord is the most visually impacted location along the Northern Pass overhead route based on population.

**Q. Does the fact that the proposed Northern Pass Project will be located in the existing right-of-way corridor alleviate any of those concerns?**

A. No. Due to the width of the existing right-of-way corridor, the construction of another transmission line requires the height of all of the structures to be significantly increased. As discussed, the increased height of the structures creates concerns. It should be noted that as indicated in the Department of Energy's Draft Environmental Impact Statement, due to cumulative effect of adding new power lines in the corridor, the visual impact is high.

1    **Other Impacts**

2           **Q.     Are there other concerns that the City of Concord City Council has about the**  
3 **impacts of the proposed Northern Pass Project?**

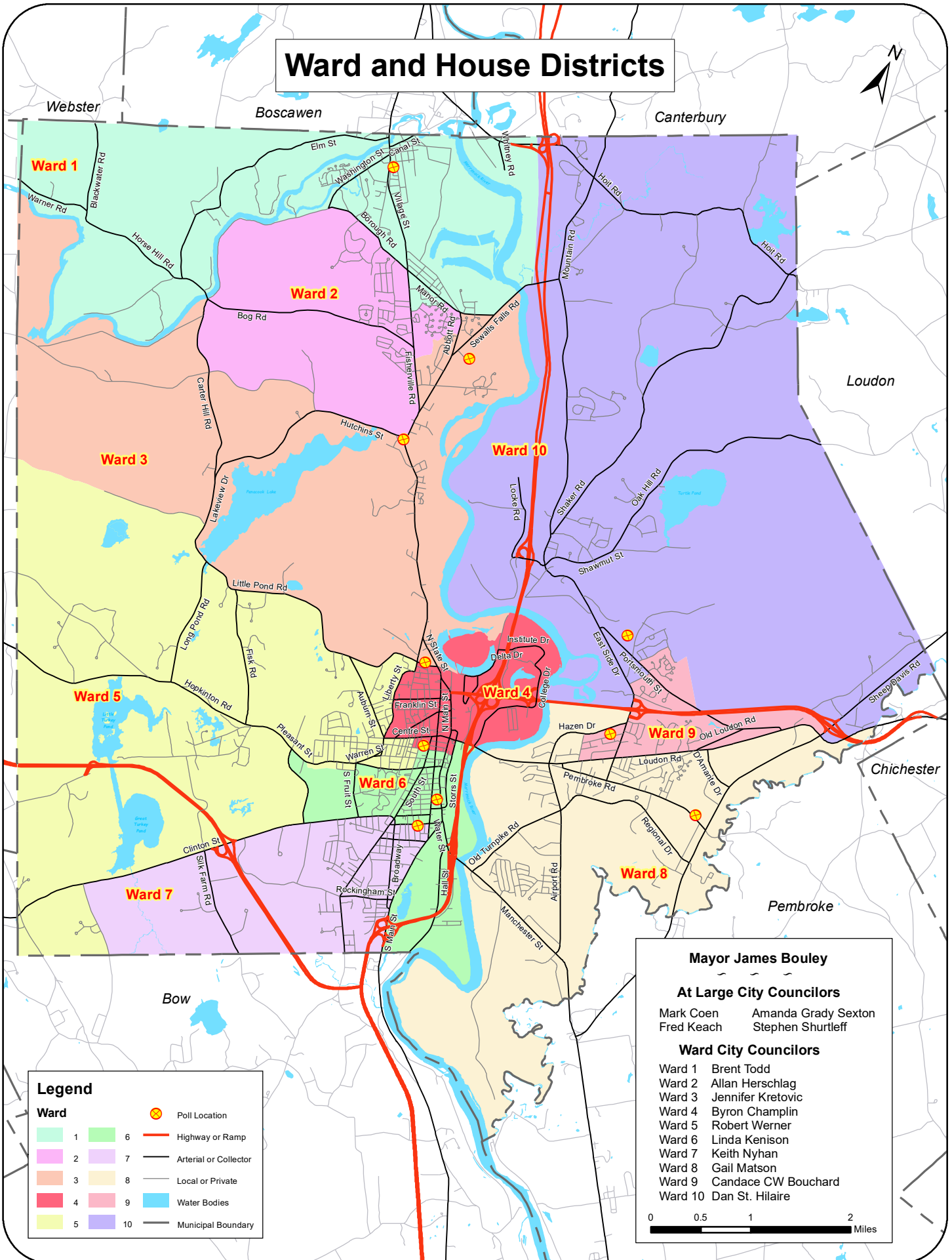
4           A.     Yes. The City Council has concerns about other issues, which includes impacts to  
5 natural resources (including the Karner Blue Butterfly), historic sites, aesthetics and the public  
6 interest. The City Council also does not believe that the local economic benefits of the project  
7 are sufficient to make this project in the public interest. It is anticipated that further testimony on  
8 these additional issues will be provided by the deadline of December 30, 2016.

