

STATE OF NEW HAMPSHIRE
BEFORE THE
SITE EVALUATION COMMITTEE

DOCKET NO. 2015-06

**Joint Application of Northern Pass Transmission, LLC and Public
Service Company of New Hampshire, dba Eversource Energy
For a Certificate of Site and Facility**

**Pre-filed Testimony of Peter W. Powell
Submitted in support of Abutting Property Interveners in Dalton,
Whitefield and Bethlehem (DWBA)**

December 30, 2016

Qualifications and Purpose

Q: Please state your name, title, business and home address:

A: My name is Peter W. Powell. I reside at 311 Martin Meadow Pond Road in Lancaster, NH 03584. My business address is 86 Main Street, Lancaster, NH 03584.

Q: Please state why you are offering testimony as an expert witness. Include your work experience, your personal and professional background, and your non-profit experience in areas related to the Northern Pass project.

A: I have been asked by a number of interveners, including most formally those in the group of abutting property owners in Dalton, Whitefield and Bethlehem, to present testimony related to the negative impacts of Northern Pass (NP) on the value of their properties. As to my qualification to do so, I am attaching to this testimony a one page CV which enumerates my experience and service. I will provide context here at greater length.

I am in my 43rd year of service to the North Country of NH as a REALTOR, active in all aspects of real estate sales and service. Over the years, my primary market area has extended, depending upon property type and demand, from Columbia and Colebrook south through North Stratford, Stark, Northumberland, Lancaster, Jefferson, Randolph, Dalton, Whitefield and Carroll (Twin Mountain and Bretton Woods) in Coos County, and to Bethlehem and environs in northern Grafton County. My agency has had a primary focus on residential property and land, but as a small, rural business in a wide rural area, we act much like country doctors, taking care of sore throats in the morning and surgery in the afternoon. I have handled many small business sales, commercial offerings of land and buildings, investment properties, and light industrial properties, helping when possible to bring jobs and services to the communities I serve and care about.

In addition, I have been extensively involved in efforts to improve economic opportunity here, which is directly related to real estate and community values. It is fair and safe to say that my “economic development” efforts have been more a function of non-profit service than as a paid real estate practitioner. In southern NH, such efforts are a business opportunity. Here, they are a volunteer activity if you choose to be involved. As a result, I have served on the boards of several economic development organizations at both the local and state level, and gained considerable understanding and experience surrounding the region’s economy, its challenges and opportunities. At the same time, I have been involved in several other categories of volunteer board service including health care providers, health policy advocacy, youth service organizations, conservation organizations, our public media, state fiscal policy, and other organizations concerned about a well informed, healthy and vibrant NH community.

I approach the issue of Northern Pass as I do so many local and state issues, understanding that the economy, the environment, the rights of our people to the peaceful use and enjoyment of their property, and our duties toward the protection of community interests, are inseparable. To negatively impact any single category of interest, from personal and community assets to any aspect of the economy itself, is to effect all such interests as though they were one. Indeed, they are one big bundle wrapped by the interrelated needs and concerns of each of its parts. I do also understand that our State is one community, comprised of many, and if one area of our State is hurt, then we are all hurt. Likewise, if one local businesses is compromised, then all business is somehow compromised. If any neighbor is compromised, then in some way all of us are compromised. If we advocate for ourselves, we advocate for each other, and if we advocate for all our best interests, we advocate well. Even those who feel they may personally profit from NP may profit more over time from its rejection as proposed, than from its approval.

I have often said that the North Country is the steward of the image which the rest of New Hampshire has of itself, but it is an image which may no longer be found in all areas of the State. Because of the importance of our success in this stewardship, we need help from others in carrying it out. NH has indeed changed as it has grown, and for many that is good. Yet, for all, there is the hope that the rural areas comprised of special places, like the mountains, valleys and other features of the North Country, will continue to be for the rest of NH what they are today. We are expected to remain strong in our protection of valuable NH assets that form the core of who we are, to ourselves and to the rest of the world, but we will often need help from those agencies and organizations who were formed to assure our ability to do so.

Here in the North Country, where our greatest strengths require the strongest protection, we must assure our collective future by preserving our natural resources, and the opportunities they present with our relatively pristine environment, grand views, and inspiring locations which can be found around nearly every corner - except where mistake and misfortune have already struck. In order to translate our strengths into greater opportunity, we must allow people to not only be comforted, and at times inspired by life here, but to be successful as they pursue their commitment to this beautiful place where they can live, work, and raise their families. This means we must protect our economic well-being, understanding its connection to the aesthetic resources again under threat here.

Northern Pass is the kind of threat the great majority of us have joined to oppose over and over again in recent decades. The interveners I hope to assist ask that the various impacts of NP be understood by those responsible for judgment over it, and this requires taking a walk in the shoes of those who are here, and those who come here to invest and play.

This testimony is intended to explain and demonstrate how private property has already been and will continue to be negatively impacted by NP if constructed as

proposed, and how our natural resources, and the economy which supports our property values, may be threatened no matter how NP may be constructed. Its damage would be manifest not only in tourism, but in other opportunities that can and must be a part of our future if we are to have a place in this new global economy of constant change and challenge.

