

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

STATE OF NEW HAMPSHIRE

SITE EVALUATION COMMITTEE

April 14, 2017 - 9:05 a.m. DAY 2
49 Donovan Street **MORNING SESSION ONLY**
Concord, New Hampshire

{Electronically filed with SEC 04-22-17}

IN RE: SEC DOCKET NO. 2015-06
NORTHERN PASS TRANSMISSION -
EVERSOURCE; Joint Application of
Northern Pass Transmission LLC and
Public Service of New Hampshire d/b/a
Eversource Energy for a
Certificate of Site and Facility

PRESENT FOR SUBCOMMITTEE/SITE EVALUATION COMMITTEE:

- Chmn. Martin Honigberg** Public Utilities Comm.
(Presiding Officer)
- Cmsr. Kathryn M. Bailey** Public Utilities Comm.
Dir. Christopher Way, Des. Dept. of Resources &
Economic Development
- Craig Wright, Designee** Dept. of Environmental
Services
- William Oldenburg, Des.** Department of
Transportation
- Patricia Weathersby** Public Member
- Rachel Whitaker** Alternate Public Member

ALSO PRESENT FOR THE SEC:

- Michael J. Iacopino, Esq. Counsel to the SEC
- Iryna Dore, Esq.
(Brennan, Caron, Lenehan & Iacopino)
- Pamela G. Monroe, SEC Administrator

(No Appearances Taken)

COURT REPORTER: Cynthia Foster, LCR No. 14

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

I N D E X

WITNESS	WILLIAM QUINLAN	PAGE NO.
(Resumed)		
Cross-Examination by Mr. Cunningham		3
Cross-Examination by Mr. Palmer		55
Cross-Examination by Mr. Lakes		99
INTERROGATORIES FROM SUBCOMMITTEE MEMBERS & SEC COUNSEL BY:		
Mr. Oldenburg		135

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

P R O C E E D I N G S

PRESIDING OFFICER HONIGBERG: All right. Looks like we're ready to go. I see people are prepositioned which is always nice. We're resuming this morning questioning of Mr. Quinlan. And Mr. Cunningham, you are all set up and ready to go?

CROSS-EXAMINATION

BY MR. CUNNINGHAM:

Q Mr. Chairman, thank you. Members of the Committee. Mr. Quinlan, welcome back.

A Thank you. Good morning.

Q I'm sure you're thrilled to be here.

A I am. Beautiful day.

Q My name is Art Cunningham. I represent Kevin Spencer and Mark Legasse who have the Percy Lodge & Campground up in Stark. I don't know if you know them or not, do you?

A No, I've never met either of them.

Q Okay.

A To my knowledge.

Q Before I get into their property and what they're doing there in Stark, New Hampshire, I think it would be helpful to the Committee and

1 certainly to me to go back over this project.
2 And I think you, in response to a question
3 yesterday, said that the Northern Pass project
4 was conceived in when, please?

5 A I think initially in the 2009 time frame.

6 Q And could you explain to us and to the Committee
7 how it was conceived? Or where the planning for
8 it started?

9 A Again, the initial conception was in the 2009
10 time frame, and I would say the genesis of it
11 had to do with the question of how do you help
12 to achieve the region's carbon reduction to
13 reduce carbon emissions. It has been a long
14 history of New England importing clean hydro
15 from Canada, in particular the Province of
16 Quebec, and so the team who was involved in
17 those early discussions really looked at this
18 project as a way to increase the importation of
19 an emission-free energy source. So that was the
20 genesis back in the 2009 time frame. It's
21 obviously evolved since then.

22 Q Can I ask you about some early documents that --
23 I don't have them marked as exhibits, but I have
24 here on the table with me a Memorandum of

1 Understanding between Northeast Utilities
2 Service Company and Hydro-Quebec. It's dated
3 June 10th, 2008. Are you familiar with that
4 document?

5 A I am not. Again, my involvement in the project
6 began in 2014.

7 Q And I also have on the podium with me a
8 Memorandum of Understanding called a Power
9 Purchase Agreement that was dated June 10th,
10 2008. Are you familiar with that agreement?

11 A I am not.

12 Q That's an agreement between Northeast Utilities
13 Service Company and Hydro-Quebec.

14 A I am not familiar with that, but I'd be happy to
15 take a look.

16 Q Would you mind looking at them for me?

17 A Happy to do so.

18 Q I'm not going to make them exhibits in the case.

19 A Is there a particular section or would you like
20 me to read these in their entirety?

21 Q What I'm particularly interested in, those
22 documents describe the early stages of this
23 project, do they not?

24 A They appear to, yes. The development of a new

1 high voltage direct current interconnection with
2 Quebec.

3 Q And who's a signatory to that document?

4 A Which one?

5 Q The Memorandum of Understanding about the
6 development of the project.

7 A There are two. Two different memoranda.

8 Q One's a PPA and one's just a Memorandum of
9 Understanding.

10 A Yes. So on behalf of Northeast Utilities
11 Service Company, it was James Robb. He was the
12 gentleman I referred to yesterday who was the
13 Senior Vice President of Enterprise Planning and
14 Development at the time.

15 Q Is he still with the company?

16 A He is not.

17 Q And Mr. Muntz also signed that document, did he
18 not?

19 A I don't believe so. The other signature is
20 Christian Russo who is the President of
21 Hydro-Quebec.

22 Q And if you would look at the Power Purchase
23 Agreement, if you have in front of you. Would
24 you look at that for me, please?

1 A Those are both Memoranda of Understanding.

2 Q I understand, but one's described as a Power
3 Purchase Agreement?

4 A That's the one I was referring to.

5 Q Well, look at the other one, please. Let's back
6 up.

7 A Okay.

8 Q And is that signed? Is that document signed?

9 A It is.

10 Q And who signed that one?

11 A Isabelle Courville from Hydro-Quebec and James
12 Muntz for Northeast Utilities.

13 Q That's the one I was looking for. So that's the
14 James Muntz that's been discussed in previous
15 questions in this docket?

16 A Yes. He was the former President of
17 Transmission.

18 Q Yes, and who did he work for at that time?

19 A Northeast Utilities Service Company.

20 Q And is that now Eversource Energy Service
21 Company?

22 A Yes. The service company is, in a holding
23 company structure, a service company is an
24 organization that can provide services across

1 all the affiliates under the Public Utilities
2 Holding Company Act.

3 Q As I recall your testimony, you said that
4 there's a public utilities holding company by
5 the name of Eversource Energy?

6 A I'm sorry. Can you repeat that question?

7 Q Yes.

8 A There is a service company.

9 Q Let's back up. I'm trying to understand the
10 total organization of Eversource Energy.

11 A Sure. The service company provides services
12 across all of its subsidiaries.

13 Q And Eversource Energy is the public utility
14 holding company, is it not?

15 A Eversource Energy is the parent.

16 Q Yes.

17 A Eversource Energy is now the brand for all of
18 the subsidiaries as well. So, for example,
19 Public Service of New Hampshire, is still the
20 legal entity, but it's doing business as
21 Eversource Energy. So we have an unified brand.

22 Q So if we look from the top down, we have
23 Eversource Energy which is the utility holding
24 company?

1 A The parent company, yes.

2 Q The parent company?

3 A Yes.

4 Q And where is Eversource Energy, Incorporated?

5 MR. NEEDLEMAN: Mr. Chair, I'm going to
6 object at this point. I don't see the relevancy
7 of this, and I also want to note that there is a
8 pending Federal Court case that Mr. Cunningham
9 has filed against the company, and it sounds to
10 me like this questioning relates more to the
11 subject matter in this case than something that
12 would be relevant to this proceeding.

13 PRESIDING OFFICER HONIGBERG:
14 Mr. Cunningham?

15 MR. CUNNINGHAM: Where this is going,
16 Mr. Chairman, it's through Mr. Muntz, who is the
17 party who signed the structuring documents in
18 the Northern Pass including the TSA, the lease
19 agreement. So what I think is important for the
20 Committee to understand is the overall corporate
21 structure and where Mr. Muntz plays into this
22 because Mr. Muntz is no longer available as a
23 witness in this case.

24 PRESIDING OFFICER HONIGBERG: And I'm fine

1 with you establishing what the corporate
2 structure is and where Mr. Muntz was in it, and
3 I think there's a really crisp way for you to do
4 that by asking him to describe the corporate
5 structure and where Mr. Muntz fits in it. How's
6 that for a question that would really work well,
7 I think, in this context.

8 MR. CUNNINGHAM: Yes. I think you're
9 right, Mr. Chairman.

10 BY MR. CUNNINGHAM:

11 Q Yes. Where does Mr. Muntz fit into the
12 corporate structure of Eversource Energy?

13 A So I'll describe the structure generally. So
14 you're correct. Eversource Energy is the parent
15 company. It's a Massachusetts business trust
16 that has no employees. Generally, the employees
17 who provide services across all of the
18 affiliates are employees of the Eversource
19 Energy Service Company which is a wholly owned
20 subsidiary parent. Mr. Muntz was an employee of
21 Eversource Energy service company. At this
22 time, it was Northeast Utilities Service
23 Company.

24 Q It then became Eversource Energy Service

1 Company?

2 A Correct.

3 Q So at the time that Mr. Muntz acted with respect
4 to the construction or the development of the
5 Northern Pass, he was an employee of Eversource
6 Energy Service Company.

7 A He was an employee of Eversource Energy Service
8 Company. He also was the President of Northern
9 Pass Transmission Company. So he had an officer
10 title in the subsidiary Northern Pass
11 Transmission.

12 Q Back to those early 2008 documents in the
13 planning of this project?

14 A Yes.

15 Q What was the size of the project at that point
16 in time? I think I gave you a little help
17 there. I tabbed it with a yellow tab.

18 A Okay. Under the Power Purchase Agreement, 1200
19 to 1500 megawatts.

20 Q Yes, and what was the date of that agreement?

21 A June 10th, 2010. 2008, I'm sorry. 2008.

22 Q Would you be good enough to explain to the
23 Committee how the planning for a project of that
24 size was developed?

1 A When you say planning --

2 PRESIDING OFFICER HONIGBERG: I don't
3 understand the question you just asked him. Are
4 you asking him how you develop a project that
5 size or are you asking him how this project was
6 developed?

7 MR. CUNNINGHAM: Yes. I'm asking him about
8 this project, the project referred to in that
9 Memorandum of Understanding.

10 A Sure. So at a high level it starts with an
11 initial concept as I described previously which
12 is to develop a transmission line to
13 interconnect the Province of Quebec with New
14 England. So that's the high level planning. It
15 then --

16 Q Where would the engineering start?

17 A That would generally be the next step. You
18 would look at a system planning perspective as
19 to where could you safely and reliably
20 interconnect that amount of energy into the New
21 England grid. That's referred to as the system
22 planning phase. So you look at points of
23 delivery, in essence.

24 Q And when would the engineering plan for this

1 project have begun, given the size of the
2 project?

3 A Likely after 2008, in that 2008/9 time frame.
4 By 2010 when the initial siting filings were
5 made with the federal government, the system
6 planning studies would have been performed. So
7 it generally progresses from a concept to a
8 system planning evaluation to more detailed
9 engineering and consideration of routes and
10 route design and delivery points, and,
11 ultimately, to the final engineering and design
12 which is kind of the phase we're in now.

13 Q All right. My question was, how would they have
14 arrived at 12 to 1500 megawatts, and when would
15 that decision have been made in terms of the
16 planning?

17 A This is an early, it even refers to it as a
18 conceptual framework so I think in that time
19 frame, it was a mere concept. It may have been
20 based upon what Hydro-Quebec have available for
21 export at the time. Again, I was not involved
22 in that early conceptual planning, but, so you
23 start with a concept, you know, what's available
24 for export, what works technologically. You're

1 starting to get to levels of capacity that are
2 significant. 12 to 1500 megawatts.

3 Q So the planning for 1200 to 1500 megawatts could
4 have predated the June 2008 memorandum? Or
5 during or subsequent to?

6 A When you say planning, are you talking about the
7 system planning?

8 Q I'm talking about system and engineering
9 planning for a project of that size.

10 A I would expect the system planning and the
11 detailed analysis of that question would
12 postdate this concept.

13 Q All right.

14 A Just to take that another step, you know, that
15 system planning ultimately ends up in filings to
16 ISO New England and they do independent system
17 impact studies that verify that the project can
18 be reliably and safely interconnected with the
19 grid that they manage. So the system planning
20 didn't end in the 2008 or '09 time frame. It
21 actually continued into 2016.

22 Q All right. And during this period of time, can
23 you give us detail on what Mr. James Muntz' role
24 was?

1 A Yes. Jim Muntz was at the time the President of
2 our transmission company. So we had set up a
3 transmission business to develop and operate our
4 transmission infrastructure across three states;
5 New Hampshire, Connecticut and Massachusetts.
6 So he was the president of that line of
7 business. Ultimately, he became president of
8 Northern Pass Transmission as well when that
9 subsidiary was established.

10 Q And I know you testified to this yesterday, but
11 he, Mr. Muntz was the signatory to the
12 Transmission Service Agreement, was he not?

13 A I believe he was. Subject to check.

14 Q And could you briefly explain to the Committee
15 what the Transmission Service Agreement is and
16 who the parties to it are?

17 A Yes. So on the Eversource side, the party is
18 Northern Pass Transmission, LLC. Again, subject
19 to check. And on the Hydro-Quebec side, it's
20 essentially the production arm of Hydro-Quebec.
21 The power marketing arm. So it's an agreement
22 as between Eversource and Hydro-Quebec that
23 provides for the cost recovery of the Northern
24 Pass Transmission project. It's referred to as

1 a Transmission Services Agreement. It's based
2 upon the use of the line.

3 Q And it's a basic, it is the probably basic legal
4 document in this relationship between Eversource
5 and Hydro-Quebec, is it not?

6 A For cost recovery it is, yes. And it's been
7 filed with the Federal Energy Regulatory
8 Commission, and they've approved the structure
9 and the tariff.

10 Q Yes, and one of the other basic documents is the
11 lease between Public Service Company of New
12 Hampshire and Northern Pass Transmission, is it
13 not?

14 A That's correct. The lease of the existing
15 right-of-way.

16 Q And could you describe for the Committee what
17 the lease is intended to do?

18 A Yes. It's a lease that in essence allows
19 Northern Pass Transmission to utilize the
20 exiting right-of-way that is either owned or
21 controlled by Public Service of New Hampshire
22 for purposes of building the transmission line.

23 Q And my clients, Spencer and Legasse, one of the
24 easements that, one of the PSNH easements is

1 located on their property. Are you familiar
2 with that easement?

3 A Not specifically that easement, but I believe
4 it's along the existing right-of-way where
5 there's an existing transmission line.

6 Q All right.

7 A And you mentioned Stark so it must be on the
8 Coos Loop, correct.

9 Q Stark. Yes. Who is the owner of the easement?

10 A I'm not familiar with the precise easement. I
11 mean, I would assume Public Service of New
12 Hampshire either owns it outright or enjoys the
13 easement.

14 Q And I think you already told us Public Service
15 Company of New Hampshire is also an Eversource
16 Energy wholly-owned subsidiary, is it not?

17 A It is. That's correct.

18 Q And subject, is it not, to the direction of
19 Eversource Energy executives?

20 A I'm not certain I understand that question.

21 Q I'll withdraw the question.

22 And who's the signatory to the lease
23 between PSNH and Northern Pass Transmission?

24 A I believe it's Ellen Angley who is our Vice

1 President of Real Estate.

2 Q Who signed on behalf of Northern Pass
3 Transmission?

4 A I'm going to guess Mr. Muntz.

5 Q Was it James Muntz again?

6 A Subject to check. Yes.

7 Q Okay.

8 A It would be logical.

9 Q I have it as an exhibit. We can look at it a
10 little bit later.

11 A Yes.

12 Q I'm concerned, Mr. Quinlan, about why Mr. Muntz
13 is not a witness in this case since he's the
14 signatory to the TSA and a signatory to the
15 lease. Can you tell us why Mr. Muntz is not a
16 witness in this case?

17 A Well, Mr. Muntz resigned from the company last
18 fall. So he's no longer with the company. In
19 essence, it was a retirement.

