

THE STATE OF NEW HAMPSHIRE
BEFORE THE
NEW HAMPSHIRE SITE EVALUATION COMMITTEE
DOCKET NO. 2015-06

SUPPLEMENTAL PRE-FILED TESTIMONY OF
MITCH NICHOLS

IN SUPPORT OF THE
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

April 17, 2017

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Purpose of Supplemental Testimony

Q. Please state your name, title, and business address.

A. My name is Mitch Nichols, President of Nichols Tourism Group, 16 Tee Pl, Bellingham WA.

Q. What is the purpose of your Supplemental Testimony?

A. In this supplemental testimony I correct inaccuracies in my September 2015 report and respond to issues raised by intervenors with respect to my testimony.

Corrections to my Pre-filed Direct Testimony dated 10/16/2015

Q. Please identify and explain any corrections to your previous testimony.

A. There are two. First, the headings for Table 5-2 on p. 22 of my report entitled *Northern Pass Transmission and New Hampshire's Tourism Industry* (Appendix 45 of the SEC Application) should read "Total Change in Number of Establishments" and "Total Change in Number of Employees", rather than "Average Annual Change." Second, the table on p. 20 of my report should read as shown below:

Table 5-1		
Average Annual Change in Number of Establishments		
Years	Phase II Line Counties	All Other Counties
1986-1990	4.5%	2.3%
1991-1995	2.8%	2.5%
1986-1995	3.7%	2.5%
Average Annual Change in Number of Employees		
Years	Phase II Line Counties	All Other Counties
1986-1990	1.2%	2.2
1991-1995	2.3%	1.4%
1985-1995	1.8%	1.9%
Source: NTG and NLTeC based on BLS		

1 **Q. You mention three studies cited by KRA. What is wrong with its reliance on**
2 **those studies in developing its impact estimates?**

3 A. The KRA analysis relies heavily on three research reports in formulating its
4 impact assessment. For KRA to rely on them as the principal basis for its suggestion¹ that there
5 are prior empirical studies on tourism impacts from transmission lines is wrong and entirely
6 misleading. I briefly describe the limitations in each of these studies below:

7 KRA first cites a 2009 Scotland study² that made specific estimates of visitation or
8 spending losses in the 3–15% range, which was central to KRA’s potential impact conclusions in
9 this case. There are two obvious reasons why this study provides no quantifiable basis at all for
10 any estimate of potential impact. First, the methodology used to develop the base impact
11 estimate relied primarily on a survey of area businesses to provide some indication of potential
12 future impacts of the transmission lines, an approach based purely on conjecture that provides no
13 basis in actual demonstrable impacts. The range of impacts cited by KRA were developed by
14 the Scottish “Reporters” to illustrate the subjective nature of this approach and the broad range of
15 results that could be generated depending on the assumptions used in the calculations. The
16 second reason to question this report is that the reviewing body considering the transmission line
17 proposal in question concluded that the study did not provide an “evidential basis to quantify the
18 potential adverse impact of the proposed 400 kV overhead line on tourism along the proposed
19 line.”³

20 The second study cited by KRA is an assessment of tourism impacts done in response to
21 an environmental feasibility analysis relating to a transmission line under consideration in
22 California’s Anza-Borrego Desert State Park. In the report, the author, Michelle Haefele, an
23 environmental and natural resource economist based in Fort Collins, Colorado, acknowledged
24 that “[f]ew studies exist which detail lost tourism revenue or expected decline in visitation
25 directly attributable to power lines.”⁴ As a key basis for her estimated impact, she cites the
26 Scotland study discussed above. As KRA has done in its report in this proceeding, the author of
27 the Anza-Borrego study merely calculated lost visitation factors of 5, 10 and 15 percent based on

¹ I use the term “suggestion” here because nowhere does KRA assert that there will be a negative effect. Rather, the KRA team surmises that there could be a possible effect. See, e.g., the Kavet and Rockler pre-filed testimony at p. 8, lines 8-9, 14.

² Beaulieu-Denny Report 1: Chapter 16 Tourism, Recreation and Economic Impact.

³ Id at p. 16-22.

⁴ Economic Impact of Power Line Siting in Anza-Borrego Desert State Park (2015) at 9.