Content

Q: It has been represented to the SEC that NP will not affect, or have a seldom and generally small effect, on property values. Do you agree, and can you provide examples to support your position.

A: No, I do not agree. I will provide market experience, and examples, which demonstrate this to be entirely incorrect. I will explain why the dynamics of North Country real estate sales make the findings presented to the Committee by NP to be misleading and contrary to experience on the ground here.

I will below provide links to a sampling of sales and offerings which demonstrate loss and hardship for sellers of real estate in various towns, including those represented by the interveners I seek to assist through this testimony. In doing so, and in choosing these examples, I will set the stage for understanding how the market works here, how values are established, maintained and promoted, and what motivates buyers to invest here.

I will first explain that when I am asked to provide comparable sales data for the establishment of value, it is but one component of the process. (Others involve an examination of competitive properties, understanding thoroughly the needs of the people behind the property, and understanding current and anticipated impacts on value including demographic changes, the overall economy, and any threats, challenges, benefits or opportunities before us as a region.)

In selecting comparable sales and listings of properties in surrounding communities, I look to a number of towns to find sales when the property is rural in nature. When a village or in-town property is involved, I put greater weight on the village in which the property is located, for the market in each village is focused more on local people whose interest and capacity is defined by the local economy, local wages and local opportunity. Rural areas, on the other hand, have a much broader appeal and many buyers are less focused on a single community. Buyers for country homes and land, estates or small farm properties, whether for retirement, investment or second home use, come primarily from areas to the south and west of the North Country in NH, NE, NY and beyond. Local buyers who are capable, by virtue of income or equity realized from the sale of other property or assets, also comprise a part of the rural market, as do those from outside the area who can work from their homes and desire a more remote and aesthetically appealing location. This must be accompanied by internet service that is adequate and available, and such is not yet ubiquitous here.

Consequently, in looking for rural comparables, I may occasionally look for sales in Franconia and Sugar Hill (with adjustment for location) when the property is unique, but primarily from Bethlehem, Littleton (also with adjustment depending on the subject's location), Whitefield, Lancaster, Jefferson, Dalton or Randolph since, for the most part, they share the same or a similar market experience.

The two markets, village and rural, have separate values and different capacities for improvement due to the factors mentioned. A beautiful site with mountain or valley views, however they may appear or compare in any given town or location, is the core of all value. If someone wishes to build a fine home, my first advice is not to shy from a good investment in land and location, for that choice will dictate the limits of wise investment in their improvements. If one wishes to sell some land, and retain other land or the home in which they are located, I advise them to be sure they do not compromise privacy for their property, or its views, and to be sure to provide the opportunity for views and a degree of privacy in what they sell, in order to get the most value. As an aid to selling what they have, which may be beautiful in its promise, they should open a view where possible to demonstrate its advantage, for the view will most often become a primary "compelling, selling proposition" in their offering. To everything there is such a feature, or proposition, and that is the focus of all marketing. Here, even when a home or other building is tremendous in its appeal, the location, the view, are still at the core of value. They are the foundation on which all else is built, and fundamental to one's ability to retrieve value when the land and/or home is sold.

It seems easy to understand from this that there are two points at which loss will be realized by an owner when an external influence encroaches upon a property and impacts its value: when it occurs, and when it is sold.

When a sale occurs, the money spent is based on whether core values exist in the property, or whether they are absent or compromised. Sale prices will reflect the loss of core values, and any compromise of aesthetics which have been important to the property. However, when a property is not sold, whether owned for just a few years or for decades by a family long in ownership, and a change in the landscape affects the view, the location, or any core value of their property, it disrupts the private use and enjoyment which a family has long realized and to which it is entitled. The loss will not always be measured by dollars and cents, and may not be adequately measured by cold calculation. It will be real, and it will most often be (as with NP) without compensation. More than simple disappointment, plans for the continued use and enjoyment of the owner, or the provision of space and place for future generations, or the plan to sell in the future to meet the needs of retirement, will all suffer from lost value and a sacrifice of the many other benefits derived from private property. I understand that Mr. Chalmers, in his work on the MSTI project in Montana, acknowledged the difference between those who have lived for decades in the presence of an HVTL, and those who have had one forced upon them. Loss is not to be measured only at the point of sale, but at the point of change which alters a living experience, the private use and enjoyment of property, the loss of a core value important not just to sell a property, but to happily continue in ownership of it.

When a sale does take place, it will indeed measure loss in a financial way, as I will point out by example.

My major point to share in this discussion is that like politics, all real estate is local. No study performed in any other location, any other part of NH or the world, can be used to fully explain or predict what may happen here. It is impossible to perform such a study here because to date, no HVTL comparable to that proposed by NP exists here. No comparable can be found in this marketplace because no such line, with towers and the scope of this project, exists here today. Consequently, no evidence exists to support a decision that the presence of NP would have no impact. Instead, we have a plethora of examples of buyer behavior which emphasize the importance of the core values described above, and the preservation and realization of our highest possible values. It is clear that NP presents a clear and present danger to the aesthetics that make this region what it is, the core values of view, location and the natural resources which create its greatest advantage.