20 Q That was my next question. Was it a resignation
21 or retirement?

22 A I believe technically it was a retirement.

23 Q And where is he now?

24 A I'm not aware of where he is now.

1 Q Is he employed somewhere else?

2 A I don't know the answer.

3 Q Is he somewhere where he could become a witness
4 in this case and answer questions about these
5 base documents?

6 MR. NEEDLEMAN: Mr. Chair, I'm going to
7 object to this line of questioning. The
8 Committee has already taken up this issue.
9 There was a Motion to Compel Mr. Muntz's
10 presence for a deposition, and the Committee
11 overruled that, and specifically said, it was
12 the October 24th, 2016, order, that Mr. Muntz's
13 presence is not necessary. His testimony has
14 been adopted. Others can answer his questions.

15 PRESIDING OFFICER HONIGBERG:
16 Mr. Cunningham?

17 MR. CUNNINGHAM: I don't have any further
18 questions on that, Mr. Chairman.

19 PRESIDING OFFICER HONIGBERG: Okay.

20 BY MR. CUNNINGHAM:

21 Q What I want to talk about a little bit is my
22 clients, I think you told us that you don't know
23 them.

24 A I don't believe I've met them.

1 Q Kevin Spencer or Mark Legasse? In your
2 listening sessions, did you have an opportunity
3 to speak with them or look at the property
4 that's concerned in this docket?

5 A I don't recall speaking to them, but, again, I
6 spoke to hundreds of individuals and business
7 owners as part of that session. So I may have
8 spoken to them and I just don't recall.

9 Q Have you ever gone and visited the work they're
10 doing there in Stark on the Percy Lodge &
11 Campground?

12 A I've visited the vast majority of this route. I
13 can't specifically recall visiting their
14 property.

15 Q So you know it's located in, their development
16 property is located in Stark, do you not?

17 A Well, you mentioned that. So, yes, I do.

18 Q Yes. And are you familiar with Stark, the
19 village of Stark?

20 A Not in detail, but I've certainly been in it.

21 Q Are you aware that the campground and that
22 wonderful old historic village has a viewpoint
23 of Percy Peak and Long Mountain?

24 A Not particularly, no.

1 Q And are you aware, Mr. Quinlan, that the lodge
2 is very near the beautiful Christine Lake?

3 A I am not.

4 Q You're not familiar with that either?

5 A I'm not.

6 Q And are you aware that Percy Lodge & Campground
7 has frontage on the Upper Ammonoosuc River?

8 A I am not aware of that either.

9 Q Do you know where the Upper Ammonoosuc River is?

10 A I know where the Ammonoosuc River is, but not
11 the Upper Ammonoosuc in particular, no.

12 Q Are you familiar with the fact that part of
13 their development is a campground and a boat
14 launch on the Upper Ammonoosuc River? Are you
15 familiar with that fact?

16 A I am not.

17 Q Are you familiar with the fishing available in
18 that river, that beautiful river?

19 A No, I'm not.

20 Q And do you know whether or not it's a tributary
21 to any other water bodies?

22 A No.

23 Q And if I told you it was a tributary of the
24 Connecticut River, are you aware of that fact?

1 A I am not. No.

2 Q So you're not able to tell the Committee today
3 what impacts this project was going to have on
4 the Percy Lodge & Campground?

5 A I personally am not. When you say impacts, if
6 you're referring to visual impacts, I would
7 defer those to our experts. He has probably
8 studied the property. Sounds like there's an
9 existing transmission corridor through the
10 property so, but you know, beyond that, I can't
11 go into the details of what the impacts may or
12 may not be if that's what you're referring to,
13 the visual impacts. So is there an existing
14 transmission corridor?

15 Q Well, there's an easement.

16 A But is there a transmission corridor?

17 Q And we'll talk about that in a minute.

18 PRESIDING OFFICER HONIGBERG: And this is
19 going to be much more efficient, Mr. Quinlan, if
20 you don't ask Mr. Cunningham questions.

21 A It was more of a statement.

22 Q Okay. The question I had -- I think the
23 exchange, Mr. Chairman, is probably more fun for
24 he and I than it is for you.

1 PRESIDING OFFICER HONIGBERG: You're
2 probably right about that.

3 BY MR. CUNNINGHAM:

4 Q Mr. Quinlan, there was some conversation
5 yesterday about the deal you made for
6 homeowners.

7 A Yes.

8 Q I think if they, I guess there were nine. The
9 Percy Lodge & Campground is not one of the nine,
10 is it?

11 A I don't know the answer to that question. I
12 suspect it is probably not. I don't believe
13 it's a single family residence.

14 Q It is not. It's a lodge. So they're not
15 available to opt out of the project or program
16 and get \$1500, are they?

17 A No. They would not be under the current
18 program.

19 Q All right. So you in testimony yesterday, and
20 you just mentioned it again today, mentioned
21 that there's a so-called transmission corridor
22 through Stark, New Hampshire?

23 A Yes.

24 Q On my client's property. Are you aware it's on

1 my client's property?

2 A No. I'm aware that the Coos Loop passes through
3 Stark so I was assuming it goes through your
4 client's property. That's why I asked the
5 question.

6 PRESIDING OFFICER HONIGBERG: I'm going to
7 do this off the record.

8 (Discussion off the record)

9 PRESIDING OFFICER HONIGBERG:
10 Mr. Cunningham, you may proceed.

11 MR. CUNNINGHAM: Fair warning,
12 Mr. Chairman. Thank you.

13 BY MR. CUNNINGHAM:

14 Q If you showed you my client's Exhibit 1, I think
15 it's on the screen. Do you have it?

16 A Yes.

17 Q That's what's known as DN-A Exhibit 1.

18 A Yes.

19 Q And would you kindly take a look at that
20 exhibit?

21 A Yes.

22 Q Are you familiar with that document?

23 A No.

24 Q Could you describe for the Committee what it is?

1 A It appears to be an easement grant from Stella
2 Lunn of Stark to Public Service Company of New
3 Hampshire.

4 Q And it's one of the PSNH easements that's
5 subject to the lease from PSNH to Northern Pass
6 Transmission. Is it not?

7 A I assume so, but subject to check. I know there
8 are dozens or hundreds of such leases, but it
9 does refer to the grant being for erecting,
10 repairing, maintaining, rebuilding, operating
11 electric transmission distribution lines. So I
12 assume so.

13 Q And --

14 A It's in Stark, yes.

15 Q I did it again.

16 PRESIDING OFFICER HONIGBERG: Actually that
17 wasn't your fault. That was his.

18 Q And what's the date, Mr. Quinlan, of that
19 easement, that Lunn easement?

20 A Can you scroll down?

21 Q Sorry.

22 A May 24th, 1946. That was the date of the
23 witness. Can you scroll down again, please?
24 Signatures appear to be May 27th, 1946.

1 Q What are the dimensions of the PSNH easement
2 described in that document?

3 A Appears to be 150-foot strip of land, 75 feet on
4 each side of the centerline.

5 Q And can you tell us the length of the
6 right-of-way or easement?

7 A 600 feet in the northerly direction and 3059
8 feet in the westerly direction.

9 Q So is it fair to say that the easement is
10 3000-some feet long?

11 A Without a map as to how the easement lays out,
12 it's difficult for me to say, but it appears to
13 be 3059 feet in length to the west.

14 Q Yes. And that's over half a mile, is it not, if
15 my arithmetic is correct?

16 A That's correct. Yes.

17 Q And can you tell us from the document itself how
18 much PSNH paid for this 150-foot by 3000-foot
19 easement?

20 A Appears to be 1 dollar and other valuable
21 consideration.

22 Q What I asked you to look at is up in the top
23 left where it says US stamps. 55 cents.

24 A Where is that? I'm sorry?

1 Q Top of exhibit, top left.

2 A Parenthetical?

3 Q Yes. It's in parenthetical reference there.

4 A I don't know whether that's the consideration or
5 not. I don't know what 55 cent stamp means.

6 Q If I told you it was a 1.10 at that time in 1947
7 per thousand that would mean that PSNH paid \$500
8 for this easement. Would you disagree with
9 that?

10 A Can you repeat the question? I'm sorry.

11 Q Well, let me suggest that in 1947, those tax
12 stamps, US stamps, were 1.10 per thousand.

13 MR. NEEDLEMAN: Mr. Chair, I'm going to
14 object to relevance at this point.

15 PRESIDING OFFICER HONIGBERG:
16 Mr. Cunningham?

17 MR. CUNNINGHAM: What this is entitled to
18 show, your Honor, is what Eversource Energy has
19 here is not a transmission corridor. In other
20 words, they paid \$500 for over half a mile of
21 easement in 1947 to bring electricity to rural
22 New Hampshire, not to build a huge transmission
23 corridor from Canada to greater New England. I
24 think that \$500 is a relevant point for this

1 Committee to understand and in that
2 connection --

3 PRESIDING OFFICER HONIGBERG:

4 Mr. Needleman?

5 MR. NEEDLEMAN: Yes, it sounds to me like
6 this is an overburdening the easement argument,
7 which, if it is, is more appropriate in a court
8 proceeding, not before this Committee. I don't
9 understand how the Committee should have any
10 jurisdiction over something like that.

11 PRESIDING OFFICER HONIGBERG: Mr. Needleman
12 has the better argument here, Mr. Cunningham.
13 Sustained.

14 BY MR. CUNNINGHAM:

15 Q Mr. Quinlan, the easement, the PSNH easement,
16 you say it's part of or holds the Coos Loop?

17 A Subject to check. Yes.

18 Q I think you said that in response to a question
19 yesterday from the Society's attorney.

20 A You're referring to this particular easement?

21 Q Yes. I am.

22 A I'm assuming it does. It would be logical.

23 It's an easement in Stark. I know the Coos
24 Loop, the transmission corridor runs through

1 Stark. So it's logical, but I'd have to confirm
2 that specifically. It's the first time I've
3 seen this easement, as I said.

4 Q And the Coos Loop through Stark, what structures
5 are there now?

6 A I'm sorry?

7 Q Well, what power lines or electric lines are
8 there that run through Stark at the present
9 time?

10 A There's a 115 kilovolt transmission line. AC
11 transmission line.

12 Q I was going to say, that's an alternating
13 current or AC transmission line, is it not?

14 A Yes.

15 Q And are there substations in Stark or Dummer or
16 Northumberland that reduce the power for local
17 distribution?

18 A There are certainly substations on the Coos Loop
19 that do exactly that, but I'm not aware that any
20 of them are in the towns you just identified.
21 That's a good question for Mr. Bowes.

22 Q Okay. And I'll ask him that. But if you would,
23 generally, in other words, this is a 115 kV
24 line?

1 A Yes.

2 Q AC current?

3 A Yes.

4 Q And you just testified that there are
5 substations somewhere to reduce the current for
6 local distribution.

7 A Yes.

8 Q What is the current level of the voltage on the
9 lower distribution lines?

10 A Lower distribution lines?

11 Q Yes.

12 A You mean into a home?

13 Q Yes.

14 A So distribution in New Hampshire is 34,500
15 kilovolts and lower.

16 Q In other words --

17 A We would consider any of those to be
18 distribution.

19 Q In other words, the 115 kV alternating current
20 is reduced in voltage to 34.5 kV for local
21 distribution, that's correct, is it not?

22 A Correct.

23 Q And that's part of what the Coos Loop does, does
24 it not?

1 A The substations for the transformers along the
2 Coos Loop and out into the radial feeds to the
3 distribution would step it down for business or
4 home use.

5 Q Yes. And in connection, and I know you answered
6 the question yesterday in the same connection,
7 in this same right-of-way that goes through
8 Stark, there's a gas line, is there not?

9 A I know there's a gas line that runs parallel to
10 portions of the Coos Loop. I don't know whether
11 it's present in the Stark portion of the Loop or
12 not.

13 Q Bear with me a second.

14 A Okay.

15 Q I'm going to show you DN-A Exhibit 2 which are
16 the responses to data requests that we filed on
17 Northern Pass, and if you would scroll down to
18 page 4?

19 A Is that A2 1-2?

20 Q Yes. And the question was asked about the gas
21 pipeline that runs through this easement.

22 A Yes.

23 Q Could you take a look at that and tell me what
24 that response was in terms of who owns the gas

1 pipeline, the size of the gas pipeline and any
2 other description that's contained in the gas
3 pipeline?

4 A It says Portland National Gas Transmission
5 System, PNGTS, owns a 24-inch gas pipeline
6 that's located within the existing Eversource
7 New Hampshire transmission rights of way in the
8 subject towns. Subject towns, I presume, are
9 Dummer, Stark, and Northumberland.

10 Q Can you and I then agree that the pipeline runs
11 across my client's property?

12 A Based upon this data request, it appears that
13 that's the case, yes.

14 Q And this gas pipeline, are you familiar with gas
15 pipelines?

16 A Generally, but not this pipeline in particular,
17 no.

18 Q So could you tell what the pressure on the
19 pipeline is?

20 A No. This pipeline, no.

21 Q No. And would you know whether the pipeline
22 contains compressed natural gas?

23 A I assume that it does. If it's an interstate
24 pipeline, it tends to be subject to compression

1 which means a higher pressure, but, again, I
2 don't know the particulars about this pipeline.

3 Q In other words, the gas is in liquid form.

4 A No. The gas is in a gaseous form.

5 Q But under pressure.

6 A Compressed. Yes. To allow it to flow.

7 Q And are there compression stations anywhere near
8 this pipeline that you know of?

9 A I am not familiar with this pipeline, no.

10 Q And do you know where the pipeline, the 24-inch
11 compressed gas pipeline, is located with respect
12 to your existing infrastructure on my client's
13 property?

14 A I am not specifically, but it appears to be
15 co-located within the same right-of-way. I'm
16 certain that the appropriate safety separation
17 was adhered to. There are very strict rules
18 with respect to separation of gas and electric
19 infrastructure.

20 Q So just to summarize, do you know what your
21 structures of the PSNH structures look like as
22 they exist on my client's property?

23 A No. I do not.

24 Q With the 115 kV lines?

1 A I do not.

2 Q Whether they're wood, what the heighth is, what
3 the cross bars are and so on?

4 PRESIDING OFFICER HONIGBERG: I don't know
5 I think really means I don't know.

6 A That's correct.

7 Q You don't know.

8 A I do not know.

9 Q There was testimony yesterday, a lot of
10 questions yesterday, Mr. Quinlan, about the Coos
11 Loop, and whether or not the Coos Loop should be
12 upgraded. I think you responded that yes, it
13 should be upgraded, did you not?

14 A I indicated that we had committed to upgrading
15 the Coos Loop.

16 Q And could you describe for us what upgrades
17 would go through my client's property with
18 respect to the Coos Loop should you decide to go
19 ahead and do that?

20 A Specifically? Your client's property I cannot,
21 but as I indicated yesterday, our upgrade is to
22 the northwest quadrant of the Loop. We will be
23 essentially reconductoring the line which means
24 replacing the existing cable with a higher

1 capacity cable to allow more of the local
2 generation to get to market.

3 Q And can you answer whether or not those
4 improvements will affect my client's property,
5 that Coos Loop improvements?

6 A Again, I'm not familiar with your client's
7 specific property as to where it lays out on the
8 Loop and whether it's in the area that we're
9 reconductoring or not.

10 Q And who would be the witness that would know the
11 answer to that?

12 A Specifically to your client's property?

13 Q Yes.

14 A You can try Mr. Bowes. If it's a property that
15 Mr. Chalmers has studied, he would also be
16 potentially able to answer your questions.

17 Q So but, in summary, it looks like there's
18 potential that the Coos Loop infrastructure will
19 be changed or upgraded across my client's
20 property.

21 A Potentially, yes.

22 Q And that's the same property through which you
23 propose to build the Northern Pass, is it not?

24 A Yes. If it's in that quadrant of the Loop,

1 correct.

2 Q So if I understand that, what we'll have there
3 on that old line easement will be your existing
4 115 kV lines that may or may not be upgraded by
5 the Coos Loop improvements?