1 visitation spending in the area. Any such estimates are entirely lacking in empirical evidence
2 and cannot be relied on.

3 The final study cited by KRA is “*Human Use and Ecological Impacts Associated with the*
4 *Proposed Susquehanna to Roseland Transmission Line*”.⁵ This analysis was prepared in response
5 to the Final Environmental Impact Statement for the National Park Service’s Susquehanna to
6 Roseland 500 kV Transmission Line Right-of-Way that would cross the Delaware Water Gap
7 National Recreation Area. The authors of that study again note the absence of “of any existing
8 studies that specifically estimate the reduction in recreational trip value associated with a change
9 in transmission line size and characteristics.”⁶ They attempted to estimate the “per trip loss
10 factor”, and that estimate relied on studies on “recreators’ willingness to pay to preserve or
11 improve the scenic quality of forests and vistas,” and on property value impact studies.⁷ While
12 this report concluded that there could be an effect of 5%, that is purely conjectural, with no
13 grounding in actual experience with transmission lines and the effect, if any, on visitor travel
14 decisions. That estimate was also rejected in the FEIS for that project. The FEIS concluded that
15 it is not possible to estimate the loss to the local economies as a result of visitation changes
16 caused by the proposed transmission line, and that it was unlikely that any temporary impacts to
17 visitation rates or long term effects on visitation would reach a level of significance.⁸

18 KRA’s reliance on any of these studies to suggest that there will be a 3–15% negative
19 effect on tourism is inappropriate.

20 **Q. What is your opinion of KRA’s reliance on two interviews to support its**
21 **tourism impact estimates?**

22 A. KRA states on p. 65 of its report that in conversations with KRA two respected
23 New Hampshire tourism experts “estimated that tourism visitation and spending could ultimately
24 be reduced by at least 3 to 10%, and possibly as much as 15%, due to the presence of the
25 proposed transmission line in its current form and location.” Nothing in the KRA testimony and
26 report, however, explains any basis for this estimate. KRA’s notes of meetings with Ms.
27 DeSouza and Mr. Okrant include no reference to such estimates. It is obviously impossible to
28 evaluate in any way the merit of this estimate, such as it is. Thus, these interviews provide no

⁵ Human Use and Ecological Impacts Associated with the Proposed Susquehanna to Roseland 500kV Transmission Line (2012)

⁶ Id. at p. 19.

⁷ Id.

⁸ Northern Pass Transmission Line Project Environmental Impact Statement Volume 1: Impact Analysis at 4-5.

1 foundation whatsoever on which to base the estimates used by KRA in its analysis. Like KRA's
2 reliance on the three studies discussed above to suggest any empirically based estimate of
3 impacts, it is inappropriate and misleading to point to these interviews for that purpose.⁹

4 **Q. What is your response to KRA's use of your visitor survey findings in its**
5 **tourism impact estimates?**

6 A. It is entirely misplaced. KRA inappropriately considers survey responses regarding the
7 presence of transmission lines in a vacuum to support its impact estimate. In my survey analysis,
8 I acknowledged that some respondents viewed power lines as a visitation barrier, similar to
9 traffic delays, commercial and industrial encroachments, wind farms and cell towers. A critical
10 point, however—completely missed by KRA—is that these considerations have to be placed in
11 context with the much more influential factors of ease of access, range of things to do, or value
12 for money, which are much more prominent in a traveler's decision making process. It is one
13 small factor among the many others influencing visitation decisions. The role of these other
14 factors was also recognized in the DEIS as the authors noted that "impacts to tourism appear to
15 be more affected by macroeconomic factors such as the stability of the national economy and
16 gasoline prices more than site-specific changes." P. 2-42

17 **Q. How do you respond to KRA's criticism of your review of tourism related**
18 **data with regard to the existing Phase II transmission line and the recently-completed**
19 **Maine Power Reliability Program?**

20 A. KRA comments on a few nuances of how I presented the information on the
21 Maine Power Reliability Program ("MPRP"). But the fundamental observation I made—that the
22 data simply reveals no indication of an effect from a large transmission project on the tourism
23 industry in that state—was unchallenged. In further response, I brought the data forward two
24 additional years to gauge whether the more current data shows a different result. (This recent