Likewise, general principals gleaned from graphs and studies from other locations, from decisions made by buyers in other locations, do not apply here. Averages, algorithms, trending and analyses of any kind, gathered for any reason, when based on data from other locations, cannot apply to circumstances and expectations here. In northern NH, the needs and requirements of buyers are very different from what they are in other locations. What a buyer may tolerate at home, in the area from which he or she may want to escape, will not be tolerated here. When change is made to the landscape here, when something pristine and beautiful is diminished in quality and appeal, the degree of change and loss is much more dramatic than it is in areas already compromised aesthetically and otherwise. Our prospective buyers work and live where they feel they must, but they come here when they feel they can. They leave congestion, noise, pollution, HVT lines, industrial centers and intense living arrangements in order to find solace, beauty, recreation and peace. If we compromise what they come to find, visually or otherwise, they will not come but will find what they seek elsewhere. The elements of blight which they associate with what they leave behind, such as industrial scale HVT lines, will create here an atmosphere which, by reason of association, will suddenly be unacceptable.

Buyers here are discerning. They know what they want to find. If able to afford the best, they will buy the best according to their ability. When less able, they will buy less, perhaps what others reject, and that begins to redefine value. Natural beauty and the amenities of our location will attract the greatest value, but when sacrificed to any degree, in any given location, or when there is a perception of a cumulative or sequential impact of blight within a community or region, only the amenity of price can cause a buyer to pursue an investment. If they pay so little that they consider it an advantage greater than the sacrifice made in quality, a sale may occur. However, it will occur at lower levels than it would if the amenities of location were preserved. **In my experience, if indeed a property tainted by NP is able to be sold at all, the loss in value due to NP can range from 35 or 40 percent to as high as 75 percent, the higher range primarily for raw**

land. This is the definition, in essence, of economic depreciation, when an external influence degrades value. Textbooks may refer to the impact of a gas station when built next to a fine residential property, or a rail yard or industrial park allowed next to an old neighborhood of fine homes in an urban or suburban location. Here, in a beautiful rural location, it is an HVTL of the height and magnitude proposed by NP that would change drastically the landscape as it now exists, whether along a new course or as an increase in tower height or width, or the number and thickness of cables, or some other expansion, in a now existing right of way. This is economic depreciation, the loss of the values which support value in an otherwise beautiful location.

What we are measuring here, and what we must understand, is buyer behavior, the reasons for decisions to purchase or reject, and the impact those decisions have on the marketplace. If buyers are less in number, due to the rejection of an area as the result of the loss of aesthetic values, then that will lower the marketability and the resultant value of properties here. This is the risk of NP, and for many the promise of NP as it may effect their individual property including the interveners I seek to assist here.

Referring back to the process of determining value, it may seem evident that my responsibilities as a broker are in part much like those of an appraiser. I look at what happened yesterday, forming a part of my opinion based on the record, on the data available. However, my responsibility goes beyond that, as does my accountability. I am charged not only with determining value, but with sharing opinion and advice regarding the goals and aspirations of my client. I must not only understand what happened yesterday. I must also be aware of what is happening today, and what might be expected tomorrow. I must be aware of the underpinnings of value and how they may change. I must understand the demographics of my region, the extent to which we may be challenged economically, and whether it may be best to sell or hold, ask more or less, time the offering for maximum benefit and return, or whether to purchase or pass. If wrong, there could be a deep and lasting impact, and I consider the responsibility to be profound and serious. This explains my analysis of NP, the concerns I have about it, and the reasons I measure it as a risk not worth taking.

Q: Can you provide examples and experience that make your case?

A: Yes. I will mention several, and at the same time echo the frustration suffered by many in my business who have tried to market properties which may be impacted by NP either in the view, or closely and dramatically aligned along its course.

Before listing examples, I want to offer further experience and observation that predicts buyer behavior regarding NP, and the frank and consistent objection to the kind of visual blight presented not only by HVT lines, but by any power line in many circumstances. We may think they are a given, a fact of life that people have come to accept. Yet, in any quality subdivision, even in southern NH, developers and buyers have strived for greater quality by burying the lines, along with water and sewer lines when available, all through the development. If not buried along its roads, then the majority of those who build homes today, throughout NH and NE, will bury the lines from the road

to their building whenever possible and affordable. The reasons are that they consider the lines ugly, they will enjoy their landscapes more if they are not seen, and they know a buried line will assure greater appeal and value with a greater return on investment.

This would be compounded on the larger landscape of northern NH by NP, creating an unreasonable adverse impact of the aesthetics of this region in particular.