6 A Correct.

7 Q A 24-inch gas pipeline, and Northern Pass DC
8 transmission infrastructure.

9 A Potentially, yes.

10 Q And could you explain to the Committee how
11 that's all going to work together on this
12 particular property?

13 A Work with respect to? Safety?

14 Q Where it will be in relation to one another?

15 A Sure. Again, I'm not familiar with this
16 specific right-of-way across this particular
17 parcel, but there are very clear and specific
18 requirements for the setoff distances between
19 those various infrastructures, and, obviously,
20 it's our intent not just on this property but
21 throughout the entire corridor to design this
22 thing in accordance with the National Electric
23 Safety Code and to respect those setoff
24 distances to ensure it could be operated safely.

1 Q But you cannot tell us on this day when this
2 Committee has this under consideration how this
3 is going to work and what the specifications are
4 going to be?

5 A For this particular property?

6 Q For this particular property.

7 A No, but I can say with confidence that it will
8 be designed and built in accordance with the
9 National Electric Safety Code. Not just for
10 this property but for the entirety of the
11 project.

12 Q A few more questions, Mr. Quinlan, with respect
13 to the Coos Loop.

14 If your company decides to go ahead and
15 build that, I think you told us it would cost in
16 the neighborhood of \$50 million.

17 A The Coos Loop upgrade?

18 Q Yes.

19 A Yes. That's the current estimate. But again,
20 there are some elements that may need to be
21 added at the Berlin substation.

22 Q And where is that money going to come from?

23 A The money for the upgrade to the Coos Loop?

24 Q Yes.

1 A From the Northern Pass Transmission project.
2 It's going to be a project development cost.

3 Q Who is going to front the cost?

4 A Northern Pass Transmission.

5 Q And where would Northern Pass Transmission get
6 the funds?

7 A Northern Pass Transmission is a subsidiary of
8 Eversource. So I think this question is better
9 left to Mr. Ausere to get into the details of
10 how we finance large construction projects, but
11 it's a mix of debt and equity, generally 50/50
12 structure.

13 Q So the advance of funds to Northern Pass would
14 come from Eversource, another Eversource Energy
15 subsidiary, would it not? Whether it's equity
16 or debt?

17 A Well, the Service Company, again, provides
18 services across all of the subsidiaries. In
19 this case, it would be structuring the
20 financing, if you will, but we typically target
21 a 50/50 debt to equity split.

22 Q And if I recall that review of the Transmission
23 Service Agreement, the Transmission Service
24 Agreement requires a 50/50 split between debt

1 and equity, does it not?

2 A That's a question better left to Mr. Ausere, but
3 it would make sense. Yes.

4 Q All right.

5 A It tends to be our capital structure.

6 Q Yes. And I think in response to a question that
7 was asked of you yesterday, you said that you
8 would recover that \$50 million from Hydro-Quebec
9 during the service agreement?

10 A We would recover all of the costs of the project
11 via this Transmission Services Agreement.

12 Q And has Hydro-Quebec agreed to that \$50 million?

13 A They've agreed to the total project cost
14 estimate which includes the \$50 million.

15 Q And is there a document that we can show the
16 Committee that can establish that by proof?

17 A Establish what?

18 Q That that \$50 million is acceptable to
19 Hydro-Quebec?

20 A The Transmission Service Agreement provides for
21 the recovery of all of the project costs.

22 Q Yes, but --

23 A The upgrade to the Coos Loop is part of the
24 project.

1 Q But the Transmission Service Agreement requires
2 an exchange, does it not, of budgets and costs
3 and projections of cost between you and
4 Hydro-Quebec, does it not?

5 A Yes.

6 Q And is there a document that we can see where
7 the Coos Loop funds are going to be part of that
8 projected budget?

9 A Sitting here today, I can't point to a specific
10 document, but the total project cost estimate is
11 a subject of frequent discussions, and the Coos
12 Loop upgrades are part of the project costs
13 estimate.

14 Q And there's been a recent, and I know some
15 questions were asked yesterday, there's been a
16 recent spate of publicity that Hydro-Quebec is
17 bucking some of the costs, development and
18 projected costs of the Northern Pass?

19 A I'm aware that there have been questions and a
20 lack of clarity, at least in the media. The
21 parties, both we and Hydro-Quebec, issued a
22 joint press release about a week ago where both
23 of our Chief Executive Officers expressed strong
24 commitment to the project, our mutual view that

1 the transmission services agreement is in full
2 force and effect and that we intend to proceed
3 with this project development, and it was really
4 intended to clear up any confusion that existed
5 out in the media. So that joint press release
6 is as direct and unequivocal as it can be, and
7 it came from our respective Chief Executive
8 Officers. So to the extent there were prior
9 confusion in the media, that release was
10 intended to clarify that.

11 Q Would it not be helpful to this Committee to
12 produce documents, an exchange of documents,
13 required by the TSA regarding the cost and
14 projected budget to see just what provoked this
15 public dispute about cost, other than some joint
16 press release?

17 A I don't believe there is a public dispute about
18 cost as between the parties. I mean, if you're
19 referring to the Coos Loop upgrades somehow
20 leading to the confusion in the media, there's
21 really no relationship. I suspect the project
22 budget and cost documents in some respects has
23 been produced here. I think it's a matter of
24 public knowledge that the current estimate is

1 \$1.6 billion. I can tell you categorically that
2 includes the Coos Loop upgrade.

3 There is one sensitivity around the project
4 cost estimate which is, as you are aware, we do
5 intend to bid this project into future
6 solicitations including the Massachusetts
7 solicitations. So some of the detailed
8 underlying cost information and how it was
9 derived and the bids we received from
10 contractors, that is commercially sensitive
11 right now, given the competitive solicitations,
12 but I can tell you the \$1.6 billion cost
13 estimate includes the Coos Loop upgrade.

14 Q And were there other costs that may have been
15 the source of the public concerns that have been
16 raised about the cost of this project?

17 A I'm not aware of any --

18 Q I'm just looking how we can understand and see
19 documents that will support what you just said.
20 That --

21 A That what?

22 Q That Hydro-Quebec and Eversource Energy are in
23 agreement on the cost of this project. I'm
24 looking for what proof that you can give this

1 Committee to assure the public.

2 A The single best document I could point you to is
3 our joint press release. It was published from
4 our respective Chief Executive Officers so, in
5 essence, the individuals running these
6 respective companies, and I don't think it could
7 be clearer or more unequivocal. So that's the
8 single best document I could point to you. If
9 you're looking for underlying budget details
10 around the bids that we received from our
11 contractors, how we're piecing together our
12 response to the solicitations, we're not in a
13 position to produce those today.

14 Q You're not in a position to produce those to the
15 Committee as it considers this project; is that
16 your answer?

17 A Again, it's commercially sensitive. We are
18 about to submit this project into a Request for
19 Proposals. So that information is sensitive.
20 If the SEC has an interest in understanding
21 greater detail, perhaps there's a way to do it
22 in the confidential session, but that bid in
23 particular is highly sensitive right now.

24 Q Yes. I understand. So my clients, the public

1 and this Committee, at least in the public
2 sessions here, have to rely on a press release
3 to assure themselves that the costs of this
4 project are under control.

5 MR. NEEDLEMAN: Mr. Chair, I object to
6 that. This is not what has been testified to.
7 Before this committee is an Application that
8 includes every detail of what we're seeking
9 approval to construct which includes the Coos
10 Loop. The Committee also has the Transmission
11 Service Agreement which specifies exactly how we
12 expect to be reimbursed for those costs so I
13 don't think the characterization is remotely
14 close to the facts of this case.

15 PRESIDING OFFICER HONIGBERG:

16 Mr. Cunningham?

17 MR. CUNNINGHAM: I'll move on,
18 Mr. Chairman.

19 BY MR. CUNNINGHAM:

20 Q Now, just a few more questions about the Coos
21 Loop. If I understand your testimony yesterday,
22 you said that absent the Northern Pass, well,
23 let's back up a second. The Coos Loop upgrade
24 has nothing whatsoever to do structurally, does

1 it, with the Northern Pass project. In other
2 words, the Coos Loop is not part of the Northern
3 Pass project, is it?

4 A Technically, it's not. However, to comply with
5 the National Electric Safety Code requirements,
6 we have to relocate a portion of the Coos Loop
7 within the existing right-of-way so we can then
8 build Northern Pass a safe distance from the
9 existing line.

10 Q Yes, and that was the subject of my earlier
11 questions.

12 A Okay.

13 Q And if I understand further on your responses to
14 questions yesterday, that you will spend the \$50
15 million to restructure the Coos Loop if and only
16 if this Committee grants a Certificate of Site
17 in this case. Is that your testimony?

18 A Correct.

19 Q So notwithstanding the need for the Coos Loop to
20 be upgraded for the people that live in the
21 North Country, you will only go ahead with the
22 upgrade of the Coos Loop if you get permission
23 to build the Northern Pass on these old
24 easements?

1 PRESIDING OFFICER HONIGBERG: The answer is
2 still going to be yes because that's what he
3 just said.

4 A Let me add to that because it's technically not
5 needed for the people of the North Country.
6 There's no reliability need that's driving the
7 investment in the Coos Loop. There's no
8 capacity need. We have plenty of capacity to
9 serve the citizens of the North Country. The
10 question is, should the export capacity of the
11 Loop be increased so that competitive generators
12 can get their energy to southern New Hampshire
13 or to Vermont. Typically, when that type of
14 investment is considered, it's the competitive
15 generators who would pay for the transmission
16 upgrade. In this case, for decades, the
17 competitive generators have been unwilling to
18 make that investment. So the Loop is
19 constrained. But for our customers in the North
20 Country, the folks who take electric service
21 from Public Service of New Hampshire, it's not a
22 necessary upgrade either from a reliability or
23 capacity perspective. It's why it's never
24 occurred.

1 Q Okay. And if it was a Reliability Project, if
2 you and I could agree that it was a Reliability
3 Project, you could recover the cost of the
4 project from the ratepayers, could you not?

5 A If it were required for grade reliability?

6 Q Yes, sir.

7 A Generally, yes. Either through regional rates
8 if it was viewed as a regional investment or
9 through local network service, if it were
10 particular to the locale.

11 Q And since it's not a Reliability Project, you've
12 opted not to upgrade it unless you get this
13 permit?

14 PRESIDING OFFICER HONIGBERG: Okay. If you
15 ask it again, he's going to give you the same
16 answer. You really want him to say yes, that's
17 right, again? Because I don't really want to
18 hear him do it again. So why don't you ask him
19 a different question on a different topic or
20 something new on this topic.

21 MR. CUNNINGHAM: Mr. Chairman, it's a point
22 worth driving home.

23 PRESIDING OFFICER HONIGBERG: I think we
24 got it. Seriously. Everybody out there knows

1 more about this than all of us. We get that.
2 But I think we understand the circumstances
3 under which the Coos Loop will or won't be
4 upgraded as it relates to this project.

5 MR. CUNNINGHAM: All right.

6 BY MR. CUNNINGHAM:

7 Q So is it fair then to characterize your
8 commitment to do the Co-op Loop an inducement to
9 build the Northern Pass?

10 A No. It's a commitment we are making in
11 conjunction with our plan to develop the
12 Northern Pass. It's a way of delivering
13 additional benefits to New Hampshire in the form
14 of increased small scale renewable operation.

15 Q So is it fair to characterize it like the deal
16 you made with Les Auten? Such an inducement?

17 A You're referring to the loan?

18 Q Yes.

19 A I think they're very distinguishable. The loan
20 was intended to promote economic development and
21 tourism in the North Country on a project that
22 is transformational, if you will, in the North
23 Country. This has a different focus. This
24 focuses on small scale renewable energy.

1 Q Now, I think I just have a few more questions,
2 Mr. Quinlan.

3 You understand, and I recall from your
4 testimony yesterday, that you have to have what
5 you describe as a secure route to build the
6 Northern Pass.

7 A That's correct.

8 Q Does "secure route" mean the legal right to
9 build the Northern Pass?

10 A I think that's probably a legal question, but
11 generally, yes, that's how I would characterize
12 it, yes.

13 Q And you're, I'm sure, familiar with RSA 162-H:7
14 that requires a developer of transmission
15 projects to have the legal right to build a
16 project?

17 A I'm not familiar with the RSA you're referring
18 to.

19 Q Or Site 301.03(6) that requires you to have the
20 legal right to build the Northern Pass?

21 A Not familiar with it either.

22 Q And who should I ask those questions to?

23 A Probably counsel.

24 Q Do you have such a legal right?

1 A To do what?

2 Q To build the Northern Pass on my client's
3 property?

4 MR. NEEDLEMAN: Mr. Chair, I'm going to
5 object. This matter has been addressed and
6 dealt with a long time ago already when the
7 Application was accepted.

8 PRESIDING OFFICER HONIGBERG: And,
9 actually, I think the answer, Mr. Needleman,
10 would have to be no as we stand here today
11 because until they get a Certificate of Site and
12 Facility from this Committee, they clearly don't
13 have the right. He can give no answer other
14 than no, isn't that right?

15 MR. NEEDLEMAN: Plainly, until there's a
16 Certificate, there's no right. It sounds like
17 he's also getting to a land rights question.

18 PRESIDING OFFICER HONIGBERG: You're
19 clearly right about that, but that's not the
20 question he asked. And I think at this point, I
21 think you would stipulate that as we sit here
22 today, this project can't be built, right?

23 MR. NEEDLEMAN: Absolutely.

24 BY MR. CUNNINIGHAM:

1 Q Mr. Quinlan, if you would be good enough, I'm
2 scrolling down through DN-A Exhibit 4 which is a
3 lease agreement between PSNH and Northern Pass
4 Transmission.

5 A Okay. I see it.

6 Q And if you would scroll, if you would, please,
7 I'm going to scroll down to page 6. If you'd
8 look at paragraph 1.5 of the lease agreement.

9 A Okay.

10 Q And are you familiar with that paragraph?

11 A No.

12 Q You were not a signatory to this agreement, this
13 lease, were you?

14 A I was not.

15 Q And this is another agreement to which Mr. Muntz
16 put his signature.

17 A Can you scroll down to the signature page?

18 Q Of course. Page 31?

19 A Yes.

20 Q James A. Muntz. So if Mr. Muntz was here, could
21 I ask him about that paragraph that we earlier
22 discussed on page 6?

23 A Ask him what?

24 Q What it means.

1 A What it means?

2 Q Yes. Do you know what it means, paragraph 6?

3 A Yes. Generally.

4 Q What's it mean?

5 A It's an as-is condition. A disclaimer of
6 warranty where the lessor, in this case PSNH, is
7 providing the lease on an as-is basis with no
8 representation of current warranty.

9 Q In other words, PSNH is warranting in its lease
10 with Northern Pass Transmission that it doesn't
11 claim any warranties or guarantee the title to
12 the lease, to the easements under the lease?

13 A Correct. And the lessee in this case, Northern
14 Pass, is assuming the risk of that
15 representation, correct.

16 Q And could you tell me whether or not that's
17 unusual in a lease deal? To have a disclaimer
18 of title?

19 A That's a question better asked to the lawyers,
20 but it would seem common to me and logical.

21 Q That a company that claims to have rights over
22 easements does not warrant title to the
23 easements? That's usual?

24 A Again, I think that's a question better asked to

1 a real estate lawyer generally, but it doesn't
2 strike me as unusual, no.

3 Q I think I just have one more question, Mr.
4 Quinlan, about the lease. If you would scroll,
5 I'm scrolling down to page 10, paragraph 4.1,
6 which refers to regulatory approvals.

7 A Yes. I see that.

8 Q Are you familiar with that paragraph of the
9 lease?

10 A No.

11 Q Would you take a little bit of time and look at
12 it?

13 A Okay.

14 Q How would you characterize the intent of that
15 paragraph?

16 A It essentially conditions the construction site
17 and the construction of the project on the
18 leasehold upon the receipt of necessary permits
19 and approvals, similar to the one referred to
20 earlier from the SEC Certificate.

21 Q Would that include the approval of the New
22 Hampshire Public Utilities Commission?

23 A Yes, I am aware there is a ongoing proceeding
24 with the New Hampshire Public Utilities

1 Commission concerning this lease and the
2 consideration to be paid and whether it's in
3 essence just and reasonable. I know that's an
4 ongoing proceeding.