⁹ The meeting notes do include the following comments from Professor Okrant, former director of the program at Plymouth State University that has collected and maintained NH tourism data since 1990:

- "I do think the researcher (team?) effectively captured the visitor market as we have reported it, including the list of motivations for visiting NH,
- furthermore, the list of roles in stimulating visitors' decisions about where to travel is spot on,
- in conclusion, the research is generally sound; however, were I in his shoes, I would want quantitative support for the statement about the transmission line's limited impact on visitor behaviors.
- one of the researchers who assisted in the preparation of the document is Dan Fesenmaier, a most credible tourism researcher."

This e-mail is on the Applicants' Track 2 Exhibit List.

1 data was not available when I filed my original testimony.) I added to my previous analysis of
2 tourism related establishments and employees in Maine to include the years 2014-2015, as 2015
3 marks the end of construction of the MPRP project. Taking account of that additional two years
4 of data, tourism-related establishments in counties in which the MPRP is primarily located grew
5 by 6.8% between 2008 and 2015, as compared with a rate of 0.2% for all other counties.
6 Similarly, the number of tourism related employees in the counties where MPRP is located grew
7 3.9% over this time period, as compared to a negative growth rate (-1.3%) for all other counties.

8 The strength of tourism related businesses in those regions of the state where the MPRP
9 project is located is also evident in the data on statewide and regional tourism visitation. Over
10 the past four years—the time when MPRP was actively under construction—visitation to the
11 state continued to grow and expand. In 2015, the year in which the MPRP was completed, a
12 record 39.5 million visitors came to Maine.¹⁰ The four economic regions in Maine where MPRP
13 is primarily located—the Maine Beaches, Greater Portland & Casco Bay, Maine Lakes and
14 Mountains, and Maine’s MidCoast & Islands—are key tourism areas of the state, accounting for
15 two thirds of the state’s tourism expenditures.¹¹ Maine’s MidCoast and Islands region was the
16 fastest growing region in 2015 for visitor expenditures, growing by 17.5%. Last, the recreation
17 segment of Maine’s tourism industry was the fastest growing segment in 2015, expanding by
18 over 9%.¹²

19 This experience in Maine is consistent with my overall findings and view that the data on
20 the tourism industry in and around a large transmission projects in New Hampshire and another
21 in Maine do not hint at a negative effect from those projects on visitation and tourism revenues.
22 As I stated in my Pre-filed Direct Testimony dated October 16, 2015, while transmission lines
23 can be a factor for some visitors, other factors influencing travel demand are much more
24 influential. It is the combination of many factors—including the range of tourism products, the
25 ease of access, the value for their money, the overall image and identity of a destination—that
26 drive visitors to a destination.

¹⁰ Maine Office of Tourism Visitor Tracking Research 2015 Calendar Year Annual Report (2016) at 18.

¹¹ Id.

¹² Id.

1 **Q. Do you have any other comments on the KRA testimony of potential tourism**
2 **effects? Please explain.**

3 A. Yes, on one additional point. The KRA witnesses explained the absence of
4 existing research on transmission line impacts to tourism in this way: “the absence of discussion
5 regarding the development of high voltage transmission lines in areas of high scenic value is not
6 because they would not impact tourism visitation, but because such areas would never consider
7 allowing this type of development...”¹³ This unsupported statement reveals a fundamental
8 misunderstanding of the issue and ignores many real-life examples that undercut the assertion.
9 In my over 20 years of experience in this field, I disagree with this statement. I have worked in a
10 wide range of beautiful tourism destinations, where transmission lines, large and small, are
11 located in plain view of these resources and along access roads to them. For example, see the
12 attached images of two such locations – Estes Park in Colorado, the “base camp” (and key
13 gateway) to Rocky Mountain National Park, and the North Cascade Scenic Byway in
14 Washington State (Attachment A). These destinations are and have remained very popular places
15 to visit, which again reinforces my fundamental conclusion—it is the broad range of destination
16 attributes that drive visitor decisions, not a single factor like the presence of transmission lines.

