

**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**

**SUPPLEMENTAL DIRECT TESTIMONY OF NEIL IRVINE ON BEHALF OF THE
TOWN OF NEW HAMPTON**

APRIL 17, 2017

Background and Qualifications

Q. Please state your name and address.

A. My name is Neil Irvine. My address is 445 Blake Hill Road, New Hampton, New Hampshire 03256.

Q. Please describe your official capacity in the Town of New Hampton?

A. I am Chairman of the Board of Selectmen and have served in this capacity since 2013. I also served as Vice-Chair of the Planning Board of the Town of New Hampton from 2011 to 2015.

Q. Has the Board of Selectment authorized you to submit this supplemental testimony, and if so on what date?

A. These questions and my planned responses were reviewed at the Board of Selectmen meeting held on March 16, 2017. The Board voted to authorize me to proceed.

Purpose of Testimony

Q. What is the purpose of this supplemental direct testimony?

A. My supplemental testimony is being presented on behalf of the Board of Selectmen for the Town of New Hampton to respond to new information regarding the Project and to respond to questions raised at my technical session.

Q. What kind of analysis or assessment has the Board of Selectmen conducted to conclude that the project's negative impacts outweigh any positives?

A. To begin answering that question we first have to state the quoted benefit to the Town, from the applicant's publicly available information (website, public meetings / open houses and direct mail to residents). The ONLY tangible benefit to New Hampton is additional annual tax payments.

At the first public presentation to the Town residents, at the New Hampton Community School (4/12/2011), the project representatives made a number of memorable assertions in response to resident questions:

1. That the technology to bury the line entirely did not exist.
2. The geology of New Hampshire would prevent burial, even if the technology existed.
3. There would be no impact to property values by the addition of a HVTL to the existing RoW.

The most rudimentary internet search demonstrated that the ability to bury a HVTL over long distances did in fact exist, even in NH, and therefore the Town (the residents and governing bodies) could not trust the assertions being made by Northern Pass and its representatives, and would have to research the matter to determine what position served the best interests of the Town.

After the obvious visual impact to the rural landscape, the impact to property values was of greatest concern. The Board first reviewed the 'Chalmers Report', submitted by the applicant in support of their application. Subsequently in 2012, in their online project journal, 'Revisiting Property Value Impact', the applicant references a study conducted by Russell Thibeault, 'The Effect of HVTL on Real Estate Values', which was reviewed by the Board.

Despite acknowledgements in both reports of the existence of negative impacts, Northern Pass chose to summarize the studies by saying "... the presence of HVTL statistically has little to no effect on the value of neighboring properties."

44 The Board was made aware of another report by Dr. Chalmers; ‘HVTL and Rural,
45 Western Real Estate Values’, published in 2012. It was felt that this report was pertinent as it
46 was both current and dealt with rural properties. In this report Dr. Chalmers found negative price
47 impacts of 30%-50%, and time to sell impacts up to 5 times longer for acreages less than 5 acres.
48 On lots greater than 5 acres in size the marketing time for a property was doubled and that there
49 was a negative price impact between 20%-30%.

50 Dr. Chalmers summarized his study saying “...The more heavily oriented the property is
51 towards residential use, the more vulnerable it is to transmission line impact.” The entire
52 proposed route through New Hampton is in the General Residential, Agricultural and Rural
53 District. The Thibeault study of appraisal literature noted that Dr. Chalmers stated in his 2009
54 article ‘HVTL: proximity, Visibility and Encumbrance Effects’, that:

55 “It is fair to presume that the direction of the effect would in most circumstances be
56 negative, but the existence[...] and magnitude [...] can only be determined by analysis of
57 actual market transactions.”

58 Based upon a review of the previously mentioned reports the Board reached the
59 conclusion that there would be a negative impact but the magnitude of the impact was still
60 undetermined. A review of documents titled ‘The Impact of Transmission Lines on Property
61 Values’, Wadley and Elliot, and ‘Power Lines and Property Values: Good, Bad and the Ugly’,
62 Bolton and Sick confirmed the Boards position, and indicated value decreases between 10% and
63 50% depending on the individual factors of each case study. The Board took the position that it

64 did not wish to see New Hampton become a case study for the impact on the value of residential
65 property from the introduction of a HVTL to an existing distribution RoW.