This attitude has been obviated by countless customers who have so often said to us, and to other agencies, that they do not want to purchase a property that may look out on NP, or is any way affected by it. You have separate testimony from the Ramsdell family who finally removed their property from the market on recommendation of their broker, and have suffered great personal loss and inconvenience as a direct result of NP. This came after being rejected so many times by customers who may otherwise have been interested in purchasing, but would not because of its relationship with NP. Here is a link to the prior listing on their property so you can see what it is, and how it was offered: <http://neren.paragonreels.com/publink/default.aspx?GUID=9a59b26e-5e78-4840-81b9-3340f8da6198&Report=Yes>

A Whitefield broker told me of the many times she failed at selling homes within a manufactured housing development in Dalton called Ridgeview Terrace, a very nice park also situated near the existing right of way which would be used by NP, and upon which many of the properties would have to gaze. She also experienced the difficulty of showing and trying to sell the Ramsdell property in its location.

To emphasize buyer attitudes, as demonstrated by the burial of even small residential lines throughout the state, including at my own home which I built in the early 70's here in Lancaster, I recently stood before a lovely property in Randolph, about 300 feet back from the very desirable Randolph Hill Road, looking at the glorious view of Mts. Madison and Adams rising up above the tree line across the street. Below the tree line, beneath the tops of spruce and pine, runs within view, but across the street, a string of simple residential telephone poles with telephone, cable and electric lines, perhaps 25 feet or so in height. The prospect's friend from New York, who owns summer property in Randolph, said to the prospect from Georgia who was contemplating the purchase: "Isn't it a shame that you would have to look over at those poles there across the street."

How tender are the threads of quality and value here. This very objection has resulted in neighbors choosing to pay PSNH to bury such simple lines along the road rather than look at them from their homes as they look to Mt. Washington and the Presidentials. It is like voting with your feet, expressing yourself through your pocketbook.

Other brokers, from Colebrook to Franconia, have shared similar experiences, specifically with NP, and the rejection of properties that may be affected. One customer from North Conway, here with a Conway broker, told a Whitefield agent they would not consider any property in the community of Whitefield because of the way NP crisscrosses the town. Indeed, every entrance to the community is impacted by the view,

and several require passing beside or beneath the existing NP corridor. That covers six separate roads that enter the town from five separate, adjoining communities.

Andy Smith of Peabody and Smith in Franconia has shared with me and others his experience, reflected in an article in which he was quoted regarding the impact of NP in his area. “The impact has ranged from making the property essentially unsalable, to value reductions between 25 percent to 50 percent. Due to the fear of the future impact, more often than not the informed buyer has chosen to move onto other properties, and not making offers of any kind on the tainted property.”

Since then, a portion of the line has been slated for burial in his area, and his agency reports that properties previously impacted have again become of interest and have started to sell.

You have read and heard before that James Chalmers, during an interview several years ago with NHPR, said on the air that the lines are not an asset, and he would not want them in his backyard. He further stated, “If it is basically a view lot and your view is down the valley and you string transmission lines across that valley right in the middle of the view shed and that becomes kind of the dominant feature of the view, I can easily imagine your \$200,000 second home might only be a \$75,000 second home or a \$100,000 second home – something like that.”

<http://nhpr.org/post/appraisal-triggers-latest-dispute-over-northern-pass>)

From lips reluctant to counter his own position on the subject, this is an affirmation of buyer behavior that directly supports what I have outlined here.

Specific examples of discounted values experienced from the threat of NP include, in addition to the Ramsdell experience, the following:

1. Wesson Road, Lancaster

Three adjoining lots consisting of a total of 22.83 acres (8.51 ac, 7.84 ac, and 6.48 ac.) Each is a view lot with views and potential views ranging from Mt. Washington and the Presidential Range to Mt. Lafayette and the area of Franconia Notch. All three parcels are encumbered by the existing right of way to be used by NP, the middle lot the most affected. Ad valorem values declared by the town added up to a total of \$134,990 for all three parcels, evaluated separately (\$48,120; \$38,330; and \$48,540). Our estimate of combined individual values without NP totaled \$99,000 (39,000, 25,000 and 35,000) at the time of listing. The property was listed in April, 2012 for a total of \$35,000 for all three parcels together, due to the already obvious impact of NP. After sitting on the market, rejected by buyers due to NP as proposed, throughout the ensuing spring, summer and fall, the price was lowered to \$29,900 in December, 2012. It was finally purchased for use as hunting land by a buyer from Allenstown, NH in March, 2013 for \$27,500. The percent change from our opinion of FMV due to NP: -72.22%. Link to mls entry:

<http://neren.paragonreels.com/publink/default.aspx?GUID=92a90ec2-119b-4c6c-a4f8-a7b9e282eedb&Report=Yes>

2. 53 Wesson Road, Lancaster

Log cabin on 6.33 acres with view, situated across the street from the lots of sample #1. Adjacent to proposed NP corridor (same as sample # 1) with one back corner encumbered by the right of way. Ad valorem value declared by town as \$117,300. Our listing agent's opinion of value without NP \$129,000 to \$135,000. Seller agreed in July, 2014 to the lower listing price of \$119,500 as the original asking price in consideration of the impact of NP (our prediction was lower). After many rejections through summer and fall, it was sold for \$80,000 in January, 2015. Percent change due to NP: -38%.

