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Admitted in: NH

March 24, 2017

**By Electronic Mail and First-Class Mail**

Pamela Monroe, Administrator  
NH Site Evaluation Committee  
21 South Fruit Street, Suite 10  
Concord, NH 03301

Re: Northern Pass Transmission LLC and Public Service Company of  
New Hampshire d/b/a Eversource Energy  
Docket No. 2015-06

Dear Ms. Monroe:

I have enclosed Supplemental Pre-Filed Direct Testimony of Leslie Otten, on behalf of Dixville Capital, LLC and Balsams Resort Holdings, LLC for filing in the above matter.

Thank you for your attention to this matter. Please contact me if you have any questions.

Very truly yours,



Mark E. Beliveau

MEB/kmd  
Enclosure

cc: SEC, 2015-06 Master Service List, Revised 3.21.17 (by email)

**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    **Supplemental Pre-Filed Direct Testimony of Leslie Otten, on behalf of Dixville Capital,**  
2    **LLC and Balsams 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. I began  
12       my career in the Resort industry in 1973 when I managed Sunday River Ski Resort in  
13       Newry, Maine. I ultimately purchased Sunday River in 1980, and from there went on to  
14       acquire and operate multiple resort properties through early 2000s, including the Canyons  
15       Resort (Park City, UT), Sugar Loaf Resort (Carrabesset, ME), Attitash Resort (Bartlett,  
16       NH), Sugarbush Resort (Warren, VT), Killington Resort (Killington, VT), Mount Snow  
17       Resort (Dover, VT), Steamboat Resort (Steamboat, CO) and Heavenly Resort (Lake  
18       Tahoe, CA).

19 **Q. Based on your experience in the Resort industry, what impact do you believe NPT's**  
20 **proposed route will have on the Balsams?**

21 A. I believe the proposed NPT route has been very carefully considered in order to minimize  
22 negative impacts on scenic views and lifestyles as much possible. I don't believe its  
23 presence near the Balsams property will have any negative impact on future visitation to  
24 the Balsams.

25 **Q. Based on your experience, have high-voltage transmission lines been visible from**  
26 **other Resort developments that you have been affiliated with?**

27 A. It is common knowledge that large destination resorts, particularly those which include  
28 ski areas require a significant amount of power to operate, and in most cases, power  
29 consumption is one of the largest expenses in operations. The required power has to come  
30 from somewhere, especially for a base load of this size, so having high-voltage  
31 transmission lines visible from a ski resort from my perspective is the norm.

32 **Q. Based on your experience, have resort visitors ever avoided one of the Resorts you**  
33 **have been affiliated based on the presence of transmission lines?**

34 A. Not from my perspective. None of the managers or other staff at the resorts I have been  
35 associated with have ever referred to the presence of transmission lines being visible  
36 from the resort impacting visitation numbers.

37 **Q. As a future large-scale energy consumer in New Hampshire, are you concerned**  
38 **about the current capacity infrastructure and the ability to secure sufficient power**  
39 **for your future operations?**

40 A. The Balsams operations will be heavily reliant on a sustainable and reliable source of  
41 power. Phase I operations at the Balsams projects the need for 10MWs of electrical

power to operate, and future expansion plans forecast this need to grow to in excess of 25MWs. Current capacity in the New England market is concerning, as it is declining rapidly with the retirement of numerous power plans in recent years, including Vermont Yankee Station, Mount Tom Station, Norwalk Harbor Station, and Salem Harbor Station. Further, numerous other New England based power plants are scheduled to retire in the coming years, and combined, there is likely more than 8,000 MWs at risk for coming offline with very few new capacity projects being proposed to replace it. When I started looking at this issue several years ago, 2020 seemed far away. But it is now less than 3 years away, and is a time when I hope the Balsams Resort is in full operation and looking to expand. The time to make sure sufficient capacity is available to New England residents and businesses alike is upon us, and NPT represents 1,090 MWs of clean, low-cost hydropower being available to help fill the void. In addition to the Balsams development, there are multiple efforts underway in New Hampshire that will also require that sufficient capacity be available, including the redevelopment of the Groveton Mill which is working to bring future manufacturing opportunities back to the North Country. NPT will play a key role in ensuring that capacity exists as these many opportunities advance.

**Q. Has NPT's proposed route impacted the sales process at the Balsams?**

A. The Balsams launched its sales process in 2015 and to date more than 250 individuals have made \$1,200 refundable deposits to reserving the right to purchase a residence at the Balsams Resort. Beginning in August 2016, these individuals were invited to visit the site and learn first-hand about the redevelopment of the Balsams, tour our model units, and select their future purchase. To date, more than 90 individuals have made 5% refundable

65 deposits to secure their future purchases, with additional folks continuing to visit the site  
66 to do the same on a weekly basis. Some individuals who have visited the Balsams site  
67 since this process began have had questions about NPT and why I support it, but these  
68 discussions have been more informational and inquisitive in nature, and not discussions  
69 around opposing NPT or indicating concern of how it will impact the scenery  
70 surrounding the Balsams. The 5% deposits received to date represent more than \$18MM  
71 of future sales, and based on those numbers, I don't believe NPT has negatively impacted  
72 the Balsams' sale process. If anything, I think our support of NPT has facilitated some  
73 good and informative dialogue with potential buyers about why we believe NPT  
74 proceeding is critical to the region, its energy forecast, and how it will improve the  
75 economic landscape for the community.