17 **Q. Has your opinion that the Northern Pass Project will not have an effect on**
18 **regional travel demand and will not have a measurable effect on New Hampshire’s tourism**
19 **industry changed? Please explain.**

20 A. No. My opinion remains that the same. Furthermore, nothing presented in the
21 KRA report and testimony or in intervenor testimony provides any reasonable basis to question
22 my overall assessment that the Project will not affect regional travel demand, and that it will
23 have no measurable effect on the State’s tourism industry.

24 **Q. Does this conclude your pre-filed testimony?**

25 A. Yes, it does.

¹³ Economic Impact Analysis and Review of the Proposed Northern Pass Transmission Project, Exhibit B to Pre-Filed Testimony of Kavet, Rockler & Associates (Dec. 30, 2016) at 28.

Visitor Destinations and Transmission Lines

Estes Park Colorado

- Estes Park is recognized as the “Base Camp” to Rocky Mountain National Park
- RMNP was the 3rd most visited National Park in 2015 attracting 4.16 million visitors
- Highway 36 is one of the main access points to Estes Park and Rocky Mountain National Park Significant transmission lines are positioned along Highway 36 adjoining Lake Estes
- The transmission lines are very visible as they enter the town of Estes Park
- There is also a power substation near the western portions of the lake – this substation is located less than ½ mile from the main visitor center for Estes Park