Link to mls entry:

<http://neren.paragonrels.com/publink/default.aspx?GUID=ebf00d9f-9c3f-4768-b0af-b9886a4d2018&Report=Yes>

3. 224 Portland Street, Lancaster

This transaction was one of the Chalmer case study properties, and has been analyzed in more detail by Jean Menard of Deerfield after consultation here. I will offer the following:

Purchased by seller in February, 2005 for \$319,500. New owner (McGaw) invested, per their calculation, over \$200,000 in improvements including improvements to the house, the addition of a significant garage with attached apartment and overhead loft, and extensive land improvements. Their eventual investment reportedly approached \$550,000.

We listed the property before the entry of NP into our consciousness in April, 2010 for \$397,300, after factoring adjustments to market value occasioned by a less productive market. Town assessed ad valorem value was set a year earlier in 2009 at \$384,460. The views are extraordinary, ranging northerly from the Kilkenny and Pliny Ranges, easterly to Mt. Washington and the Presidential Range, and other mountains to the southeast. It enjoyed a wonderful solar advantage for the majority of the day, a private setting well off the road, and absolutely beautiful landscaping. As NP awareness encroached on marketing, we encountered constant rejection due to its threat as the existing right of way passed along the northerly side, and then below the property to the east, between the house and Mt. Washington where it would with greatest probability be seen. The price was first lowered to \$379,000 in October, 2010, and we lowered our fee at the same time to accommodate their losses. We then lowered the price to \$359,000 in June, 2011 but without success. The sellers, though understanding of the difficulty, wanted to change horses so we cancelled the listing in October, 2011 (after 18 months). It was relisted by ReMax at \$359,000, and lowered again thereafter to \$329,000. They too experienced rejection after rejection due to NP. Our office ultimately came up with the buyer (a couple from Berlin) at a price of \$317,500, closing in January, 2013. Losses due to NP: time alone, well over two years; percent of loss from FMV, approximately 20%. Loss overall, more than 40% plus the time value of money as the owner supported two properties after moving to a lake in Maine.

Link to 224 Portland Street, final Peter W. Powell Real Estate Listing

<http://neren.paragonrels.com/publink/default.aspx?GUID=0f2d8c5f-5edb-47d9-9f5b-77965aae29ab&Report=Yes>

Link to 224 Portland Street, final Remax Listing

<http://neren.paragonreels.com/publink/default.aspx?GUID=361b2587-f829-4d6e-971c-161d91958fff&Report=Yes>

4. 260 North Road, adjacent to NP right of way which proceeds from there across the Israel River, following its course in full view of countless properties along the picturesque and highly appealing North Road area, then proceeding uphill to the area of the McGaw property and across two sides of the following sample #5 on Rt. 2. The home on this sample #4 sits on about an acre with lovely views across the valley, including the Presidential Range. The existing power line is directly adjacent. It is a modest but nice home with workshop and garage space. The history is no longer available on MLS, but the tax card from 2014 notes the property was first listed in July, 2009 for \$159,500; then \$149,500 in April, 2010; then \$139,500 in August, 2010; then \$129,500 in November, 2012; then \$119,500 in May, 2013. The selling agent told me it was a drawn out process of surrendering to the reality of NP after countless rejections due to the threat of its presence, with the prospect of industrial scale towers hovering over the property. It did finally sell for \$72,000 in July, 2015. Loss in time due to NP, many years. Loss of value due to NP, conservatively estimated at 45%.

Link to 260 North Road (Costine), Listed by Remax

<http://neren.paragonreels.com/publink/default.aspx?GUID=1041e09b-00e3-4d61-82f1-6d15ef0c43b1&Report=Yes>

5. 61.98 acres in an iconic location, embracing the scenic pullover and NH historic marker on US Rt. 2 in Lancaster, across from Roger's Campground. Includes approx. 17 acres of field, 14 protected by conservation easement granted by prior owner to SPNHF with certain rights reserved. Building allowed on a remote portion of the field to the west, the balance woodland. NP right of way goes along the entire northeasterly boundary, and across the eastern end of the property between the field and the extraordinary view of the Presidentials. Spectacular views are also now enjoyed of North Road farmlands, the Kilkenny National Forest and vast woodlands of the Pliny and Pilot Ranges to the north and northeast. The scenic pullover and conserved land was the subject of a photo simulation which was extremely poor in its representation of the potential impact of the NP poles and lines on the easterly end in particular. Only by zooming in on the photo to the extreme of perhaps 200% can you begin to understand the visual impact to the eye, but it is impossible to represent it fairly with the photo provided.

The owners, who paid \$170,000 for the property in March, 2006, have wanted to sell the land for a couple of years. However, due to the NP impact on marketability there, and the predictable outcome on value, I have counseled them to wait until we know whether NP is an up or down proposition, which could admittedly take a very long time relative to their needs. No longer wanting to, in effect, be held hostage by NP, they very recently decided to offer the property regardless, to see whether anything can happen. They listed it for \$184,500 to cover closing costs and retrieve their investment if possible.