9           **Q.     Does this end your testimony?**

10          A.     Yes.

# EXHIBIT A

# Ward and House Districts



# EXHIBIT B





# CITY OF CONCORD

## REPORT TO THE MAYOR AND CITY COUNCIL

**FROM:** Northern Pass Committee

**DATE:** October 6, 2015

**SUBJECT:** Interim Report on the Northern Pass

### **Recommendation:**

Accept this report recommending the following three actions:

- 1) That the Council direct the City Solicitor to file for intervener status with the State of New Hampshire's Site Evaluation Committee relative to the Northern Pass application; and
- 2) That City staff continue to follow the evolution of the Forward NH Fund; and
- 3) That the Council recommend—based on the information to date—that the Northern Pass bury its proposed line along the entire 8 mile route through Concord.

### **Background**

At its March 9, 2015 meeting, the City Council appointed a committee to examine the Northern Pass project specific to its impact on Concord.

The committee, comprised of Councilor Matson (chairwoman); Councilor Bouchard; Councilor Coen and Mayor Pro Tem St. Hilaire met 6 times to review this matter between March 23, 2015 and October 5, 2015. Approximately 50 individual instances of testimony were taken from representatives of Northern Pass, the Society for the Protection of New Hampshire Forests, the Appalachian Mountain Club, and the general public. Over 20 email messages were submitted from the public for the committee's consideration as well as a petition comprised of (to date) 664 signatures all requesting burial of the Northern Pass project through Concord.

Officials with the Northern Pass project attended every meeting and provided answers to the committee's questions and promptly fulfilled requests for information solicited by committee members. Northern Pass representatives also submitted a PowerPoint presentation and a set of

visual simulations depicting the Loudon Road and D'Amante Drive intersection as well as perspectives from McKenna's Purchase. All of the public's correspondence, Northern Pass submittals, historical documents, and meeting minutes were posted on the committee's webpage and are included as attachments to this report.

### **Discussion**

In its examination of the project, the Committee focused on the following key areas:

- 1) Tax implications: One of the central points put forth by the Northern Pass project has been the significant tax payments that would be generated by the value of the new infrastructure. The Concord portion of the project is estimated, by Northern Pass, to be valued at \$30,856,902 which Northern Pass calculates will generate \$548,636 in total tax payments to the City of Concord and the applicable school district.<sup>i</sup> Taxes paid to the County would be separate from this number based on its tax rate. In an April 22, 2015 letter to the committee, Northern Pass officials estimated that the County tax payment would be approximately \$90,000.<sup>ii</sup>

What the Committee found is that the “net book” methodology that Northern Pass prefers to utilize in determining its infrastructure's value would present the City with a continuously declining value over a twenty year horizon. According to testimony and documentation provided by Northern Pass' economist, Lisa Shapiro, Northern Pass contends that the value of its project would drop from \$30,856,902 in 2019 (year 1) to \$18,756,379 in 2038.<sup>iii</sup>

Concord's Director of Real Estate Assessments, Kathy Temchack, testified that she would not employ a “net book” value methodology and instead would utilize a “replacement costs new less depreciation” methodology. The latter would allow for the depreciation but mitigate for some of the loss in value through the application of an inflation factor based on a potential replacement value.

It was noted by the Northern Pass economist that the tax payments generated by Northern Pass could actually increase, despite the declining project value, based on the assumption that the local tax rates would outpace the percentage of depreciation. While this could occur, it is also important to note that in a period of significant overall community tax base growth, the tax rate might not outpace the depreciation and Northern Pass would garner a benefit that other property owners in Concord would not enjoy.

Although the City—at present—is not legally compelled to utilize Northern Pass' methodology, Eversource—Northern Pass' parent company—is in active litigation in New Hampshire courts seeking to have this “net book” approach be the accepted methodology applied by municipalities in valuing its infrastructure.

- 2) Impact on Residents: The most frequent and visceral concern raised by the public in testimony and correspondence related to the overhead lines and supporting structures. Residents that testified or submitted correspondence expressed significant worry about the possible line noise and visual impact of this project and the fear of its potential negative effect on City property values.