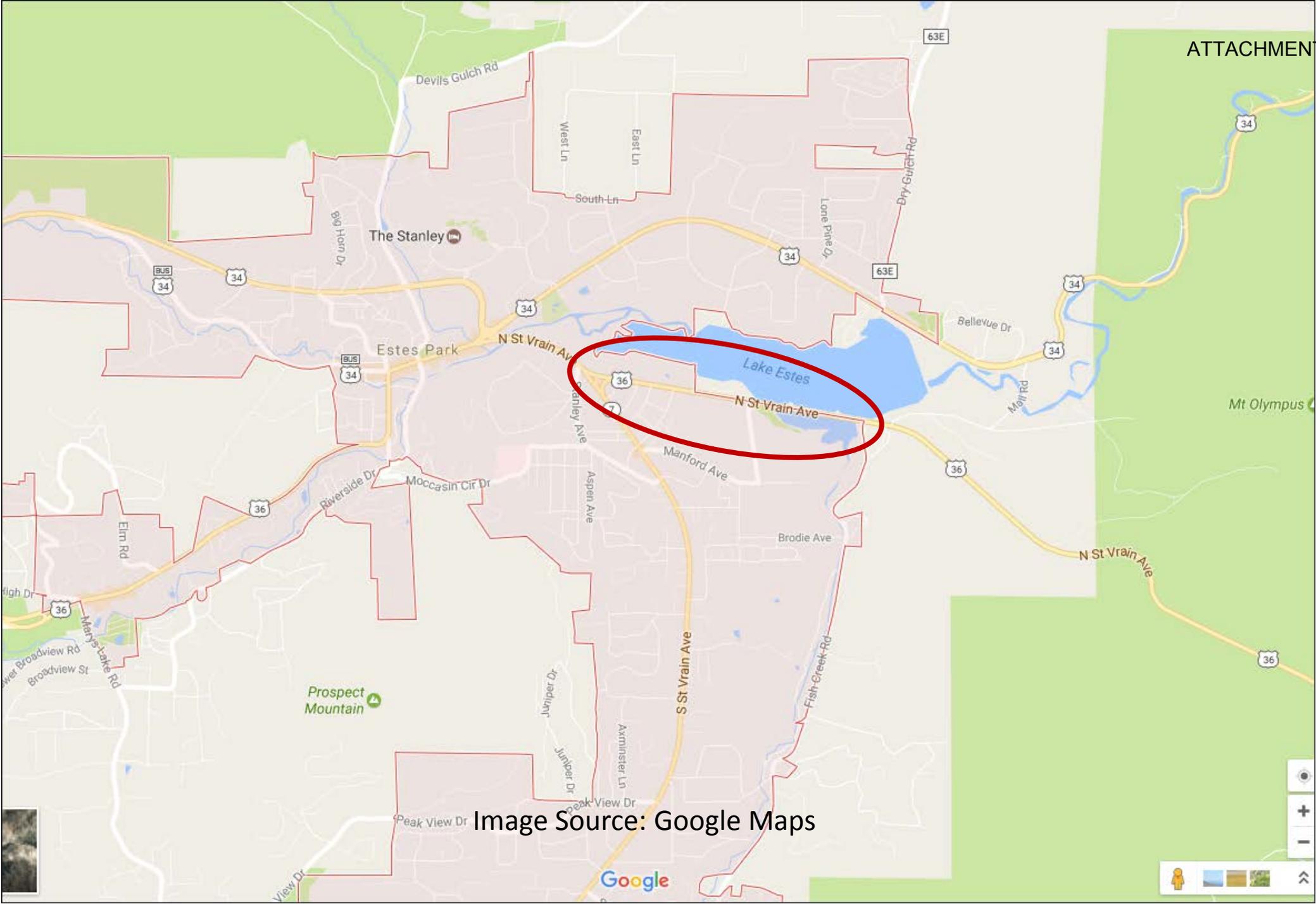
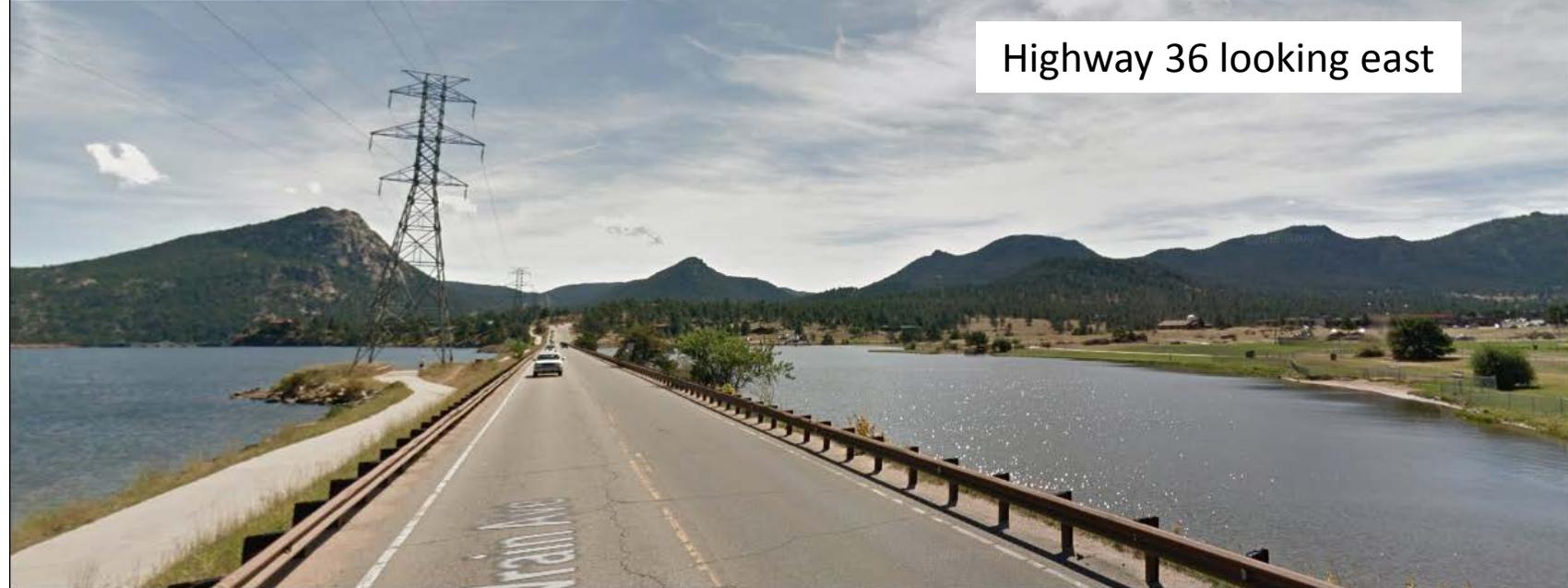