5 Q So as of the date of this Committee proceeding,
6 as of this date, that PUC condition regulatory
7 approval has not been obtained yet by --

8 A That's correct. I believe the proceeding is
9 running in parallel.

10 Q That's all the questions I have, Mr. Chairman.

11 PRESIDING COMMISSIONER HONIGBERG: Thank
12 you, Mr. Cunningham. Mr. Palmer, I think your
13 group is up now.

14 Mr. Palmer's group is the Bethlehem to
15 Plymouth Abutting Property Owners. As we
16 discussed yesterday, Mr. Palmer is going to ask
17 questions on route selection and visual impact.
18 I think Dr. McLaren is going to be asking
19 questions and property rights and engineering,
20 and then Carl Lakes on the Forward NH Plan and
21 environmental impacts.

22 Mr. Palmer. You may proceed.

23 **CROSS-EXAMINATION**

24 **BY MR. PALMER:**

1 Q Thank you, Mr. Chairman. Hello, Mr. Quinlan.

2 A Morning.

3 Q I'm Walter Palmer. I'm the spokesperson for the
4 abutters from Bethlehem to Plymouth on the
5 underground portion of the route. Intervenor
6 Group. As Chairman Honigberg just alluded to,
7 we had planned to have three people from our
8 group ask you questions today. However,
9 Dr. McLaren has decided that his questions would
10 probably better be held until some of the other
11 witnesses in your group are on the stand, and
12 he's decided that he will not be asking you
13 questions. So I will ask you some preliminary
14 questions and then Mr. Lakes will take over and
15 ask some questions in his topic areas.

16 A Okay.

17 Q All right. My initial questions today pertain
18 to the underground portion of the route which is
19 approximately a third of the entire transmission
20 line route, is that right?

21 A Approximately, yes. 60 miles.

22 Q We've heard testimony yesterday and today about
23 the lengthy considerations and studies and work
24 that went into development of the overall

1 overhead route that you had arrived at as of
2 2013. You mentioned several criteria that your
3 group looks at carefully, and you mentioned a
4 whole host of studies that you discussed this
5 morning that you went through in order to arrive
6 at your proposed plan that you had arrived at by
7 2013. Is that right?

8 A Again, that plan predated my involvement, but
9 yes, there was substantial study went into that.

10 Q The company had. Predating your involvement.
11 That's true.

12 A Yes.

13 Q But the point is that years were spent?

14 A I'm sorry?

15 Q The point is that years were spent developing
16 that proposed plan; is that right?

17 A The 2013 plan?

18 Q Yes. I mean, you testified that the company
19 started in 2008 in developing this plan so that
20 sounds like five years of development.

21 A Yes. So the progression was the, I think the
22 initial route was an all overhead route through
23 the western portion of the North Country. That
24 was subsequently changed to move the northern

1 corridor, if you will, to the east away from the
2 population center so that happened in the 2010
3 to 2013 time frame.

4 Q Well, I understand the progression of the
5 proposals.

6 A Okay.

7 Q I just wanted to get at the point that a
8 tremendous amount of study went into developing
9 the proposal as it had arrived, had been
10 developed to the point of 2013, five years of
11 studies had gone into it?

12 A Clearly. Yes. Absolutely. Yes.

13 Q Okay. Now, turning to the underground portion
14 of the project which was announced in August of
15 2015 about, I guess, roughly a year after you
16 had started working with the company, you
17 characterized that as, the fact that you were
18 very much involved in that decision, in fact,
19 you characterized it almost as your decision to
20 do that, to use the underground portion of the
21 route; is that right? It was more or less, you
22 were very much involved in that decision?

23 A Yes. That's correct. Yes.

24 Q Our concern, I wanted to ask whether you

1 understand that our concern is that the decision
2 to go to this underground route was a
3 precipitous decision taken very quickly based on
4 political and convenience factors without the
5 appropriate study that should have gone into
6 deciding to build one third of the route in this
7 very ill-conceived, in our opinion,
8 ill-conceived manner. Do you understand that
9 that's the concern that I'm raising here today?

10 A I don't agree with your characterization. I
11 think it was a well-thought-out decision that
12 was based upon extensive stakeholder outreach
13 over roughly a year period.

14 PRESIDING OFFICER HONIGBERG: Mr. Quinlan,
15 just to be clear though, he just wanted your
16 view, that he wants you to understand that is
17 his concern. You understand that to be his
18 concern. You may disagree with whether those
19 are valid concerns.

20 A Yes.

21 PRESIDING OFFICER HONIGBERG: But that is
22 his concern, and you understand that, correct?

23 A I understand that. Yes. It's clear.

24 Q Because we do consider this to be a very

1 ill-conceived plan because it's going to be
2 burying a high voltage transmission line right
3 through the center of some very active little
4 towns in northern New Hampshire and right down
5 rural and residential roads and through the
6 yards, the front yards of people who have owned
7 property on those roads, abutters along those
8 roads, who have invested their life savings in
9 the properties along those roads.

10 So that is the basis for our concern. We
11 feel it's a very ill-conceived plan, and the
12 point that I'm to get at here, tease out right
13 now is the fact that that plan was adopted
14 precipitously and without proper study.
15 And if a proper study had been done, perhaps a
16 different choice would have been made. Do you
17 understand that that's the point that I'm trying
18 to raise here this morning?

19 A I understand that's your point, yes.

20 Q Okay. And to support that point, I'd just like
21 to point out that you said that this decision
22 was taken after you had begun working with
23 Northern Pass, and after you had begun your
24 listening tour, and when did you begin your

1 listening tour?

2 A Mid 2014.

3 Q An you said that the decision to build a large
4 portion of this transmission line underground
5 was based on things that you heard during your
6 listening tour which started in mid 2014. So if
7 I have the chronology correct, you started your
8 listening tour in mid 2014, and you took this
9 decision to build a third of the power line
10 underground through our neighborhoods less than
11 a year later.

12 A Not quite. I believe we announced the Forward
13 NH Plan in August of 2015. So a little over a
14 year later.

15 Q Okay. Okay. I'm sorry. Maybe a year and a
16 couple months later.

17 A Okay.

18 Q So this decision to build one third of the
19 transmission line through our neighborhoods
20 underground was developed in the course of less
21 than a year. Maybe a couple months more than a
22 year.

23 A Approximately. Yes.

24 Q So I'm wondering considering that in order to

1 develop the plan that you had developed up to
2 that time took five years of study and careful
3 consideration of many criteria, how is it that
4 you could now suddenly decide to build a large
5 portion of the third of this power line
6 underground in our neighborhoods and in our
7 towns in less than a year? How could you
8 possibly have done the amount of study that
9 would be required to develop that plan in the
10 space of a year?

11 A It was a very focused year of stakeholder
12 outreach, a broad range of concerned and
13 interested New Hampshire groups provided input
14 into that decision. Obviously, in parallel, we
15 were looking at technical and engineering
16 feasibility, and we were able to accomplish that
17 in a year.

18 Q If I may, could I ask you to elaborate a little
19 on that?

20 A Sure.

21 Q I'm just curious. Can you give me a little bit
22 more detail on what type of very focused studies
23 were carried out in the space of a year in order
24 to arrive at this fairly momentous and

1 ill-conceived decision?

2 A Studies or outreach? I'm sorry.

3 Q Both.

4 A On the technical and engineering side, we had an
5 engineering team look at what it would take from
6 a design and engineering perspective to be able
7 to, in essence, avoid overhead construction in
8 and around the White Mountain National Forest.
9 That was the goal or objective that came out of
10 the outreach. When we established that goal or
11 objective, I asked the engineers to look at
12 routes that allowed us to accomplish that goal.
13 That led to the route that we announced. It was
14 based upon technical feasibility. It was based
15 upon the available land rights. Where can we
16 exit and enter the right-of-way. What are the
17 roads that we would go under because we didn't
18 want to go underground through the right-of-way
19 because of the environmental impacts of
20 underground construction and transmission
21 right-of-ways.

22 So we were driven to the roadways. The
23 engineers evaluated that. We made a
24 determination as to how big a bypass were we

1 going to design. You know, technically, the
2 White Mountain National Forest, we're only, the
3 right-of-way, the transmission corridor, is only
4 in the White Mountain National Forest for 16
5 miles technically. But when you look at the
6 approaches to the north and the south of the
7 White Mountain National Forest, we said well,
8 let's try to be underground around those
9 approaches. That led us from 16 miles to 52
10 miles. That's how we ended up from Bethlehem to
11 the north to Bridgewater to the south which was
12 to totally avoid the White Mountain National
13 Forest, Franconia Notch, Appalachian Trail.

14 The engineers then looked at that and said
15 that's 52 miles. We're not going to be able to
16 have a 1200 megawatt line for us to do it safely
17 and reliably. We have to change our cable
18 technology. We have to reduce the size of the
19 line. And those are, to your point, those were
20 all very significant decisions. We have a
21 smaller project, we have new cable and converter
22 technology which is a big decision. We have a
23 significantly increased cost. So yes, these
24 were important decisions. It was a full year of

1 outreach and engineering study that led to that
2 decision.

3 Q So it's your testimony that even though it took
4 five years to develop the plan up to that point,
5 you were able to somehow do the amount of
6 technical study required to develop a plan for
7 the underground portion which is a third of the
8 distance of your power line now in the space of
9 a year.

10 A Yes.

11 Q And you said you considered other alternatives.
12 Could you list the other alternatives that you
13 considered?

14 A For bypassing the White Mountain National
15 Forest?

16 Q Yes.

17 A Yes. We considered a 16-mile segment as opposed
18 to 52 miles which technically would have
19 bypassed the White Mountain National Forest, but
20 we elected to --

21 Q Where would those 16 miles have run?

22 A I don't have a map in front of me, but if you
23 look at the existing transmission corridor, and
24 when does it enter and exit the White Mountain

1 National Forest, that's a 16-mile distance. But
2 then if you really looked at where would the
3 line be visible from the White Mountain National
4 Forest because of the contours in that area,
5 that's how we landed on the 52 miles. If I had
6 a map, I could show you more clearly what I
7 mean.

8 Q Okay. Well, we'll just take your description
9 for the time being.

10 A Okay.

11 Q All of these studies that were conducted in the
12 space of this year, were any publications or
13 documents produced outlining the results of
14 these studies and demonstrating to the public
15 how this route that you chose was somehow
16 advantageous to the public?

17 A Yes.

18 Q What studies were produced?

19 A The Forward NH Plan.

20 Q The Forward NH Plan that I saw was a fairly
21 short and cursory description, but it certainly
22 was not anything that could be characterized as
23 a detailed study demonstrating the benefits of
24 this new route.

1 A That was the essence of the Forward NH Plan was
2 to demonstrate the benefits of not only the new
3 route but the economic and environmental
4 benefits of the project.

5 Q Well, yes. The Forward NH Plan makes several
6 assertions in that area, but it does not present
7 any kind of detailed economic or engineering or
8 environmental study, does it?

9 A Well, it's not technically a formal study, but
10 the economic, environmental impacts are clearly
11 summarized in the plan.

12 Q But that was my question was whether these
13 detailed studies that you stated were carried
14 out in the space of that one-year period were
15 ever published or made public?

16 A I don't know if they've been produced as part of
17 this proceeding, but there are certainly
18 underlying engineering, environmental and other
19 studies that support everything in the Forward
20 NH Plan, and I'm assuming our Application lays
21 this out in extensive detail, particularly
22 environmental and other impacts.

23 Q Well, I've looked, and the only thing that I've
24 seen that really addresses this is the Burns &

1 McDonnell study which is partially confidential,
2 but what was the date of that study? When was
3 that study released?

4 A So we're talking about the same study, you're
5 talk about the Burns & McDonnell evaluation of
6 the all-underground project?

7 Q Yes.

8 A Yes. I'm not, without that study in front of
9 me, I can't speculate as to its release date,
10 but that was looking at the feasibility of all
11 underground construction in Interstate 93.

12 Q And concluded that the route that you've chosen
13 would be the best route?

14 A Well, no. It concluded that an all-underground
15 project on Interstate 93 would add a billion
16 dollars to the project cost. There are other
17 reasons why we didn't choose Interstate 93
18 beyond the cost, but one of the key drivers of
19 that decision is the additional billion dollars
20 which in our view makes the project uneconomic.

21 Q Would you believe me if I told you that that
22 study was released in May of 2016?

23 A Subject to check, that makes sense.

24 Q So that's nearly fully a year after your

1 decision to adopt this underground route through
2 our neighborhoods. Is that correct? Almost a
3 year.

4 A Yes. So again, Forward NH Plan was announced in
5 August of 2015. This is May of '16. But, you
6 know, prior to the Burns & McDonnell study, we
7 had done preliminary analyses of all underground
8 construction and had estimated a billion dollar
9 cost impact.

10 Q So these preliminary studies were never released
11 or made available to the public; is that right?

12 A The studies may or may not have been, but the
13 essence of the outcome was. We've long known
14 that that was approximately a billion dollars of
15 extra cost just based -- can I finish?

16 Q Sorry.

17 A Based upon, you know, our awareness of the cost
18 of underground construction, bids that we've
19 been receiving from contractors who had
20 performed the construction, so we generally know
21 what the incremental cost is. The Burns &
22 McDonnell study proved out our earlier estimates
23 but demonstrated that it is a billion dollars.

24 Q Okay. We know that you know or consider that

1 your proposal is a good proposal or is a
2 proposal. But my point is that you have not
3 demonstrated by releasing technical studies to
4 support your assertion that this is a good
5 route. You have not supported your assertions
6 that this is an optimal route or a good route.
7 And, in fact, it's our concern that this is a
8 very suboptimal route, and we feel that, you
9 understand, that our concern is that your
10 assertion that this is somehow a good route is
11 totally unsupported by any technical data or
12 studies that were released prior to your
13 decision.

14 PRESIDING OFFICER HONIGBERG:

15 Mr. Needleman, you want to go first?

16 MR. NEEDLEMAN: Well, I'm going to object.
17 In response to discovery in this matter, we've
18 produced literally hundreds of thousands of
19 pages of materials. If there's something that
20 Mr. Palmer thinks we should have produced that
21 we didn't, I think it should be identified, but,
22 otherwise, I'm not really sure that there's
23 anything worth of argument at this point.

24 PRESIDING OFFICER HONIGBERG: I don't know

1 that Mr. Palmer knows whether there's something
2 that hasn't been produced because he's probably
3 not seen it. But what I was going to say to
4 you, Mr. Palmer, is that it's rarely effective
5 to argue with the witness while the witness is
6 on the stand.

7 MR. PALMER: Okay.

8 PRESIDING OFFICER HONIGBERG: It's
9 possible, but generally only happens on TV that
10 he's going to break down all of a sudden and say
11 oh, my God, you're right. And you're generally
12 doing a good job of asking him questions about
13 what exists and what he relied on, and I think
14 the productive area for you to go, maybe you've
15 exhausted it at this point, but it was to ask
16 him what he relied on, and then ask him if that
17 has been produced as part of this proceeding.
18 And if he doesn't know, his lawyers may know
19 whether what he relied on has been produced. I
20 think that's where you want to end up
21 substantively as part of this questioning.

22 Where you want to end up at the end of this
23 proceeding, I think we all know, but I can
24 almost guarantee you that he's not going to

1 agree with you while he's sitting here today.

2 Q Okay. I appreciate your advice. Thank you very
3 much, and apologies if I'm somehow straying off
4 course here, but the point I'm trying to make is
5 this decision to suddenly move a third of your
6 transmission line to this underground route
7 through our towns and through our neighborhoods
8 was a precipitous decision which was not
9 supported by appropriate study; and that if an
10 appropriate study had been done, you would have
11 found that this proposal has way more impact
12 than it should have, than you originally thought
13 that it would, and is, in fact, a very
14 ill-conceived decision and not a good proposal.

15 Mr. Needleman alluded to hundreds of
16 thousands of pages of documentation. Thank you,
17 Mr. Needleman. I do you understand that there
18 are hundreds of thousands of pages of
19 documentation. None of this is pertinent to the
20 underground route. Or very little of it is. I
21 mean, if you look at the studies that Northern
22 Pass has produced, isn't it true, Mr. Quinlan,
23 that Mr. Chalmers' study, for example, looking
24 at the impact on property values does not

1 address underground installation whatsoever?

2 A I believe that to be true, but, again, I think
3 that his analysis speaks for itself.

4 Q Isn't it true that the visual impact study that
5 you produced in support of this project does not
6 address underground issues whatsoever,
7 installation whatsoever?