66 It was noted that the Bolton & Sick report referenced the ‘LCRA Study’ in which “the
67 appraiser was referring to a 10% overall impact on price, not just on the value of land
68 immediately affected by [...] the easement.”

69 To estimate the potential impact to the tax base the Board first reviewed the Town tax
70 maps which identified 56 properties crossed or immediately adjacent to the existing RoW, 5 of
71 these properties are owned by Governmental entities and are tax exempt, 3 are owned by the
72 applicant (PSNH) – leaving 48 individual properties valued at \$5.8 million. The property tax
73 cards for the referenced 56 properties are attached as Exhibit 1.

74 The Board next reviewed the February 2016 Project Maps supplied by the applicant, Plan
75 Sheets starting at 126, and confirmed that the current typical structure height within the Row is
76 55’. These wooden structures are below the tree canopy, minimizing the visible impacts of the
77 RoW. The proposed HVTL would collocate in the RoW steel structures up to 125’ tall, in some
78 instances also replacing the existing 55’ wooden structures with monopoles which would also be
79 visible above the tree canopy.

80 A review of the assessment list of just 4 properties on tax map R1, Lots 2, 18, 19, & 26,
81 which the Board knew would have their views impacted by the introduction of the taller
82 structures revealed a combined valuation of \$1.3 million, similarly on tax map R20 a review of
83 the values of 10 properties, Lots 54, 56, 57, 60-B, 60-C, 60-F, 60-G, 60-H, 60-J, & 60-K, not
84 presently encumbered or abutting, but which look down onto the RoW and would again have the

viewshed impacted, amounted to another \$1.9 million of valuation at risk of being devalued. See attached Exhibit 2 incorporated herein by reference. These 14 properties are not the only properties that would be affected, but simply a sample that demonstrated to the Board that the effects would not be limited solely to those properties encumbered or abutting the RoW.

The Board also reviewed the proposed valuation and potential tax payment based upon the statements to the Town by Northern Pass representatives (10/19/15), along with projected figures by the Town's utility assessor. It was noted that in the document filed by the applicant, 'Estimated NH Property Tax Payments Report' by Dr. Shapiro (2015), that the applicant has based their estimates on the book value minus depreciation over 40 years. The Board took issue with this methodology which would significantly undervalue the transmission line assets and would have the taxable value zero out long before the line is out of service. The experience of multiple Boards with ongoing litigation with Eversource relative to the valuation of utility assets in New Hampton also informed the decision making process. These cases to defend the town's assessment cost the town monies to defend and reduce any potential net benefit. As an example, from 2014-2017 the town spent roughly \$16,500 in expert appraisal services associated with these cases, and from 2009-2017 spent roughly \$32,000 in attorney's fees. See attached Exhibits 3 and 4, made a part hereof and incorporated by reference.

Along with the results of the public vote relative to the Northern Pass project and the sense of the community relative to the character of the Town as expressed in the goals of the Master Plan, Pages 42-44: Chapter III;

- Goal 3.1 Preserve the rural working landscape and protect prime agricultural lands

- Goal 3.2 Ensure that the Town retains the unique and historic rural character”
- Goal 3.3 Preserve important wildlife habitat, scenic views, ridgelines, wetlands and water resources

the Board also considered the responses to the 2002 Community survey, particularly the open ended question “The best thing about New Hampton...”, to which the overwhelming response was “[...] it’s peaceful, charming rural atmosphere, [...] the natural beauty, [...]”, Master Plan 2002, Page 6, 1.12. The referenced section of the Town of Hampton’s Master Plan is attached as Exhibit 5 and the survey analysis showing “The Best Thing about New Hampton” is attached as Exhibit 6. Section 1.12 of the Master Plan concludes by saying “In response to the question on the ONE most important thing to preserve [...], its historic, rural character and natural beauty were by far the most frequently identified elements [...]. The 2012 Community survey attempted to quantify those sentiments by asking respondents if they agreed/disagreed with statements about its rural character, agricultural heritage & scenic beauty, which saw 84%, 61% & 91% support respectively.

After weighing all of the above the Board concluded that the negative impacts of the project outweighed the stated benefits, a position which has remained consistent over the past 6 years.

Q. Does this end your testimony?

A. Yes.