Image Source: Google Maps



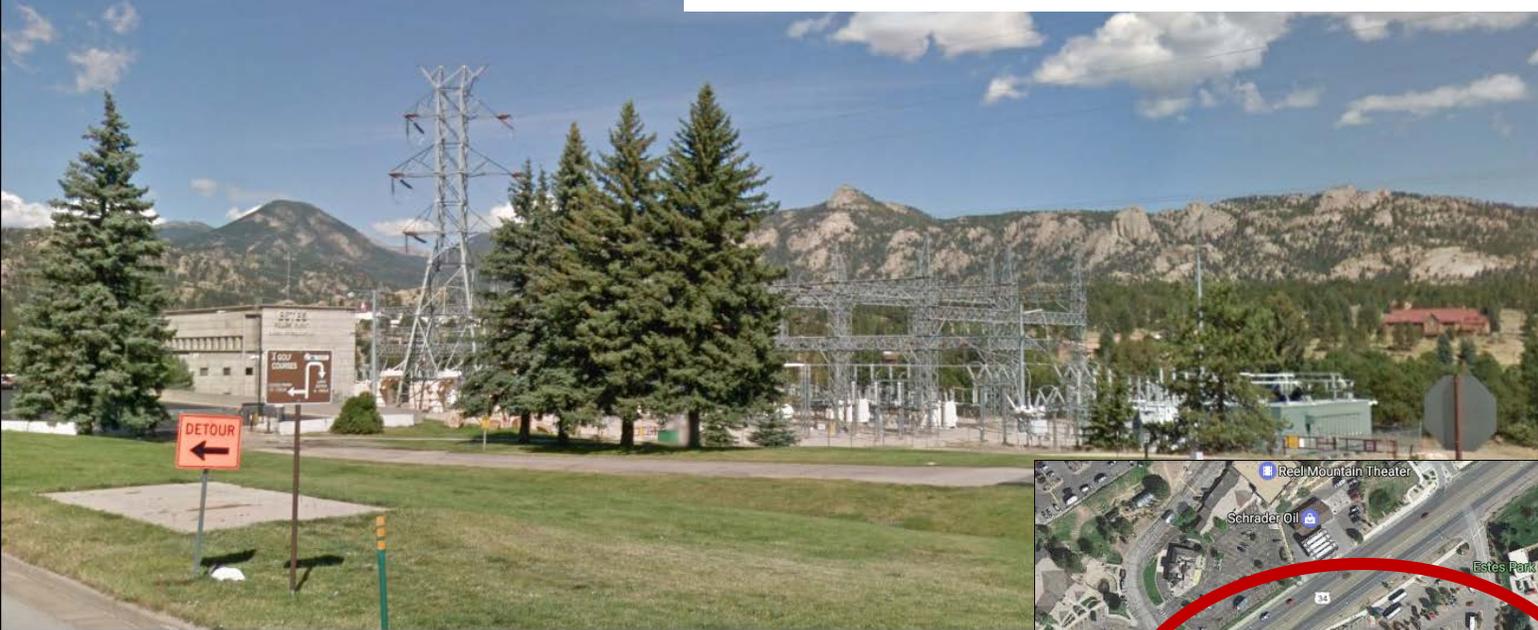
Highway 36 looking west



Highway 36 looking east

Highway 36 major substation just east of
Estes Park main Visitor Center