8 A That would be logical. I mean, there shouldn't
9 be a visual impact for underground
10 infrastructure.

11 Q So you're testifying now that there would be no
12 visual impact.

13 A Certainly upon completion of the project.

14 Q We'll get into that question later, but isn't it
15 true that the environmental study done by Lee
16 Carbonneau did not conduct any field work for
17 the underground portion of the route?

18 A I don't know the answer to that question. I
19 would believe that we've done environmental
20 studies of underground impacts. I'm certainly
21 aware that we've conducted a lot of geotechnical
22 survey work along the underground route so
23 there's extensive field work taken place on
24 these segments.

1 Q Well, I'll tell you that during the technical
2 session, I asked Lee Carbonneau that question,
3 and she told me that the environmental studies
4 along the proposed underground portion of the
5 route were based on generic knowledge of New
6 Hampshire ecologies and not based upon field
7 studies because that portion of the route was
8 decided upon well after most of her studies had
9 been done; and, therefore, my conclusion,
10 wouldn't you agree that it's a logical
11 conclusion that these environmental studies,
12 appropriate environmental studies were not done
13 prior to the decision to adopt this underground
14 route?

15 MR. NEEDLEMAN: I'm going to object,
16 Mr. Chairman.

17 PRESIDING OFFICER HONIGBERG: I think there
18 was a question about whether the Carbonneau study
19 covered the underground portion. I think, Mr.
20 Quinlan, you started your answer with you didn't
21 know.

22 A I do not know. That's correct.

23 PRESIDING OFFICER HONIGBERG: I think
24 that's what you want. Isn't it? Because you

1 think you have other information that says that
2 it doesn't.

3 MR. PALMER: Okay.

4 PRESIDING OFFICER HONIGBERG: So I know
5 that Mr. Quinlan then went on to speculate that
6 he thought probably appropriate studies were
7 done, and then we got into an argument about it.
8 But really what, isn't it what you wanted that
9 he doesn't know because you think you do know,
10 right?

11 MR. PALMER: Well, I think that's as far as
12 we can take this discussion.

13 A Just to be clear, and there was some speculation
14 there, Mr. Chairman, but I am personally aware
15 of the extensive geotechnical work we have
16 performed in the underground route throughout
17 2016 so that I am absolutely certain has taken
18 place.

19 Q Yes. And I don't deny that that geotechnical
20 work took place. I was there on site when they
21 were doing it.

22 A Okay.

23 Q That was in June of 2016. That was fully a year
24 after you made the decision to adopt this route.

1 So I hope you can understand how it might appear
2 to us that these studies produced after the
3 decision was taken are sort of after the fact
4 studies which are trying to justify a bad
5 decision rather than -- and did you do similar
6 geotechnical works on the other alternatives?
7 Did you consider whether they were comparatively
8 better or worse geotechnically than the route
9 that you chose?

10 A The purpose of the geotechnical work is to
11 finalize the design and engineering and to
12 support the necessary permitting that was taking
13 place late in 2016 and into 2017. So we're at
14 that phase of the project where getting more
15 specific details around site conditions is
16 important. The way you do that is through
17 geotechnical work as you're design engineering
18 matures. That's the reason for the timing, if
19 you will.

20 Q I understand that those geotechnical studies
21 were conducted to support further design work.

22 A Yes.

23 Q My point is they were not conducted as a basis
24 for deciding amongst the most appropriate

1 alternatives for avoiding taking your
2 transmission line through White Mountain
3 National Forest. You did not conduct similar
4 geotechnical studies on the other alternatives
5 that you considered, for example.

6 A Which alternatives are you referring to?

7 Q I'm sorry?

8 A Which alternatives are you referring to?

9 Q Well, you mentioned the 16-mile alternative.
10 You mentioned an alternative using I-93. There
11 are other alternatives that could have been
12 considered. I don't know -- my question is you
13 said that you used these geotechnical studies to
14 reach your decision to -- no, you didn't say
15 that. You're saying that these studies were
16 done only to support further design of the
17 decision after it had already been made.

18 A Correct.

19 Q Okay. So returning to my original point, those
20 studies did not support your decision. The
21 decision was not based on those technical
22 studies.

23 A That's correct.

24 Q Okay.

1 A Yes.

2 Q Which further bolsters my original point that
3 this was a fairly precipitous decision which was
4 not based on the appropriate study that should
5 have gone into building -- sorry.

6 PRESIDING OFFICER HONIGBERG: Sustained.

7 MR. PALMER: Okay. I'll leave that as it
8 is.

9 BY MR. PALMER: I have some other questions about the
10 underground route. I have asked these questions
11 of have various representatives of Northern Pass
12 during the technical session, and I received
13 certain answers, and I'd like to hear your
14 answers now under oath because I'm curious
15 whether these answers will change.

16 First of all, I was told that in the
17 underground route, there will be no trees cut.
18 There's no need to cut any trees in order to
19 install the power line within the underground
20 route.

21 PRESIDING OFFICER HONIGBERG: And the
22 question is?

23 Q The question is, is that true?

24 A I don't know the answer to that question.

1 Q So I'm taking that as a maybe there will be some
2 trees cut.

3 PRESIDING OFFICER HONIGBERG: I think "I
4 don't know" means I don't know.

5 MR. PALMER: Okay.

6 Q I was told that on further consideration it
7 appears that there's not going to be any need
8 for any blasting of ledge during the
9 installation of the power line. Is that true?

10 A I don't know the answer to that either.

11 Q You don't know the answer to that either?

12 A No.

13 Q I was told that it is actually in your testimony
14 that everything along the underground route will
15 be returned to as good or better condition as it
16 was in prior to your start of construction. Do
17 you agree that that's in your testimony?

18 A I do and that certainly is our objective. Yes.

19 Q So hypothetically, if trees need to be cut, and
20 if blasting needs to be conducted and ledge
21 needs to be blasted and if a tremendous amount
22 of soil needs to be removed and replaced, is it
23 really going to be technically feasible to
24 return things to as good or better condition as

1 they were before you started construction?

2 A Yes. That is certainly our goal and objective.
3 I mean, we do have some experience building in
4 this case underground transmission
5 infrastructure, and we work very closely with
6 abutting landowners, business owners, the
7 permitting agencies to achieve that goal. As
8 you know, some of this line will be under paved
9 roads. That's one of the reason why we selected
10 this particular underground route is because it
11 is a disturbed roadway. We're not blasting
12 through a new right-of-way. So in those
13 instances, our commitment is to work with the
14 Department of Transportation and, as necessary,
15 municipalities to restore the roadway to the
16 same or better condition as we found it. That's
17 certainly our goal, and we've had good success
18 in other projects.

19 Q So are you familiar with the April 3 letter from
20 the New Hampshire Department of Transportation
21 to the SEC in which they specified some
22 preliminary conditions for installation of this
23 underground portion of the transmission line?

24 A I'm aware that the letter was issued. I am not

1 familiar with the letter in detail, no.

2 Q Okay. One of the conditions specified in that
3 letter is that you are going to be required to
4 bury this transmission line a couple feet deeper
5 than you had originally proposed. This means
6 that the transmission line is actually going to
7 be now about 7 feet below the surface of the
8 soil.

9 My question is do you feel that that
10 condition be done without creating irreparable
11 damage to the environment?

12 A Yes. Our engineers and designers are looking at
13 the conditions that Department of Transportation
14 and also the Department of Environmental
15 Services have specified in their final reports,
16 and we're assessing what the impacts of those
17 two reports are on the project. You know,
18 preliminarily, we feel confident we can comply
19 with all the conditions, but we're going through
20 it condition by condition to verify impacts.

21 Q I'm sorry. Excuse me. I don't mean to
22 interrupt, but my question was not whether you
23 can comply with conditions. I'm sure that you
24 would be able to. My question is, can that be

1 done without irreparable damage to the
2 environment, and the reason I ask is because in
3 my property and on other properties along the
4 route, the shallow water table which I'm using
5 to water my livestock is much less than 7 feet
6 below the ground. This power line that you
7 intend to install will be sitting in the
8 aquifer. Sitting in the aquifer. The power
9 line will be surrounded by geothermal concrete
10 which has unknown chemical additives in it which
11 will be leaking into my aquifer.

12 So my question is given the DOT condition
13 that you need to bury this power line 7 feet
14 below ground, and, therefore, sitting in the
15 aquifer that I'm using to water my livestock, do
16 you consider that you're going to be able to do
17 this without irreparable damage to my aquifer
18 and to the environment along the route?

19 A Yes. Again, DES has also looked at the proposed
20 project, and they have identified specific
21 conditions, and it's our intention to comply
22 with both DOT and DES's conditions. DES on the
23 environmental side, DOT on the transportation
24 side. Yes.

1 Q Quite separate from the DES conditions, can you
2 explain to me how placing material containing
3 chemical additives in the aquifer and leaving it
4 there indefinitely will not affect that aquifer?

5 A I'm not familiar with the chemicals you're
6 referring to or the aquifer depth so I
7 personally can't answer that question.

8 Q Okay. So is there some witness coming after you
9 who might be able to answer that question
10 better?

11 A We do have a construction panel that's going to
12 be able to answer questions about the DOT's
13 permit conditions and the use of backfill
14 materials. So that might be a good panel. Also
15 the environmental panel if it's specific to an
16 environmental impact.

17 PRESIDING OFFICER HONIGBERG: Off the
18 record for just a sec.

19 (Discussion off the record)

20 PRESIDING OFFICER HONIGBERG: We're going
21 to take a break and we'll be back at 5 minutes
22 to 11.

23 MR. PALMER: Okay. Thank you.

24 (Recess taken 10:41 - 10:55 a.m.)

1 PRESIDING OFFICER HONIGBERG: Mr. Palmer,
2 you may proceed.

3 MR. PALMER: Okay. Thank you.

4 BY MR. PALMER:

5 Q Getting back to some of the questions about the
6 underground portion of the project that I've
7 asked some of your earlier representatives
8 during technical sessions. I asked whether
9 there will be any aboveground signs or warning
10 signs or any type of indications left behind
11 after the project is constructed that will be
12 visible aboveground once the project is done.
13 And they told me that there would not be. Would
14 you agree with that?

15 A Warning signs?

16 Q Warning signs or any types of signs.

17 A I wouldn't expect there will be extensive
18 signage. Sometimes we do placard transmission
19 infrastructure just to warn the public to stay
20 away from energized conductors. So I'm familiar
21 with those types of signs, but generally, I
22 wouldn't expect there to be extensive signage.

23 Q Not extensive, but there will be, you're saying
24 that there may be some signage aboveground after

1 the project is finished?

2 A There might be, what I'm referring to are signs
3 that are fixed to the base of a transmission
4 structure that essentially caution the public to
5 keep a safe distance.

6 PRESIDING OFFICER HONIGBERG: Mr. Palmer,
7 you're just asking about the underground
8 portion, are you not? His question, I think, is
9 limited to the underground.

10 A To the underground. I'm sorry. I thought you
11 were referring to the overhead.

12 Q No, purely on the underground portion of the
13 line.

14 A I'm not aware of any signs that will exist in
15 the underground sections.

16 Q Given that the construction now will need to be
17 deeper than originally proposed, that's going to
18 require more truck loads of earth being moved in
19 order to install the power line at that deeper
20 depth; is that right?

21 A Potentially. Again, the final design has not
22 yet been determined, but if we have to go deeper
23 we'll have to obviously excavate more and
24 backfill greater depths.

1 Q So if you're going deeper and you're excavating
2 more, would you agree that when excavating the
3 deeper trench, the top of the trench becomes
4 much wider, is that right? Because of the
5 collapse of the side walls?

6 A Well, there are safe trench practices that
7 define the width and any shoring that's required
8 depending on trench depth and trench width. So
9 it may require additional shoring to ensure that
10 there are no collapses and that the trench could
11 be worked safely. Potentially, yes.

12 Q You may actually end up using shoring in order
13 to avoid having to dig a wider trench; is that
14 what you're saying?

15 A Yes, but in all respects, it's a very high
16 priority to follow safe work practices around
17 trenching. It's a very serious matter.

18 Q Because, again, one of our concerns is that in
19 some portions of the right-of-way the
20 right-of-way width is only 40 feet wide, and my
21 question is if you need to do trenching down to
22 7-foot depth, and you also need to leave a
23 safety lane in order for emergency vehicles to
24 get past, is it going to be possible to do both

1 of those things within a 40-foot right-of-way?
2 I mean, we wonder whether your proposal is even
3 technically feasible.

4 A We believe it is. We are confident in our
5 ability to construct this facility. As I said
6 earlier, we are looking at all of the conditions
7 required by the Department of Transportation,
8 and, preliminarily, we believe we can comply
9 with all of them. You know, as to your point on
10 the location of the facilities, in many
11 instances we're being encouraged by Department
12 of Transportation to try to avoid the travel
13 lane. To be on the shoulder, if you will, or in
14 the breakdown lane where possible. So we're,
15 obviously, going to take that into consideration
16 as we finalize the design.

17 Q In an area where the right-of-way is only 40
18 feet wide, there's not much of a breakdown lane,
19 is there?

20 A Generally, that would be true, but there is
21 likely to be disturbed area off the edge of the
22 paved surface, and we would try to put our
23 facilities in that area.

24 Q And in areas where the right-of-way has not been

1 established because legal historic documents
2 establishing it have not been found, isn't it
3 true that you are constrained to staying within
4 the disturbed shoulder of the road and cannot
5 move off into any further right-of-way because
6 there's no established right-of-way?

7 MR. NEEDLEMAN: I'm going to object.

8 A I would refer that to counsel.

9 PRESIDING OFFICER HONIGBERG: Hang on, Mr.
10 Quinlan. What were you going to say, Mr.
11 Needleman?

12 MR. NEEDLEMAN: I'm going to object.
13 That's a legal conclusion as to whether the
14 right-of-way has been established. We believe
15 it has.

16 PRESIDING OFFICER HONIGBERG: And I think
17 your witness actually agrees with you.
18 Mr. Palmer, you may proceed.

19 MR. PALMER: You said you believe it has
20 been established?

21 MR. NEEDLEMAN: Well --

22 PRESIDING OFFICER HONIGBERG: I think the
23 witness answered the question that he would
24 defer that question to legal counsel.

1 MR. PALMER: Okay. Sorry. Okay.

2 BY MR. PALMER:

3 Q On another topic area, what restrictions are
4 going to be placed on abutting property owners
5 once this power line has been established? I
6 mean are there going to be any restrictions on
7 what we're going to be able to do on our land?

8 A I'm not aware of any restrictions that would be
9 imposed on abutting property owners, but I think
10 that's a good question to ask the construction
11 panel.

12 Q Okay.

13 A And just so I'm clear, you're referring to once
14 the project is in service.

15 Q Once the project has been installed, yes.

16 A Yes. I would defer that question.

17 Q Okay. I'll save those questions for a later
18 witness. Who would you suggest would be the
19 right witness to ask about that?

20 A Mr. Bowes is probably the right person.

21 MR. NEEDLEMAN: Mr. Palmer, I can also help
22 with that. The construction panel is going to
23 speak both to construction and operation, and so
24 there should be people in that panel that can

1 answer those kinds of questions.

2 MR. PALMER: Okay. Thank you.

3 BY MR. PALMER:

4 Q Let me turn into another topic altogether, and
5 this is not restricted to the underground
6 portion. This is for the overall power line
7 proposal. You have mentioned several times
8 yesterday and today that there will be 2600 jobs
9 created by this project; is that right?

10 A Yes.

11 Q And that's during the construction phase, right?

12 A Yes. Although there are jobs that continue on
13 beyond this construction phase.

14 Q Roughly, how many jobs will continue on after
15 the construction phase?

16 A I would refer to you Ms. Fryer's report which
17 specifies construction period jobs as well as
18 jobs that are created following the project
19 being placed in service. So details are
20 specified there.

21 Q But the 2600 that you're referring to are the
22 construction phase jobs. So we're talking about
23 temporary jobs here. We're not talking about
24 sustained economic growth, are we?