76 **Q. Why do you believe NPT coming online will improve the cost of power to the**  
77 **Balsams?**

78 A. For two reasons; First, NPT has made public statements that NPT will provide low-cost  
79 hydro power to the New England market, which will translate in a 5% cost-savings to all  
80 energy consumers. Doing simple calculations, I looked at what our annual energy costs is  
81 forecasted to be once the ski expansion is at mid-build out. Second, the most energy-  
82 extensive part of the ski resort operations relates to snow-making which is primary done  
83 in the night hours when skiers are not present. It is estimated that two-thirds of the energy  
84 relating to ski operations is used for snow-making. This represents the opportunity for the  
85 Resort to purchase power at non-peak times when the cost of power is less. Combining  
86 the overall 5% cost-savings estimate with the ability to purchase power at off peak times  
87 when our need is greatest should represent meaningful cost-savings to the Balsams.

**Q. What is your understanding of the Forward NH Fund and how has it played a role in the Balsams Development?**

A. The Forward NH Fund being formed by NPT is fundamentally an investment initiative geared towards advancing efforts relating to the community, clean energy, economic development and tourism. I believe the creation of this fund by NPT is a clear indication of their commitment to the North Country and the State, and a significant opportunity to revitalize a region that has been negatively impacted over the years with the closure of many manufacturing facilities, and of the former Balsams. The Balsams has been the recipient of an advanced investment from the Forward NH Fund as the Balsams development is considered the type of project that meets many of the Fund's criteria, specifically as it relates to tourism and economic development. NPT recognized the tremendous impact the Balsams is expected to have on the North Country with the creation of hundreds of employment opportunities for its residents. This investment from the Fund has played a critical role in the Balsams being able to continue to advance its development efforts. A project of this kind is complex, and takes a significant amount of time and financial resources to complete all the design, engineering, permitting and financing requirements in order to break-ground and become a reality. The Forward NH Fund's investment in our efforts have been vital as we continue this process, and most recently were instrumental as we work to advance the application process in collaboration with our Senior Lender and the NH Business Finance Authority. This is a meaningful advancement for the project and one that moves us closer to reaching a financial close and ultimate start of construction.

110 **Q. The pre-filed testimony you submitted previously specifically states, “by lower CO2**  
111 **emissions up to 3.3 million tons per year. That is the equivalent of removing 690,000**  
112 **cars from our roadways on an annual basis.” How did you come to this conclusion?**

113 A. This analysis was based on data, assumptions, and formulas that are provided by the US  
114 EPA, and which are available on its website at [https://www.epa.gov/energy/greenhouse-](https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator-calculations-and-references)  
115 [gases-equivalencies-calculator-calculations-and-references](https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator-calculations-and-references), and from my discussions with Dr.  
116 William Strauss. Dr. Strauss is the President and Founder of FutureMetrics, a firm that  
117 provides market analysis primarily in the biomass industry, and possesses a unique  
118 understanding of the renewable energy arena and the environmental impact renewables  
119 can have in regards to reducing emissions and other attributes. Based on the foregoing, I  
120 considered how the replacement of approximately 1,000 megawatts of capacity generated  
121 from hydro-power, versus coal, would reduce carbon dioxide emissions. A 1,000  
122 megawatt coal-fired power plant puts out approximately 6,700,000 short tons of carbon  
123 dioxide per year. According to the EPA, a passenger vehicle emits approximately 4.73  
124 metric tons — which converts to 5.2 short tons — of carbon dioxide per year.<sup>1</sup>  
125 Accordingly, 6,700,000 tons of carbon dioxide per year is the equivalent carbon dioxide  
126 output of approximately 1,288,000 passenger vehicles on the roadways per year (that is,  
127  $6,700,000/5.2 = 1,288,461$ ). The numbers used in my pre-filed testimony were in fact  
128 conservative, and significantly lower figures.

129 **Q. How does renewable power play a complementary role at the Balsams?**

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<sup>1</sup> The calculation appearing under the heading, “Passenger vehicles per year,” is as follows:

$$\begin{aligned} & 8.89 \times 10^{-3} \text{ metric tons CO}_2/\text{gallon gasoline} \times 11,346 \text{ VMT}_{\text{car/truck average}} \times \\ & 1/21.46 \text{ miles per gallon}_{\text{car/truck average}} \times 1 \text{ CO}_2, \text{ CH}_4, \text{ and N}_2\text{O}/0.986 \text{ CO}_2 = 4.73 \\ & \text{metric tons CO}_2\text{E /vehicle/year} \end{aligned}$$

<https://www.epa.gov/energy/greenhouse-gases-equivalencies-calculator-calculations-and-references>.

130       A. I have long been a proponent of renewable energy and the significant impact it has on the  
131       overall climate and environment. I believe I have an obligation to utilize clean and  
132       renewable resources where able in the Balsams Development. This is a part of being a  
133       good corporate citizen to the North Country, and a good steward of the natural resources  
134       in and around the Balsams. It is an important component in preserving the surroundings.

135       **Q. Does this conclude your testimony?**

136       A. Yes.