This presents as a property that has been withheld from the market, as I believe others have, due to the predictable impact of NP in this region. Unless accepted as a challenge by some party related to NP, I cannot assume success in the offering and will revisit the entire matter with the owners in the spring, framing it in the context of their personal plans and needs.

This is a good time to stress that the marketing of real estate is to a degree a conversation about property. More than that, however, it is a conversation about people: what they expect, what they want and need to do, where they are in their lives and where they want to be. It's all about the people, whether buyer or seller, and it is their behavior that creates the market, defines value, and informs us as to how they can best be served.

The link to the current listing of this property is:

<http://neren.paragonrels.com/publink/default.aspx?GUID=d69c7cca-da1b-4154-93ef-f66f9b74ca89&Report=Yes>

Summary of Samples:

These again are examples of offerings and sales impacted by a threat that has not yet materialized, but which buyers will only risk if price itself becomes the amenity, the motivation to purchase. It is my testimony that this is not just a matter of perception, but it is indeed a reality in the marketplace. It is a reality that will become a sad statistic, proven in retrospect, if NP comes to pass.

Q: Are there other matters not covered in your discussion that concern you about the impact of NP, including its effect on the area economy and any aspect of our state's economy?

A: Yes, and to share what I have expressed previously, I will insert here portions of a writing shared with others relative to the economic impacts of NP. This is of great importance to property concerns, for the economy of a region, the health of a community, the viability of a forest, the strength of tourism in a region dependent upon visitation as perhaps the most significant sector of its economy, all have impacts on property values. Other factors including employment, tax matters, the viability of services, and the promise of return on investment, all affecting decisions surrounding the purchase and sale of property. No consideration of NP should exclude its impact on the economy itself.

What we conclude is that NP would create an unreasonable and entirely unnecessary adverse impact on aesthetics, which in turn challenges the viability of various aspects of our economy. It attacks the character that has created allegiance among those who travel to be here. It would effect greatly the scenic quality of many locations, submitting travelers to sequential sightings of the line as they travel up I 93 and drive throughout Coos County along scenic roads and byways. The degree of change will be great, beginning with purity and an expanse of uninterrupted view, and ending with industrial scale towers imposing themselves on the landscape as atrocities that were not there previously, dominating the view from many perspectives throughout the region,

and promising losses within the range mentioned. The public interest will not be served when developments such as this discourage and alter the higher and better use of our land, create imbalance in supply and demand with its impact on endeavors related to alternative energy production, and the proper and productive use of the forest for fiber and tourism. It will compromise hospitality facilities that employ local people and serve the traveling public, but will lose favor as their locations are tainted by NP. This is no way to use resources valued so highly here, and by all of NH, depreciating their beauty and importance by a mistaken and irreversible use.

There are two points worthy of careful consideration by decision makers as we consider the economic impacts of this project: 1. If we say no to this project today, it will be the last time we will see it. Within a decade, advancements in technology as it relates to the production, storage, conservation and distribution of power will render this project obsolete and even less necessary to NH than it is today. 2. If we say yes to this project, we will create a dependence that will foreclose other advancements in energy generation here, put a permanent scar through a pristine environment that will sacrifice private property and community strengths, and do so without NH benefit in terms of savings, supply and security. If we are going to risk all the threats that have been and will be enumerated in this testimony, and that of others, we should not also, on top of all that, require our people to sacrifice property values, nor ask communities to sacrifice important community assets, by the above ground construction of this line when instead, it could be put under the ground. If we allow this project to create economic disadvantage, must we also add to our pain a corrupted landscape.

In addition to a severe and negative impact on property values, I offer this further discussion of economic threats posed by NP as follows:

1. It will have a severe and negative impact on tourism and many related businesses and facilities. Hospitality businesses market and promote, as I do each day, our natural beauty, our natural resources, and the absence of blight. This will emphasize again that the industry will be affected in at least two ways.

First, it will suffer incrementally as individual businesses impacted by the lines will suffer a loss in the character of their view, and the appeal of their location and landscape, and incrementally experience less allegiance and lower rates of utilization. Income will drop as their new circumstances draw less favor, less prestige, less desire among traveling consumers to be in their place. Failure becomes more likely when values cannot be sustained by income on the one hand, or by market value on the other, and their loans and plans for improvement will be compromised. They may not do anything in their operations to deserve this, but it is a consequence of "economic depreciation", a name earned by the reality of its existence. You cannot maintain income when you have lost quality and sacrificed volume. You cannot regain quality, in a recreational or other emotionally based experience, when ugly objects are placed on the beautiful landscape which has been the foundation of quality. When your greatest strength, your location, becomes your greatest weakness, the outcome is dramatic and business after business will suffer. In small communities like ours here in this vast rural

area of small towns and small businesses, you soon learn that a loss suffered by one is a loss suffered by all, and we cannot long endure losses spread wide by the pure size of this far reaching project.