1 A I disagree. I think it's a -- you're talking
2 about a very sizable project. \$1.6 billion
3 project being built in New Hampshire. That
4 project will not only create those multi-year
5 construction jobs which are highly desirable for
6 a construction worker but will also drive a lot
7 of GDP growth in the surrounding areas that is,
8 in essence, permanent. So I don't agree that
9 these are temporary effects. They continue on
10 well beyond the project being placed in service.

11 Q But you just said that the 2600 jobs are
12 construction jobs and would not remain after the
13 construction period was over.

14 A No. I said a portion of the 2600 are
15 construction jobs. So technically the
16 construction jobs on this project, you know,
17 those construction workers may move to another
18 project after this. You know. We talked
19 yesterday about our apprentice program where
20 we're going to be training future electrical
21 workers so this project will create a career
22 path that will be in all likelihood the chosen
23 career for many who work on the project.

24 So even in the construction area while the

1 duration of the project is a period of years, I
2 expect in that instance those apprentices to go
3 on to very successful careers beyond that.

4 Q So what you're saying is that there are plenty
5 of jobs for these construction workers to go
6 into.

7 A Electrical workers today is a very high demand
8 profession, yes.

9 Q So, in other words, it's a high demand
10 profession, there are plenty of jobs for them to
11 work on, that means that the Northern Pass
12 project itself is not critical to their
13 survival. They have plenty of jobs they can
14 work on.

15 A I wouldn't view it that way. I think it's a
16 great opportunity for an extensive period of
17 time on a single project. There are very few
18 projects that are 2-plus years in duration that
19 provide the training opportunities that we're
20 going to create here. So it is very unique in
21 that regard. And it's right here New Hampshire.
22 What I hear repeatedly from line workers in this
23 state is they're forced to leave the State of
24 New Hampshire for employment, whether it's to go

1 elsewhere in New England or beyond. So one of
2 the things that makes it attractive to in-state
3 workers, it's an opportunity to work in their
4 home state for an extended period of time.

5 PRESIDING OFFICER HONIGBERG: Mr. Palmer,
6 which part of route selection and impacts are
7 you on right now? I'm looking at your note that
8 outlines how you and Dr. McLaren and Mr. Lakes
9 propose to break up your questioning. So are we
10 to assume then that Mr. Lakes will not be asking
11 things about Forward NH Plan.

12 MR. PALMER: I'm not asking about Forward
13 NH Plan. I'm asking about the 2600 jobs.

14 PRESIDING OFFICER HONIGBERG: And what part
15 of route selection and visual impact is that?

16 MR. PALMER: It's not. It's a different
17 topic.

18 PRESIDING OFFICER HONIGBERG: I see. So is
19 this note no longer operable?

20 MR. PALMER: It's not because Dr. McLaren
21 has dropped out for today.

22 PRESIDING OFFICER HONIGBERG: He was going
23 to talk about property rights and engineering
24 aspects. Which part of that do the jobs fall

1 in?

2 MR. PALMER: It's not.

3 PRESIDING OFFICER HONIGBERG: Okay. You
4 may proceed.

5 MR. PALMER: These questions were
6 actually --

7 PRESIDING OFFICER HONIGBERG: You may
8 proceed.

9 MR. PALMER: Okay.

10 BY MR. PALMER:

11 Q So anyway, you say it's for, these are good jobs
12 for a sustained period of time. How long are
13 they going to last? How long is the
14 construction period? You said three years, I
15 believe.

16 A It's at least two years. Portions of it may
17 extend into a third year. The final
18 construction schedule is something we're
19 reviewing as we speak.

20 Q So it seems intuitive, to me anyway, that at the
21 end of the construction period we're going to
22 have, maybe not 2600, maybe 2000 workers who
23 were lured here by the Northern Pass
24 construction project, worked here for three

1 years and are now suddenly out of employment and
2 jobless here in New Hampshire.

3 A I don't agree with any of that. I find it
4 difficult to actually respond to it because it's
5 not consistent with how these workers view the
6 opportunity.

7 Q Could you then clarify for us because it seems
8 like you're trying to have it two ways here.
9 You're saying, first of all, that Northern Pass
10 is a tremendous boon to these electrical workers
11 because they have no other place, it's a highly
12 desirable job, I think you said, and something
13 that they would have a hard time finding
14 otherwise if it wasn't for Northern Pass. And
15 yet you're saying now that at the end of
16 Northern Pass there's going to be plenty of jobs
17 for them to go into. So the question is, my
18 question to you is is Northern Pass really
19 necessary for them or is Northern Pass
20 unnecessary in that they have plenty of other
21 jobs to go into. Which is it?

22 MR. NEEDLEMAN: Object, Mr. Chair. I don't
23 think that characterized the testimony
24 accurately.

1 MR. PALMER: I'm sorry?

2 MR. NEEDLEMAN: I don't think that
3 characterized the testimony accurately.

4 PRESIDING OFFICER HONIGBERG: It's also a
5 compound question which is hard to answer fairly
6 because you've posed an either/or situation that
7 I suspect the witness doesn't agree that it's an
8 either/or situation. So is there another way
9 you can ask the question, focusing on one
10 question at a time?

11 MR. PALMER: I'll just move on.

12 BY MR. PALMER:

13 Q In essence, wouldn't you agree that what we're
14 talking about here is not sustained economic
15 growth for the State of New Hampshire but in
16 fact boom and bust cycle created by Northern
17 Pass. 2000 jobs created and then 2000 jobs
18 eliminated?

19 A No. As the Forward NH Plan makes clear, there
20 are several billion dollars worth of economic
21 benefits that are going to flow to New Hampshire
22 as a result of this project, and I expect that
23 will have a long-lasting effect on the future of
24 this state.

1 Q But any way you put it, there's 2000 jobs
2 created and 2000 jobs eliminated; is that right?

3 A No.

4 Q The boom and bust cycle. Are you familiar with
5 the economic body of study that shows that boom
6 and bust cycles result in the long-term in
7 recession and depression in the economy?

8 A No.

9 Q Are you familiar with studies showing that
10 companies that operate on a model such as yours
11 which involves hiring of short-term labor, using
12 them when needed, and then releasing them when
13 no longer needed results in economic havoc in
14 the local economies?

15 A I'm not familiar with the study. I will tell
16 you that infrastructure throughout this country
17 is generally built by contractors who are
18 accustomed to working on projects, and they
19 recognize when they enter that field that they
20 generally move from project to project.

21 My point here is that you have a very
22 significant infrastructure project being built
23 in this state, it's going to create highly
24 desirable opportunities for hundreds of New

1 Hampshire residents who are anxious to get to
2 work on the project, and in some cases they'll
3 be learning a highly skilled trade. In other
4 instances, it's a trade they're already
5 qualified to perform. And they understand that
6 these projects have a beginning and an end, and
7 they'll happily work on Northern Pass for the
8 2-plus years of the construction, and then in
9 all likelihood they will move on to the next
10 project. That's the nature of the contracting
11 business. But I can tell you firsthand, in
12 talking to dozens if not hundreds of these
13 workers, they're very anxious to get to work on
14 the project.

15 Q No doubt. I don't question that.

16 A Okay.

17 Q I don't question that individual workers would
18 be happy to find a short-term job to support
19 their families. My point is that the overall
20 model results in a boom and bust cycle which
21 wreaks havoc on the local economy and ultimately
22 results in long-term unemployment.

23 A I'm not familiar with the study, but I can tell
24 you once these folks have the qualifications to

1 be an electrical worker, you know, they likely
2 will be in high demand on other projects either
3 in this state or beyond. So I don't know that
4 there's any bust, if you will, for these
5 particular workers. I think they view these
6 opportunities as a full-time career.

7 Q Do you suggest that 2000 or 2600 temporary
8 construction jobs are better than long-term
9 sustained jobs in the tourism industry in New
10 Hampshire?

11 A There will be, as I indicated, per Dr. Frayer's
12 analysis, sustained job effects that transcend
13 the construction period that are going to
14 continue to benefit New Hampshire for years, if
15 not decades.

16 Q Okay. That concludes my questions. Thank you
17 very much.

18 PRESIDING OFFICER HONIGBERG: You're
19 welcome.

20 MR. PALMER: If I may, I'd like to introduce
21 Carl Lakes.

22 PRESIDING OFFICER HONIGBERG: Mr. Lakes,
23 come on down.

24 MR. LAKES: I was hoping to sit right here.

1 PRESIDING OFFICER HONIGBERG: If you're
2 more comfortable there, by all means. As long
3 as -- do you see where he is, Mr. Quinlan?

4 MR. QUINLAN: I don't. Oh, there he is.
5 Yes.

6 PRESIDING OFFICER HONIGBERG: Mr. Lakes,
7 you may proceed.

8 MR. LAKES: Thank you. Mr. Quinlan, thank
9 you.

10 MR. QUINLAN: Morning.

11 **CROSS-EXAMINATION**

12 **BY MR. LAKES:**

13 Q In your Prefiled Testimony and in this room, you
14 have been continually touting the transmission
15 line as being a source of clean hydroelectric
16 power. Is this correct?

17 A Yes.

18 Q Now, the source of this clean energy is Canada.
19 Would it be safe to say that the Northern Pass
20 line would not exist without the Canadian hydro
21 infrastructure?

22 A I'm hesitating. The answer is yes. There will
23 be a transmission line built north of the
24 border, if that's what you're referring to, to

1 interconnect Northern Pass to the generation
2 source, the hydro dams.

3 Q Correct, but your source of power is going to
4 come from Canada.

5 A That's correct.

6 PRESIDING OFFICER HONIGBERG: Mr. Lakes,
7 hang on just one second. Off the record.

8 (Discussion off the record)

9 BY MR. LAKES:

10 Q How do you square your definition of clean
11 energy with the enormous environmental
12 construction in Canada, the damming of rivers
13 inundating million of trees which are CO2 traps,
14 massive amounts of methane produced by rotting
15 trees and fauna, decimation of fish populations,
16 mercury poisoning, displacement of native
17 populations, how can you call this clean energy
18 when the source of this power causes pollution,
19 death and destruction?

20 MR. NEEDLEMAN: I'm going to object to the
21 question, Mr. Chair.

22 PRESIDING OFFICER HONIGBERG: Sustained.
23 That means we're not going to require
24 Mr. Quinlan to answer that question. In part,

1 because he answered a question like that
2 yesterday. So do you have another question
3 you'd like to ask him?

4 MR. LAKES: Well, he may have answered the
5 question yesterday with regard to methane, but
6 all these other factors that are occurring up in
7 Canada are very vital to what is the production
8 of this electricity through the damming of these
9 rivers. I can't see how that's not relevant. I
10 don't understand the objection, I guess.

11 PRESIDING OFFICER HONIGBERG:
12 Mr. Needleman, do you want to elaborate?

13 MR. NEEDLEMAN: Yes. Partly, the question
14 was answered yesterday, and, partly, it's an
15 argumentative question that assumes a great deal
16 of information with no basis in the record.

17 PRESIDING OFFICER HONIGBERG: Mr. Lakes?

18 MR. LAKES: I'll just continue on with this
19 question, and see if the next portion is more
20 acceptable.

21 BY MR. LAKES:

22 Q Does Eversource have a moral or ethical
23 corporate policy with regard to pollution? If
24 so, what does it say?

1 A I wouldn't necessarily characterize it as you
2 have, but we do have a corporate environmental
3 policy and a sustainability program. So yes, we
4 do, in essence. I don't have it here with me
5 today so I can't quote it directly.

6 Q Does it state anything with regard to the moral
7 or ethical concerns with regard to the company
8 acting in such a way as to facilitate
9 environmental destruction?

10 A I don't believe it directly addresses that
11 issue, but we have a very detailed corporate
12 Code of Ethics that talks about ethical behavior
13 generally and our commitment to the environment
14 in particular.

15 Q And so, can I ask if what's happening with the
16 situation in Canada would fit that description?

17 A The importation of hydropower?

18 Q Yes.

19 A Yes. We view hydropower as a clean energy
20 source and part of the region and the state's
21 approach to addressing carbon emissions.

22 Q All right.

23 A It's been recognized in New Hampshire as Climate
24 Action Plan as such.

1 Q So am I to understand that the boundaries in
2 terms of what is called "clean energy" starts at
3 the border but does not go beyond the border
4 into Canada?

5 A No, that's not what I said. I personally view
6 hydropower as a clean energy source even at the
7 generation point. So I generally disagree with
8 your earlier premise.

9 Q Well, could I ask as a CEO of a company who I'm
10 sure is well-read and understands many of the
11 issues, environmental issues that abound today
12 that, do you have knowledge of any of those
13 things that I mentioned earlier happening in
14 Canada?

15 A Generally, I do not, but I am aware of even the
16 prior administration's clean power plan
17 recognizes large scale hydro as a critically
18 important clean energy source. So I don't have
19 personal knowledge about the assertions you made
20 earlier, but my belief is hydropower is
21 critically important to achieving our clean
22 energy future.

23 Q So I'd have to ask, would you agree to claim an
24 ignorance or lack of understanding of these

1 issues, which you just said you don't know
2 what's happening as much on the other side of
3 the border is a huge moral and ethical lapse on
4 the part of Eversource, a failure to do its due
5 diligence, to recognize proven scientific data
6 in the best interests of the planet?

7 MR. NEEDLEMAN: Objection.

8 PRESIDING OFFICER HONIGBERG: Grounds?

9 MR. NEEDLEMAN: Again, nothing that he has
10 just said is in evidence. The proven scientific
11 data. It contradicts exactly what Mr. Quinlan
12 just said about the Climate Action Plan, about
13 the Clean Energy Plan, about the basis for why
14 this is clean energy.

15 PRESIDING OFFICER HONIGBERG: Mr. Lakes?

16 MR. LAKES: Okay. I'm going to move on,
17 but I'm just going to say that --

18 PRESIDING OFFICER HONIGBERG: Wait. Why do
19 you think Mr. Quinlan should be required to
20 answer that question? What is your response to
21 Mr. Needleman's assertion that the premises of
22 your question are not in the record here and are
23 not established?

24 MR. LAKES: I believe the premise that he's

1 stating is that the issues that I'm bringing up
2 are not an issue on this side of the border, in
3 the United States.

4 PRESIDING OFFICER HONIGBERG: I think you
5 asked him that question. I think he took issue
6 with that characterization. But I think you
7 were going down a line where I would probably
8 let you continue to ask him what he knows about
9 particular issues in Canada, and then you can
10 ask him if he thinks that's relevant to what's
11 going on here. I think I know what he's going
12 to say, but it's certainly legitimate for you to
13 ask and get him to put that on the record.

14 MR. LAKES: Well, let's put it on the
15 record.

16 BY MR. LAKES:

17 Q What issues are you aware of with regard to the
18 environmental issues associated with
19 Hydro-Quebec's damming of rivers in Quebec
20 Province?

21 A I'm generally not familiar with the
22 environmental issues you're referring to.

23 Q Okay.

24 A But I am, my perspective on hydropower is being

1 a clean energy source and an important one is my
2 view.

3 Q Would you say that that is your view because it
4 meets the company or let's say regional
5 objective as far as carbon is concerned or
6 producing --

7 A No. No.

8 Q -- carbon dioxide?

9 A I think it's universally recognized whether it's
10 globally, nationally, regionally or within the
11 state of New Hampshire. So I don't think
12 there's any question that hydropower is viewed
13 as clean energy.

14 Q Well, since you mention globally, so I would ask
15 that you are not aware of any issues globally
16 with regard to the damming of rivers or even
17 here in the United States, are you aware of any
18 issues that are caused by the damming of waters?

19 A I'm generally aware that companies work to
20 create hydropower in an environmentally
21 conscious way, but I'm not familiar with the
22 specific issues you're referring to. I do view
23 hydropower, however, as clean energy. It's a
24 noncarbon-emitting fuel source.

1 Q Okay. Okay. I'll move on to my next question.

2 On October 14th, 2016, the PUC approved the
3 Northern Pass Petition to become a New Hampshire
4 Utility. As part of the settlement, \$20,000,000
5 was allocated from the Forward NH Plan to the
6 PUC for dispersal upon approval of the
7 Application by the SEC.

8 My question to you is did these monies come
9 from the \$200 million Forward NH Fund?

10 A Yes. They will.

11 Q What was the motivation to provide these monies
12 and how was this \$20 million figured or arrived
13 at?

14 A So the \$20,000,000 was part of a settlement
15 negotiation and agreement that was ultimately
16 approved by the Public Utility Commission.