ATTACHMENT A



Visitor Center

Substation

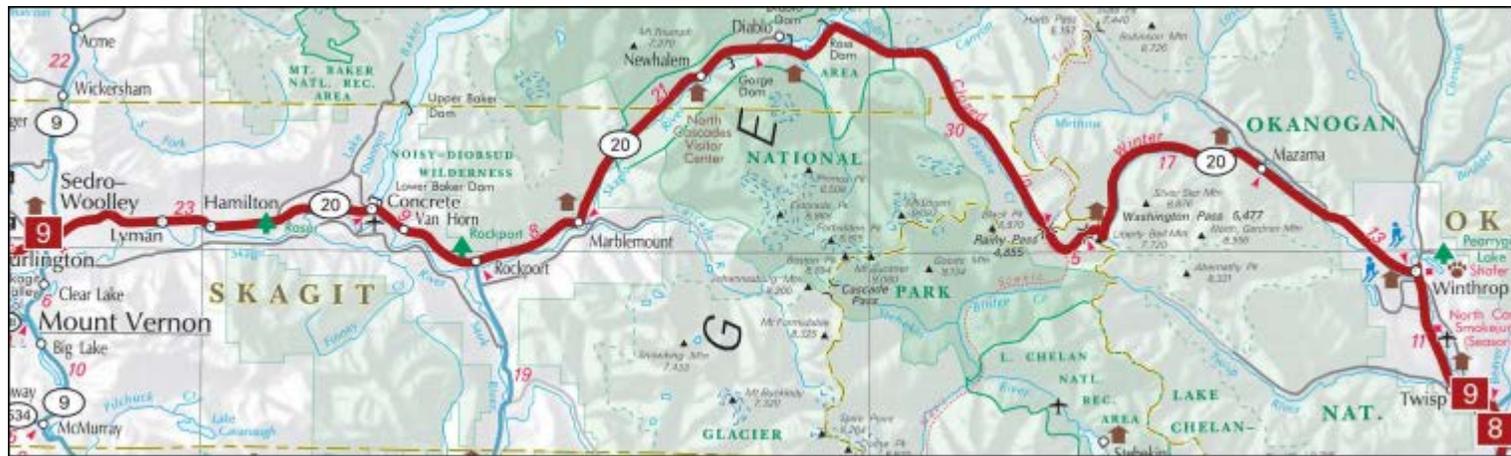
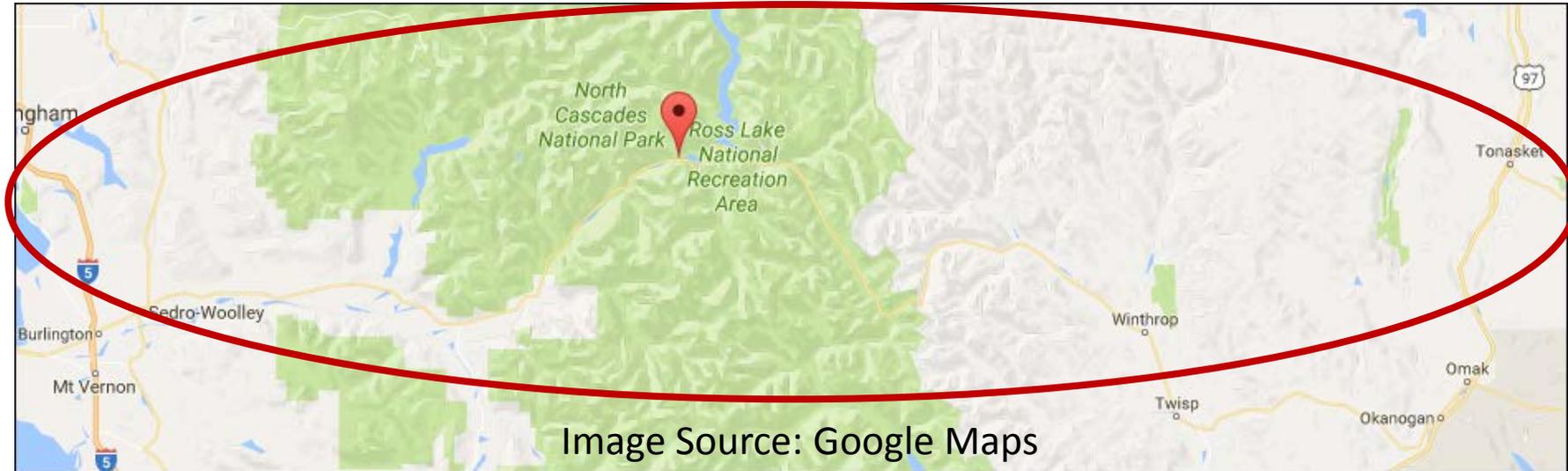
Positioning of Visitor
Center and Substation