Second, when the traveling public chooses to drive north from Boston or other points south, in order to investigate and experience the natural resource based tourism which is available here, or to invest in property or other endeavors related to property, the impact of crossing next to and under these lines, as they crisscross the landscape in full view of the highway many times, will discourage interest and appeal. As they travel up the road, and see tower after tower, line after line, and arrive at their destination only to see them again, the impact of that sequential visual experience will be devastating. For an industry largely dependent upon visual experience, consumers will lose interest and loyalty as the experience which had always been available here is diminished or lost.

There are said to be 40 states in this country, and countless countries around the world, where tourism is one of the most important industries. People have lots of other places to go, and other mountains and valleys to see which are not corrupted. When the corruption touches everyone who travels here, with the landscape compromised in many locations, more and more people will lose interest in paying for what they encounter here.

The logic of this is undeniable. If your ship has to sail through a hurricane and torrential downpours every time it leaves port, you won't sell many tickets for the cruise. If the food is bad, or the sewer stinks, the water is terrible, the service lousy, the location no longer as pretty, it is all the same. People don't go to Boston for a bad show, a lousy room or terrible facilities. That want what they want according to where they go. Here, they come for purity, privacy, beauty, fun and promise. We can't afford to gamble on any of it.

2. Instead of strengthening the tradable sector of our economy by exporting product and importing capital, NP will import electricity and export capital, just as we have for decades for foreign oil. Capital is especially precious when it comes in the form of wages and profits for domestic producers and manufacturers, and it is necessary to support the sheltered sector of our economy (where we do each other's laundry) which will wither without it. We have lost thousands of manufacturing jobs here and statewide, diminishing greatly our tradable economy, and we should not approve projects that exacerbate and compound that problem even more.

3. Instead of investing in energy production here, utilizing natural resources to create alternative means of production, and with local ownership paying local wages and making local investments in facilities and infrastructure, NP would instead create a dependency on yet another foreign source of energy, consume important demand (and available credits) in southern NE that could otherwise encourage energy investment here, and risk the security of supply as well as the cost of power over time.

4. Instead of recognizing rapid advancements in new technologies for the generation, storage and conservation of power, keeping pace with rapid change by investing in projects that would involve little or no sacrifice here, and more opportunity for local investment, NP would rely instead upon antiquated means of distribution that will have a lasting and negative impact on the landscape, diminishing the life style attractions which help bring investment to the region.

5. NP will have a negative impact on our forest based economy, which has already been threatened and diminished by the loss of pulp and paper manufacturing, and the impact of changing demand for credits and power from southern NE states which favor Hydro Quebec in order to meet their state's regulatory requirements for alternative energy supplies.

Good forest management, to assure the long term health of our forest, is dependent upon strong markets for low grade wood. Those markets provide profits in the margins for loggers and landowners, and help justify management practices which prolong the life and health of the forest. Low grade wood markets have largely disappeared with the loss of pulp and paper producers in northern NH, ME and VT, and from the strained operation of remaining biomass plants. Tickets are rationed to loggers, with many unable to dispose of what they may otherwise harvest. If you don't have orders to fill, and no market for your wood, you can't cut and remove what good management may otherwise require.

The result is that the infrastructure for work in the forest is under threat, and those who still perform are often forced to high grade their lots instead of culling low grade stems and species. They take out the best, and leave the worst, making less desirable timber the seed stock for the next generation of forest products. Limiting the harvest to high grade timber diminishes the overall harvest, taking away the margin that can make any given harvest profitable for a jobber, and sensible for a landowner, and it discourages both from making decisions that favor the forest. The eventual outcome will be a loss of logging companies and the infrastructure which supports them, with fewer landowners who can afford to retain and preserve a well managed, healthy forest. There is already a constant pressure to sell for more profitable uses and development. There must be a strong economic foundation behind any long term investment, and investment in the forest for its long term health is increasingly tender, and even more greatly jeopardized by HQ's NP project.

Ideally, biomass here in NH should be strengthened as a source of economic benefit for workers and communities. This would not only be for the production of power, but for even greater efficiency in the use of wood for power and heat in the co-location of companies that can use excess, low cost heat and power to produce goods that can be traded for capital elsewhere. There is also the potential for distributed heat in neighboring communities wherever possible. Many hospitals, schools and other facilities have begun a conversion to chips and pellets for savings and efficiencies for heat and power, but the supply for those new users becomes threatened if the critical mass of buyers, including commercial biomass facilities, continues to weaken.

6. The strategies and applications of NP in MA and CT to satisfy the region's renewable energy goals will displace local renewable energy projects in New Hampshire and the jobs associated with them. Moreover, these strategies also suggest that Eversource will do all it can to work NP into our rate base, with a guaranteed return on investment. If successful, NP will in no way result in any significant reduction in rates or other benefits to NH consumers. Instead, it may ultimately add to cost and increase our rates. NP pursues this strategy under the threat of diminished supply, while the project itself competes to provide power in competition with other means of production which, in combination with greater efficiencies of use, could otherwise meet NH and regional need well into the future. Advancements in solar production and storage, improvements in basic heat pump technologies and other simple but effective offerings, may soon make us all net exporters of energy, and our communities will be the major beneficiaries. The energy landscape will continue to evolve in exciting and promising ways, as long as incentives remain in place with strong markets and good public policy.