17 Q Is it a standard procedure that a utility pay
18 monies other than the Application fee directly
19 to the state entity whose members are deciding
20 the fate of its own transmission project?

21 A Is it standard practice? I'm not aware of the,
22 whether it is or is not, but in the context of
23 these settlement discussions, and given the fact
24 that we had committed to the Forward NH Fund, it

1 was reasonable to talk about allocating a
2 portion of those funds to critically important
3 programs here in New Hampshire such as energy
4 efficiency for low income customers.

5 Now, that's squarely in line with the
6 objectives of the Forward NH Fund which is
7 energy innovation, if you will, and local
8 community investment. So it's entirely logical
9 that we would have that discussion, and the fact
10 that it found its way into the settlement was,
11 to me, makes eminent sense.

12 Q Are you aware that three members of the PUC sit
13 on the SEC?

14 A I am not aware of that. I know there are, I
15 believe, two members on this panel. It may be
16 that a third Commissioner sits on another panel,
17 but here, I'm aware that there are two.

18 Q Do you see where this could be construed as a
19 conflict of interest?

20 A No. I think they're entirely separate
21 considerations. The consideration in that case
22 is whether Northern Pass should be granted
23 utility status under New Hampshire law which
24 means subject itself to regulation and oversight

1 by the Public Utility Commission. That's a very
2 different question than what the question is
3 before the SEC. So I don't think there's any
4 interrelationship, and I think from the State's
5 perspective, having the Public Utility
6 Commission exercising such jurisdiction, whether
7 it's safety, reliability or otherwise is an
8 important part of their statutory obligation.

9 Q But you don't see it as a conflict of interest
10 that the monies that were paid to the PUC whose
11 members sit on the SEC and will make a decision
12 as to whether this line is accepted or not could
13 be influenced by these monies?

14 PRESIDING OFFICER HONIGBERG: Wait,
15 Mr. Quinlan. I think Mr. Needleman has
16 something he needs to say.

17 MR. NEEDLEMAN: I'm going to object to this
18 line of questioning at this point. I think he's
19 already answered the question.

20 MR. LAKES: I do want to clarify one point.

21 PRESIDING OFFICER HONIGBERG: Hang on.
22 Hang on. Mr. Lakes, Mr. Needleman has made an
23 objection that Mr. Quinlan has already answered
24 the question. What is your response to that?

1 MR. LAKES: Well, my response is that he's
2 obfuscating with regard to the answer.

3 PRESIDING OFFICER HONIGBERG: Then the
4 objection is sustained because you agree with
5 Mr. Needleman that he answered the question.
6 You don't like the answer that he gave, but you
7 agree that he's answered the question. What is
8 your next question?

9 BY MR. LAKES:

10 Q Okay. Could this settlement be construed as
11 unfair to the opponents of the project who have
12 no way to ameliorate the conflict of interest
13 these monies create?

14 MR. NEEDLEMAN: Same objection.

15 PRESIDING OFFICER HONIGBERG: Sustained.

16 Q Okay. I have one more question. This is my
17 final one. In your Forward NH registered
18 mailing dated February 24th, 2017, to Town
19 Selectmen, Northern Pass specifically states,
20 and I quote, Northern Pass is willing to offer a
21 tax agreement to your town to provide further
22 certainty regarding tax payments and avoid
23 potential tax abatements in the future.

24 It seems to suggest that you're willing to,

1 A, to negotiate a higher initial tax rate, and
2 B, remove the threat of abatement in order to
3 entice towns to not fight Northern Pass. Do you
4 agree with this?

5 A No. What you're referring to is a unilateral
6 tax pledge that we are extending to all host
7 communities to clarify any open issue around tax
8 revenue, and what it essentially does, as we
9 discussed yesterday, is commits to a floor for
10 taxation purposes at which we would not, we
11 pledge not to seek an abatement assuming the
12 industry-accepted methodology is applied.

13 So as the letter stated, it's intended to
14 provide clarity and certainty to the towns, but
15 it is in no way an inducement. We've not asked
16 the towns to sign or do anything with respect to
17 that pledge. It's unilateral. It's one
18 directional.

19 Q So this, just to understand, this isn't
20 something where Northern Pass can sit down with
21 the Selectmen of a town and negotiate a tax
22 structure that is more favorable to the town as
23 opposed to not sitting down to do that?

24 A It's a pledge. It is a commitment that we're

1 making, and it's not a vehicle for negotiating a
2 tax agreement. It's a unilateral pledge or a
3 commitment that we're making. Now, you know,
4 there is a, the correspondence that is
5 associated with this refers to a construction
6 memoranda which is something that we do tend to
7 work with towns on which specifies the details
8 to the means and methods for construction of the
9 facility within the town, and as we talked about
10 yesterday, that's something we've also extended
11 to towns if they're interested in that dialogue
12 now, and we're in discussions with approximately
13 a dozen towns, just so, again, there's clarity
14 to the municipality as to what this project
15 probably means, and how it would be built, what
16 we'll do to mitigate and minimize impacts. So
17 that is something that we are discussing or, if
18 you will, in some cases negotiating, but the
19 pledge is a unilateral commitment that's in
20 essence part of it.

21 Q So if the towns decide to not meet with Northern
22 Pass or to basically put forth stipulations
23 which I think is a word that's been used quite
24 often, are those towns that don't do that at a

1 disadvantage to the towns that do?

2 A From a tax perspective, no. The pledge stands.
3 It's a unilateral commitment whether or not
4 there's a stipulation or an agreement or not.

5 Q Do you agree though that with that letter that
6 was sent that it at least implies that there
7 will be less of a chance of tax abatement on the
8 part of Northern Pass or Eversource in the
9 future by accepting the exacting terms which
10 Northern Pass will put forth?

11 A No. I don't agree with that characterization.
12 What it basically says simply is that there's an
13 accepted methodology for valuing utility
14 property. If a town uses that methodology, we
15 commit not to seek abatement. And then we
16 provide a schedule to the town as to what the
17 tax revenues look like for the first 20 years of
18 the project being in service. So it's really
19 intended to provide information or certainty or
20 clarity around the minimum level of tax revenue
21 that a town could count on.

22 Q Thank you. My questioning is over.

23 PRESIDING OFFICER HONIGBERG: Okay. The
24 next group is the Deerfield Abutters. Ms.

1 Menard. While Ms. Menard is getting in place,
2 let's see who else we've got. The groups that
3 haven't yet come forward, anybody from the Stark
4 to Bethlehem Non-Abutter Group? How about
5 Ashland to Deerfield Non-Abutters? The Sugar
6 Hill Historical Museum and the other Historic
7 Preservation and Scenic Byways Groups? How
8 about the Pemi Local Advisory Committee? So no
9 one else. Okay. Good.

10 So, Ms. Menard, you look like you have the
11 microphone for now.

12 **CROSS-EXAMINATION**

13 BY MS. MENARD:

14 Q Good morning.

15 A Morning.

16 Q On behalf of the Deerfield Abutters, I would
17 like to ask you, Mr. Quinlan, some questions
18 about Attachment L of your NPT Guarantee Program
19 of your Supplemental Testimony.

20 The program cites in Section 4 that there's
21 a 30-day Right of First Refusal for Eversource.
22 When you were --

23 A Okay.

24 Q All set? Sorry.

1 A Catching up with you.

2 Q When you were developing this program, did you
3 consider that a 30-day Right of First Refusal
4 seller contingency could actually discourage
5 buyers from putting an offer on the property?

6 A Did I personally? No.

7 Q Would you agree that if buyers who had to wait
8 30 days for an answer on their offer to purchase
9 may continue their search and then ultimately
10 end up in withdrawing their offer, ultimately
11 impacting the seller in that negative scenario?

12 A I could see how that could be possible, but I
13 will tell you we will work with the landowners
14 to address any of those types of considerations.
15 This is not intended to create an issue for the
16 landowners.

17 Q So you're indicating that you might be willing
18 to rethink that concept of the Eversource Right
19 of First Refusal clause?

20 A Again, this is an overview of the program.
21 Certainly willing to consider changes to it, but
22 probably more importantly, we'll deal with the
23 landowners on a case-by-case basis in a fair
24 way. This is not intended to impose hardship on

1 a landowner.

2 Q Okay. Thank you.

3 A Yes.

4 Q In addition to dealing with the negative impacts
5 of Northern Pass Transmission, it is possible
6 that a seller with such a contingency may
7 actually have to lower their price to attract a
8 buyer. Would you take that into consideration
9 as well?

10 A If that were true, we'd certainly take it under
11 advisement, yes.

12 Q Okay. But basically you would agree that the
13 concept of the Eversource Right of First Refusal
14 clause could complicate a real estate
15 transaction?

16 A I could see how that could be a complication.
17 Yes.

18 Q Most importantly to me is who would disclose and
19 explain the pitfalls of this Right of First
20 Refusal clause to a seller who is contemplating,
21 you know, a prospective landowner prior to
22 signing up for the program?

23 A Who would disclose it?

24 Q Yes.

1 A I don't know if it would be an obligation for
2 the seller to disclose it or the realtor or the
3 listing broker.

4 Q I'm sorry. I may not have made my question
5 clear.

6 A Okay.

7 Q I'm concerned about a prospective landowner who
8 is now doing business with Eversource and
9 contemplating entering into and signing into the
10 program, the Guarantee Program. Who is going to
11 explain to a prospective landowner that may they
12 be put in a compromising position by signing
13 into this program?

14 A Because of the existence of the Right of First
15 Refusal.

16 Q Yes.

17 A That would be an obligation of the company,
18 clearly. The company being --

19 Q So Eversource.

20 A Eversource.

21 Q Eversource would take it upon themselves to
22 explain that?

23 A Yes. Yes. As well as all the other Program
24 Details.

1 Q Okay. Is a copy of the agreement between
2 Eversource and the landowner available for
3 review?

4 A Which agreement are you referring to?

5 Q The Guarantee Program. You know, whatever, and
6 I may have gotten part of that answer yesterday,
7 that this program is something that you are
8 doing as an attempt to mitigate property value
9 losses to certain property owners, but have you
10 gotten to the point of actually framing up or
11 drafting and what an agreement between
12 Eversource and a landowner might look like?

13 A The form of agreement, no. What you have here
14 is, essence, the extent of our development at
15 this point. Again, as I mentioned yesterday,
16 we've never embarked on such a practice. I'm
17 not familiar with this type of guarantee
18 existing in the industry. It's something we are
19 committing to here, certainly, but the details
20 will need to be developed as we move forward.

21 Q Okay. The program cites in Section 5 C that
22 Eversource will provide a list of appraisers.

23 A Yes.

24 Q Wouldn't you agree that it would be more fair

1 for a landowner to select a certified appraiser?

2 A Our thought here was to give the landowner
3 options. We would provide three qualified
4 appraisers, and the landowner can choose from
5 among them, but, you know, on a case-by-case
6 basis, we will certainly consider the
7 possibility of using someone other than these
8 three. I think that's something we would take
9 up on a case-by-case basis.

10 Q Okay.

11 A What we're trying to ensure is that it's a
12 qualified independent appraiser.

13 Q What would an Eversource approved appraiser
14 bring to the table that a landowner-selected
15 appraiser wouldn't?

16 A Our mutual interest should be in an independent
17 qualified appraiser. Our thought was to
18 predetermine who those appraisers might be so we
19 can utilize them consistently. So I think it's
20 a case-by-case basis. If a landowner thought
21 there was someone more qualified who is still
22 independent, we would take that under
23 consideration.

24 Q Okay. Basically the concern that I have is that

1 how would you assure landowners that an
2 Applicant-approved appraiser doesn't bring an
3 industry bias to the appraisal process?

4 A Certainly we're looking for qualified
5 independent appraisers. I assume there are
6 standards and requirements that they exercise
7 due diligence without bias in determining their
8 appraisals. I think that's generally the
9 standard that appraisers are held to so that was
10 our thought. The goal here was to provide
11 options. It was nothing behind this. The goal
12 was to give the landowner a choice.

13 Q Okay. Thank you. In the Guarantee Program
14 agreement, who is stipulated as the appraiser's
15 client? Would it be Eversource or the
16 landowner?

17 A I don't think it would be either. The goal is
18 independence. So the appraiser technically
19 should not be beholden to other party. We will,
20 however, pay the appraisal fee.

21 Q Does Eversource plan on announcing this program
22 as part of a public relations campaign prior to
23 the conclusion of these proceedings?

24 A We are not planning a broad-based campaign.

1 This is intended to be a program that addresses
2 and mitigates to the extent possible some of the
3 impacts that we know are of concern. So I'm not
4 anticipating a marketing campaign around this.

5 Q I'm pleased to hear that. I have a, just as a
6 refresher, from Mr. Chalmers' report on page 91,
7 just so that you're not having to recall the
8 specific conclusions that Chalmers made, and I'm
9 going to put this up for all to view, but we're
10 just going to focus on two of them.

11 A Okay.

12 Q Specifically, in Mr. Chalmers' Application, he
13 states that where sales price effects were
14 concluded, they appear to have been small. And
15 also sale price effects decrease very rapidly
16 with distance. And I believe those are two of
17 the conclusions that you are relying on when you
18 were putting together the concept of this
19 Guarantee Program. Is it fair to say that
20 you're confident in Mr. Chalmers' New Hampshire
21 case study conclusions?

22 A Yes. And just for clarity, this program was
23 essentially designed based upon the findings of
24 this study, and my layman's explanation of that

1 is he looked at statistics across a wide range
2 of transactions to determine is there an effect,
3 and he finds little evidence of that, but is
4 there an increased likelihood of an effect. And
5 his conclusion is that these three criteria
6 identify instances where there is some
7 likelihood that there might be an effect. So
8 that then formed the basis for the program.

9 And yes, my understanding is he's very
10 expert in this field, not only with respect to
11 impacts in New Hampshire but nationally. He's
12 been involved in extensive studies so we do
13 place great weight on his findings.

14 Q So the three eligibility criteria are based on
15 Chalmers' conclusions. Are you aware that there
16 has never been a followup study to confirm
17 whether the Chalmers theory is correct?

18 A Studied by Chalmers or by?

19 Q Anyone.

20 A I'm not aware as to whether there's been a
21 followup study.

22 Q Are you aware that these eligibility criteria
23 are so restrictive that, as Mr. Bilodeau stated
24 yesterday, that even having a new substation

1 built in your backyard, you would not qualify to
2 be considered for recouping economic loss to
3 property value?

4 A Again, they're based on a statistical study and
5 the findings of an expert. You know, whether
6 there's a correlation for a substation that, you
7 know, I wouldn't describe it necessarily as a
8 backyard. I mean, I had that discussion with
9 Mr. Bilodeau yesterday, sounds like that is
10 quite some distance from his home. But
11 irrespective of that, there is a basis, a
12 statistical, analytical basis for these
13 criteria. It's grounded in a formal study.
14 That's why we adopted it. I think when you get
15 beyond these criteria that he identified, it
16 becomes highly speculative as to what might be
17 influencing property value. There's a lot of
18 other factors that are in play.

19 Q Your reliance on Mr. Chalmers' conclusions would
20 exclude several New Hampshire property owners
21 who have beautiful parcels of raw land, several
22 parcels of conservation land, would you agree
23 that your company's reliance on Mr. Chalmers'
24 conclusions solely pertain to single family

1 residences, and they would leave out hundreds of
2 New Hampshire property owners subject to
3 economic loss due to the Northern Pass
4 Transmission project?

5 A I agree in part in the sense that we are relying
6 extensively on Dr. Chalmers' study and the
7 findings. I don't have an opinion on the
8 balance of your question. I am aware with
9 respect to multi-family dwellings or condominium
10 complexes there are some discussion about that
11 yesterday that Dr. Chalmers did evaluate effects
12 on those types of properties and determined
13 there to be no adverse effect to property value,
14 and I think his report details the basis for
15 that finding.

16 Q I would like for you to, and I'm going to be
17 putting this up for all, I'd like to refer to an
18 exhibit that is part of our Deerfield Abutters
19 submissions, and it's Exhibit 9. Case study of
20 24 Nottingham Road in Deerfield. And just a
21 little bit of background. Is this crooked and
22 driving you nuts?