To demonstrate what the project would look like along the densest neighborhoods it would abut, Northern Pass officials provided visual simulations taken at the Loudon Road/D'Amante Drive intersection as well as from McKenna's Purchase. The visualizations (which are enclosed) showed different support structure options such as a lattice, H-frame and monopole. The Committee and Northern Pass mutually agreed that the lattice structure was unacceptable and would not be considered in Concord.

Northern Pass officials explained that Concord would have H-Frame structures with two monopoles near Loudon Road and McKenna's Purchase. In total, there would be 77 new structures in addition to the 230 existing Eversource structures in the same proposed right of way. The majority of the Northern Pass structures would be between 85'-100' in height.

- 3) Burial Alternative: During the course of the Committee's meetings, the Northern Pass released the *Forward NH Plan* which proposed to bury 52 miles within the White Mountain National Forest in addition to the 8 miles that had already been determined would be buried in the North Country. According to information provided by Northern Pass, the line would be buried in "public roadways" and would eliminate more than 400 structures.<sup>iv</sup>

The Committee asked Northern Pass officials whether a similar burial could be accomplished in Concord. Northern Pass representatives explained that the costs for an aerial installation are approximately \$3 million per mile. However, burial would equate to \$8-\$13 million per mile depending on the soils, topography, etc. In addition, Northern Pass officials posited that the existing easements within their right of way in Concord did not allow for an underground installation and successful renegotiation of all of those easements would be extremely challenging, if not impossible.

The Committee, therefore, inquired about the feasibility of Northern Pass burying the line along a roadway as was proposed in the White Mountain National Forest. Northern Pass officials explained that they would likely be precluded by federal and state regulations from using I-93 right of way unless the state and federal government would agree that

there was a significant hardship that made an I-93 route the only viable alternative. However, Northern Pass Project Director Jerry Fortier did testify that it is a long-standing practice for lines to be buried along non-interstate roadways.<sup>v</sup> The Committee felt that this option should be explored.

- 4) Forward NH Fund: Northern Pass' *Forward NH Plan* included a \$200 million fund dedicated to "support important initiatives in tourism, economic development, community investment, and clean energy innovation."<sup>vi</sup> In testimony before the Committee, Northern Pass officials explained that the Fund is for the entire state, not simply communities that are along the Northern Pass route. Investments from the Fund would be made over 20 years. Northern Pass officials indicated that an advisory committee is planned to oversee the Fund but it has not yet been convened.

The Committee felt that the Fund was worth monitoring and recommends that City Staff stay informed of how the fund evolves.

- 5) Site Evaluation Committee: As the Council is aware, the City is an intervener in the U.S. Department of Energy's review of the Northern Pass' federal permit. The Committee felt it was imperative for the City to also intervene in the State's Site Evaluation Committee and recommends that Council direct the City Solicitor to do so.

## **Conclusion**

The Committee acknowledges, as did many of the residents that participated in this process, that it finds no issue with the merits of the Northern Pass project in light of the need for greater energy diversity in the region. However, in its opinion, burial of the Northern Pass project in Concord has not yet been thoroughly explored by Northern Pass. Therefore, the Committee stresses that this report, while important, is an interim step. The Committee hopes that if Council supports the recommendation seeking Northern Pass' burial of the line, Northern Pass officials will endeavor to fully vet that alternative and will return to the City with a new plan that takes into account what was discussed during the Committee's review. The Committee is prepared and willing to reconvene to further analyze any new development relative to the project.

The Committee's work, to date, would not have been possible without the assistance of the Community Development Department and the cooperation of Northern Pass officials who dedicated their time to attending every meeting and answering questions. The Committee especially wishes to thank the public for its continued engagement in this important matter.

w/att.

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<sup>i</sup> Based on a spreadsheet entitled “Concord: Illustration of Northern Pass Transmission Local Property Tax Payments,” submitted to the Committee on September 15, 2015 by Lisa Shapiro, economist for the Northern Pass project.

<sup>ii</sup> Letter dated April 22, 2015 to Deputy City Manager Carlos P. Baía from Bonnie Kurylo with Northern Pass.

<sup>iii</sup> Shapiro, September 15, 2015.

<sup>iv</sup> *Forward NH Plan* News Release, August 18, 2015, “Northern Pass Will Now Go Under Roadways in Treasured Areas, Including White Mountain National Forest,” p. 2.

<sup>v</sup> Comments by Jerry Fortier as cited in minutes of the 9/15/15 Northern Pass Committee meeting, p.6.

<sup>vi</sup> *Forward NH Plan* News Release, August 18, 2015, p. 2.