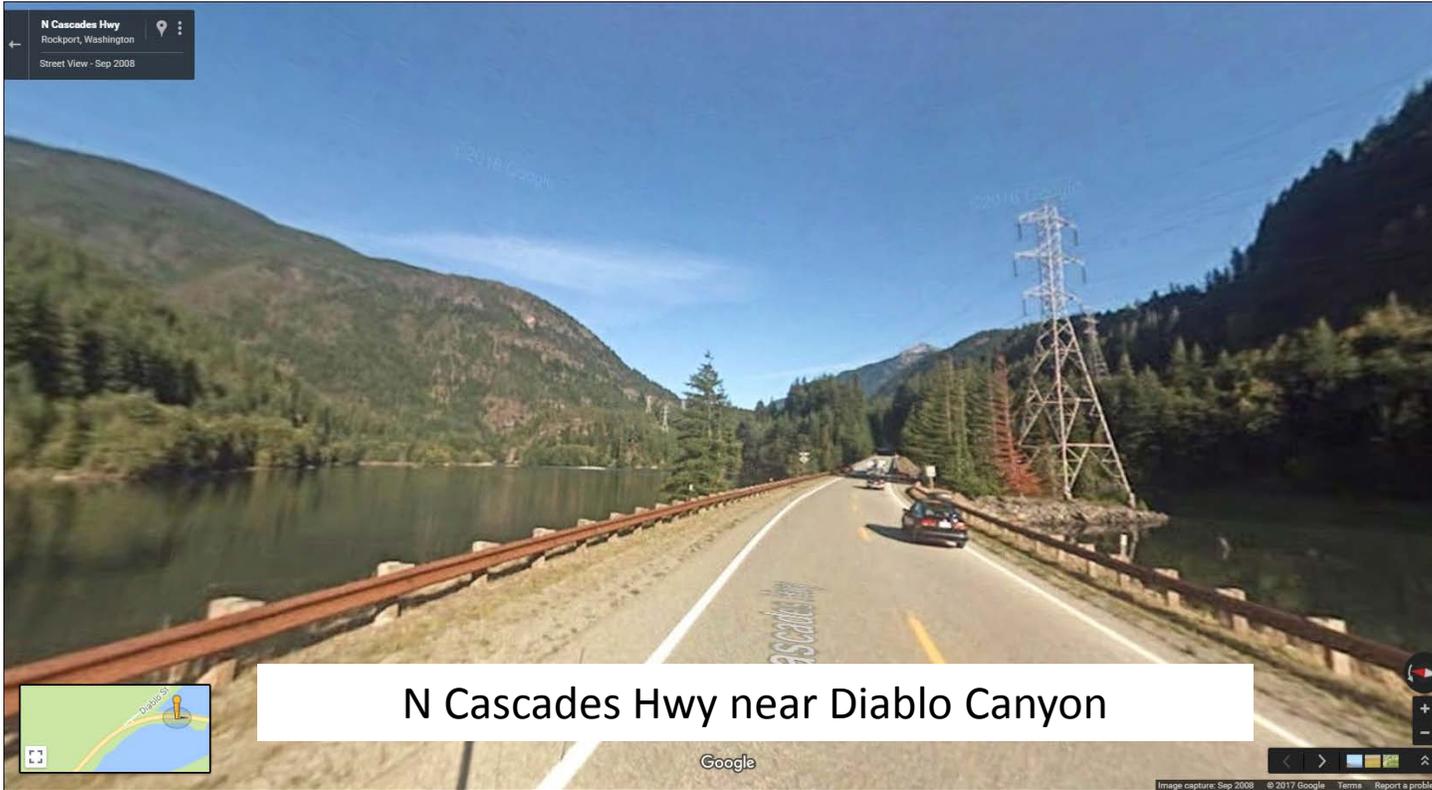
Image Source: Google Maps

North Cascades Scenic Byway

- Highway 20 in northern Washington State is known as the North Cascades Scenic Byway
- It is part of the state's Cascade Loop. National Geographic Traveler describes the Cascade Loop as "one of America's grandest, most spectacular drives."
- One of the prominent elements of the Byway is the "Skagit Power Project" located near Ross Lake which houses major facilities and transmission lines for Seattle City Light, a major power provider for much of Washington State.
- The Skagit Power Project is located in the Cascade Mountains. It is almost entirely within the Ross Lake National Recreation Area, which is administered by the National Park Service as part of the North Cascades National Park Complex.
- The project's transmission lines span over 100 miles from the Diablo Switchyard to the Bothell Substation, just north of Seattle.

North Cascades Scenic Byway





N Cascades Hwy near Diablo Canyon



N Cascades Hwy near Diablo Canyon

Image Source: Google Maps