7. I want to acknowledge those in this region who favor the prospect of jobs cutting rights of way, installing roads, and preparing the ground for NP's towers. I understand the appeal of contracts to contractors, and I understand that each and every construction job is of limited duration, and the industry is no stranger to short term contracts. However, in balance, many more will be hurt by the loss of current value and future promise, than will be disappointed by the failure of this particular work opportunity to materialize for them. I cannot believe that many would favor harm to a neighbor, or loss to a family or business, exchanging short term employment for limited future employment. This concern may not be held by larger companies and major unions who may have less concern for local property owners and businesses, but it is clear to me who we should protect in this. It is apparent that the negative effects, and immediate losses engendered by NP, will immediately outweigh the short term benefits of construction employment.

Finally, if all these economic concerns do not sway officials from the project, there is still the immediate and long term effect of the towers themselves, their threat of changing the landscape with resulting losses of quality and value in our land. If we cannot avoid the folly of creating dependence on this additional source of foreign energy, shipping millions more in capital out of the region instead of circulating it here at home, creating an imbalance in demand and supply for power that could be produced here, then let us at least not be compromised by the use of towers for its transmission.

NP must be buried if it must be done at all, in order to avoid our paying a price so far beyond benefit that it constitutes an unreasonable sacrifice. Those who want to work on the line will realize even more if it is buried, and more local people would benefit from digging and laying cable, than would be the case when bringing in specialists from outside the area to hang cable on towers.

8. These issues are germane, tremendously important to our region, and pose significant threats to our prospects for growth and advancement in the ways we may

choose. To be left with the consequence of bad decisions about where and how to invest in our energy future, as a state and as a region, and to suffer changes in our landscape that will sacrifice individual and community benefits that we now have, hurting so many while helping so few, would indeed be poor public policy. NP is not the only act in town when it comes to energy evolution region-wide, and we should not treat it as though it were our best hope or only alternative.

Without regard to politics or party, or personal gain or loss by any in this current debate, I would like to quote President Obama from his last State of the Union address when he discussed the importance of alternative energy and domestic supply. The President said, “Why would we want to pass up the chance for American business to produce and sell the energy of the future.”

Why indeed.

Respectfully submitted,

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Personal:

Born Concord, NH, 1946. Resided in Hampton Falls, NH from 1949 until graduation from Colby College (Waterville, ME), 1968. Lived and worked in Washington, DC from 1969 to 1972. Returned to Chair Wes Powell's US Senate Campaign, then to Lancaster 1973. Three children: Bethany Powell James (with Todd James and son Alexander James, Washington, DC); David W. Powell (VA); and Meredith C. Powell (CA).

Work and Business History:

- * Interim Editor/Publisher River News & Twin St. Times, Woodsville 1968 – 1969
- * US House of Representatives (Legislative Asst.) and U.S. Senate Committee on Commerce (Professional Staff for the Minority) Washington, DC 1969 – 1972
- * Established Peter W. Powell Real Estate in 1974, a general brokerage firm offering sales, management and consulting services in a broad region of northern NH & VT. Our primary focus is on residential property (homes, land and farms), but we perform in every category of service including commercial, investment and light industrial properties. This has included consulting services and opinions of value for lenders, courts, municipalities & individuals.
- * Ltd. Partner, Bretton Woods Ski Area, c.1987 – c.1999
- * Board of Directors and Partner, Phoenix Corp (Bretton Woods), 1994 – 2001

Real Estate Experience and Affiliation

Peter W. Powell Real Estate, 1974 to Present
Member, National Association of REALTORS, 1974 – Present
New Hampshire Association of REALTORS, 1974 - Present
North Country Bd. of REALTORS, 1974 – Present (past Director, Treasurer, Secretary)
Graduate, REALTOR'S Institute (former Instructor)
Certified Commercial Investment Member Candidate
Numerous Professional Courses and Certificates
Established North Country Property Management, Inc., c.1984 – c. 1992 (sold)

Non-Profit Board Service, Present (and Past*)

NH Public Radio	NH Economic Dev. Comm. (Co-Chair)*
NH Fiscal Policy Institute	Coos Economic Dev. Corp. (Chair) *
NH Timberland Owner's Association *	Androscoggin Valley Ec. Recovery *
North Country Council (Chair)*	Weeks Memorial Hospital (Chair) *
Comprehensive Ec. Dev. Strat. (Chair)*	Weeks Home Health (Chair) *
NH Humanities Council *	NH YMCA (Chair) *
SPNHF (Treasurer)*	North Country YMCA (Chair) *
Friends, Norris Cotton Cancer Center	YMCA Camp Belknap (Chair) *
(Founding President) *	NH Business Committee on the Arts *
New Futures (Founding)*	Lancaster Chamber of Comm. (Pres.) *
NH Charitable Foundation, interim *	St. Paul's Episcopal Church, Lancaster
Northern NH Foundation *	Lancaster Rotary