23 COMMISSIONER BAILEY: Not driving us nuts
24 but crooked.

1 PRESIDING OFFICER HONIGBERG: It is
2 crooked. Better.

3 BY MS. MENARD:

4 Q This is a case study that I was involved in as a
5 listing broker in 2012. I put this case study
6 specifically in response to your Guarantee
7 Program, and as highlighted, basically, I'm very
8 concerned about your company's forward response
9 to this economic impact discussion to be solely
10 based on Mr. Chalmers' work, and as a matter of
11 the proceedings here, I fully expect that the
12 merit of this case study will be discussed in
13 Track 2. But because your presence is here
14 today, I just wanted to ask you one question,
15 and if I may I'd like to give you just a brief
16 background on this case study.

17 A Okay.

18 Q So as you can see from the listing sheet, there
19 is an antique cape which is very typical of the
20 Deerfield Parade area. It listed for 190,000,
21 and it sold for 160,000.

22 PRESIDING OFFICER HONIGBERG: Off the
23 record.

24 (Discussion off the record)

1 BY MS. MENARD:

2 Q So this is the tax map and its purpose to just
3 to show you that this particular sale, this
4 particular property, was located a thousand feet
5 to the right-of-way as evidenced by, this is a
6 little tool that we can use on our town tax
7 maps.

8 A So where is the property? The lower green?

9 Q Excuse me?

10 A Where is the property that you're referring to?

11 Q It's the yellow highlighted lot.

12 A Okay. Okay. And the edge of the right-of-way
13 is the --

14 Q The line is drawn down to the right-of-way.

15 A Yes. The dashed line. Got it.

16 Q To the east.

17 A Yes.

18 Q And a brief overview is that this is a
19 collection of 6 similar antiques that have sold
20 all within that same year, 2012, and the
21 differential of 30,000 on this particular sale
22 is significant compared to as you go down this
23 list you'll see a lesser and lesser differential
24 between the sale price and the list price.

1 I will assert to you today that upwards of
2 \$25,000 of this loss in value to the seller was
3 due to the proposed Northern Pass Transmission
4 project, and there is another very minor
5 situation with a home that I'm not going to
6 state that the full \$30,000 price difference was
7 due to Northern Pass, but, unquestionably
8 \$25,000 loss to the seller.

9 My question to you --

10 PRESIDING OFFICER HONIGBERG: Whoa. Whoa.
11 Whoa. Hang on. Hang on. You've just asserted
12 a whole bunch of facts about the diminution of
13 property value attributable to something.

14 MS. MENARD: Yes.

15 PRESIDING OFFICER HONIGBERG: Are you
16 asking him to assume that for the purpose of a
17 question you're going to ask him?

18 MS. MENARD: I'm going to assume that it
19 would not be fair for him to -- we would have to
20 spend time in Track 2 to get into the merits of
21 this, but for the purposes --

22 PRESIDING OFFICER HONIGBERG: I'm sorry.
23 So what you wanted to do is assume that to be
24 true and then what happens with his program or

1 should his program be expanded or something like
2 that?

3 MS. MENARD: No. I'm going to ask him a
4 question.

5 PRESIDING OFFICER HONIGBERG: With a
6 built-in factual assumption that I can almost
7 guarantee you he doesn't agree with. So that --
8 you just said it. Trust me. He's not going to
9 agree that that the proposed line has affected
10 that property.

11 MS. MENARD: That is not the question. May
12 I ask you the question, then you can determine?

13 PRESIDING OFFICER HONIGBERG: Why don't you
14 tell us what the question is.

15 MS. MENARD: The question is would you
16 consider a \$25,000 property loss small.

17 PRESIDING OFFICER HONIGBERG: So that has
18 nothing to do with the setup that you just did
19 then. You could ask him that question without
20 showing him anything, right?

21 MS. MENARD: Well, I didn't want him to
22 think that this was a hypothetical situation.
23 This is a real sale, and it was a significant
24 loss to a property owner in Deerfield.

1 PRESIDING OFFICER HONIGBERG: So you're
2 going to prove up later that this happened and
3 you're going to assert that A caused B.

4 MS. MENARD: Correct.

5 PRESIDING OFFICER HONIGBERG: So you want
6 him to assume that to be true and then ask him
7 is \$25,000 --

8 MS. MENARD: If he chooses to.

9 PRESIDING OFFICER HONIGBERG: He's good.
10 He can assume certain facts. You're going to
11 ask him if that's significant. Right?

12 MS. MENARD: Correct.

13 PRESIDING OFFICER HONIGBERG: Okay.

14 MS. MENARD: Thank you.

15 BY MS. MENARD:

16 Q So Mr. Quinlan, would you assume that a \$25,000
17 loss to a property owner would be considered
18 small?

19 PRESIDING OFFICER HONIGBERG: That didn't
20 quite get you there.

21 MS. MENARD: Okay. Let's go back to the
22 criteria. Maybe that will help. Redirect.

23 MR. ROTH: You want to ask him if he
24 agrees.

1 MS. MENARD: Oh, thank you.

2 BY MS. MENARD:

3 Q Would you agree that a \$25,000 loss to a
4 property owner is not a small loss but a
5 significant loss?

6 A So I'll start by disagreeing with the premise of
7 this being a loss. I know there are frequently
8 instances where homes sell below the listing
9 price. It's common as part of the negotiation
10 of a sale. You know. This is less than 20
11 percent differential between asking price and
12 sales price. You know, I've personally been
13 involved in many real estate transactions that
14 had larger percent differences that you wouldn't
15 characterize as a loss. I wouldn't. There's
16 certainly a differential. It's less than 20
17 percent. Is it small? I think that's in the
18 eyes of the beholder. And is it a loss or just
19 a normal negotiation of a transaction. I can't
20 opine on that.

21 Q Would you agree that there are property losses
22 that occur to properties that are not just
23 within 100 feet of the right-of-way?

24 A No. I think that the body of evidence including

1 Dr. Chalmers' report suggests that the further
2 you are from the power line and particularly
3 when you get beyond 100 feet, it becomes very
4 credible as to whether there's any impact at
5 all. There's a lot of other things that
6 influence transaction value, if you will, to a
7 greater degree. And even within that 100 foot
8 approach, if you will, you know, I think there's
9 a statistical possibility, increased likelihood
10 of an effect, but it's by no means certain and
11 it's grounded on statistical analysis, not just
12 a single transaction. So I really put a lot of
13 value in his analysis in this space. I think
14 he's looked at the body of evidence nationally
15 and has done some New Hampshire specific studies
16 to prove out his correlations. So to your
17 point, I think posing the more detailed
18 questions to Mr. Chalmers is probably
19 appropriate.

20 Q Will do.

21 A Okay.

22 Q Thank you.

23 A Yes.

24 Q We have a few questions for you regarding your

1 Attachment M of your Supplement. This is the
2 Claims Submission Form?

3 A Yes.

4 Q Will this form be available online to claimants?

5 A I suspect it will. Yes. Online and likely in
6 hard copy. This is, again, as we discussed
7 yesterday a common form that we've used on other
8 transmission projects both in this state and in
9 the other states that we serve. So it's kind of
10 a generic form. It's been tailored in this
11 instance for Northern Pass.

12 Q And the bottom corner of the form, there's a
13 place for the project outreach office. Do you
14 know where that might be physically located?

15 A Yes. So that address is the Energy Park
16 Building in downtown Manchester. That's our, if
17 you will, New Hampshire headquarters.

18 Q Is there a limit to the number of claims that
19 can be filed in any one year?

20 A No.

21 Q Would there be a cap on the amount of a claim?

22 A Not that I'm aware of, no.

23 Q If as a result of a construction activity, a
24 property owner couldn't access their property,

1 would Eversource pay for a hotel, meal,
2 transportation if there was some reason why they
3 couldn't get home for the night?

4 A One of the things we're trying to do and this is
5 not just for homeowners but for businesses in
6 particular is to ensure continued access to
7 property at all times, and we've been very
8 successful on other projects in maintaining that
9 access. So that certainly is our goal and
10 objective.

11 If there are instances where a homeowner
12 cannot access their home, we'll certainly
13 consider steps including, potentially, the ones
14 you outlined for ensuring that they're
15 comfortable. But if this is such a lack of
16 access, it's going to be for a very short period
17 of time. Our goal is to maintain continuous
18 access.

19 Q In the event of a 911 emergency, for example,
20 and heaven forbid this happened but your house
21 was on fire, if emergency vehicles could not
22 access the property during such emergency, would
23 Eversource pay for it?

24 A Pay for?

1 Q Damages.

2 A Yes, but I think it's a very unlikely
3 circumstance. Our goal is to maintain
4 continuous access. One of the key focus areas
5 for a project like this, particularly during the
6 construction phase, is public health and safety.
7 We put a very high priority on that focus,
8 including working with local police, fire and
9 EMTs to ensure continuous access. It's
10 something we do every day.

11 Q Is there an appeal of the denial of a claim?

12 A I don't know the answer to that question. But
13 again, our goal is to make property owners whole
14 if we cause any damage so is there a technical
15 appeal? Presumably, one could always file a
16 claim, a formal legal claim against the company,
17 but our history has been to be able to resolve
18 these with property owners.

19 Q And last question, is there a means to have
20 mediation if the claim is denied?

21 A A mediation, short of a lawsuit or an
22 arbitration, is always something the company is
23 open to which is to resolve differences amicably
24 through discussion, if you will. So we're

1 generally always open to mediation in dispute
2 resolution.

3 Q Okay. Thank you.

4 A You're welcome.

5 PRESIDING OFFICER HONIGBERG: I think
6 that's all the list of Intervenors for
7 questioning of Mr. Quinlan. Did I miss anybody?
8 All right. Why don't we continue with members
9 of the Committee. Is there anyone who
10 affirmatively wants to go first? Mr. Oldenberg?
11 You made eye contact. That was your mistake.

12 **INTERROGATORIES BY COMMITTEE MEMBERS**

13 **BY MR. OLDENBURG:**

14 Q All right. Compared to the rest of this, I
15 think this is going to be relatively easy. Just
16 for a setup, just for reference, things that I'm
17 talking about I'll reference. They all seem to
18 come from the Executive Summary in the
19 Application. That's because where I first came
20 across my question, and I didn't get an answer
21 all the way through all the testimony and
22 everything else. So my references are mostly
23 going to come from there.

24 A Should I get a copy of that?

1 Q I don't think you need to because it is pretty
2 high level.

3 A Okay.

4 Q On page 3 of the Executive Summary, we talk
5 about the status of the Hydro-Quebec line and it
6 says that siting for the line supporting the
7 Canadian portion is currently under way. Do you
8 have a, all the articles and everything in the
9 paper talk about, do you have a status update of
10 their siting?

11 A I do. So in parallel with our siting here in
12 New Hampshire and at a federal level, on the
13 Canadian side of the border there's both a
14 Provincial approval from the Province of Quebec
15 and a national approval which is from,
16 obviously, the country of Canada. My
17 understanding is the Provincial approval is
18 expected in the June time frame of 2016. So
19 they've made very good progress, and there's a
20 process they go through called the BAPE. The
21 BAPE process. That that was recently issued
22 suggests that the Provincial permit will be soon
23 to follow so in the June time frame.

24 Similar to here in the US, the federal

1 approval which is from the National Energy
2 Board, the NEB, is expected late summer, early
3 fall in 2017. So their permitting is probably
4 going to be finalized before we complete things
5 here in the US.

6 Q So they're not waiting for you to have this
7 process done?

8 A They're not. In fact, they should complete
9 before we have our Presidential Permit here.

10 Q Okay. Thank you. The Forward NH Plan. Most of
11 this is clarification. We've heard a lot about
12 this already. The Power Purchase Agreement. In
13 the plan itself, it says that it's going to
14 provide greater price stability, estimated
15 customer cost savings of \$100 million over 20
16 years. The customers that are going to save
17 that money, are they Eversource customers, New
18 Hampshire customers or --

19 A So specific to the Power Purchase Agreement,
20 those benefits would flow to Public Service of
21 New Hampshire customers so Eversource customers.
22 That's for the Power Purchase Agreement. The
23 broader energy cost savings from the market
24 suppression effect which we talked about

1 yesterday, that flows to customers across New
2 England, including all other New Hampshire
3 customers. The Co-op, Unitil, et cetera.

4 Q And that answered my other question about the
5 cost suppression.

6 A Yes.

7 Q Now I'm really far outside my wheelhouse here.

8 A Okay.

9 Q So the whole concept of you're going to lower
10 prices. So there was comments that the price of
11 electricity to New Hampshire customers is going
12 to go down. I know there's this bidding and
13 everything else. It's not like one gas station
14 lowers their price and the guy across the street
15 lowers his price. I understand that's not the
16 way that happens.

17 A Right.

18 Q But do you perceive something like that
19 occurring? That is, if you're able to supply
20 electricity at a lower rate, will that also
21 cause electric rates of other suppliers to go
22 down?

23 A So what happens, the way energy prices work in
24 New England, there's one market for all six

1 states. It's called the wholesale power market.
2 And the price for all the power in the queue,
3 which means all the power needed to meet
4 customer demand across all New England, is set
5 by the last generating plant necessary to meet
6 customer demand. So that last unit, whatever
7 the price is that they bid into the wholesale
8 market, sets the clearing price for all of the
9 other generation in the region.

10 So if you put Northern Pass into that
11 generation stack, you push off higher cost
12 generation, and, therefore, prices come down for
13 all of New England. That's the wholesale market
14 suppression effect. You're displacing the
15 highest cost generation in the region, in New
16 England, by a low cost asset. So in effect,
17 yes, it's that delivery of a large amount of low
18 cost power that pulls energy price down across
19 all six states.

20 Q I won't look down at that end of the table.

21 A Okay.

22 Q I've got some questions about the Coos Loop.

23 A Okay.

24 Q And I think I learned more about it yesterday

1 than I could find anywhere in the Application,
2 but originally when we were reviewing the
3 project out in the field, that's where I think I
4 first realized that the upgrade is not a
5 replacement. It's not going to be totally
6 rebuilt. It's going to be upgrade.

7 A That's right.

8 Q So I saw yesterday -- sorry, I'm making sort of
9 a statement and not a question, but I saw
10 yesterday and I dug it up, Counsel for the
11 Public's Exhibit 46 and 47, that actually where
12 the Northern Pass is collocated is where the
13 Loop would be reconstructed because it has to be
14 moved over, correct?

15 A In large part, yes. However, as we talked about
16 yesterday, so that's technically true for that
17 northwest quadrant, but there are a couple of
18 segments further to the east and then to the
19 west on either end that still have thermal
20 limitations. They still restrict flow from the
21 Loop. So we've committed to go beyond that
22 which we technically need to upgrade to include
23 those additional segments so we eliminate all
24 the constraints. So in large part you're

1 correct, but there are a couple of areas that
2 we've added to make sure it's fully
3 unconstrained.

4 Q And if I wrote it down right and have it right,
5 it's like the line that's labeled O 154 and D
6 142 and if you add those together, it says that
7 comes out to be like 20 or 30 miles of the Loop.
8 The one thing I couldn't find is how big is the
9 Loop.

10 A How big is the Loop? I personally would be
11 guessing, but Mr. Bowes can certainly answer
12 that for you. Either later today or --

13 Q Okay.

14 A But I don't know what the distance around the
15 entire Loop would be. Let's say, roughly, I'm
16 guessing, 100 miles perhaps.

17 Q So the part that gets the thermal upgrade?

18 A Yes.

19 Q Conductors and cable, virtually would be, you
20 wouldn't notice that difference. It's a new
21 cable.

22 A New conductor. Just an increased diameter.

23 Q Towers aren't changing. It's not being moved.

24 A They're moving.

1 Q Well, that's the section that you're
2 collocating.

3 A Yes, the balance of it remains unchanged.
4 That's correct.

5 PRESIDING OFFICER HONIGBERG:

6 Mr. Oldenburg, try not to talk over Mr. Quinlan.

7 MR. OLDENBURG: I'm sorry. You'd think I'd
8 have this down pat by now.

9 PRESIDING OFFICER HONIGBERG: You're doing
10 great.

11 Q This is going to be totally out of order, but I
12 noticed the question. When the original or I
13 should say the previous Application it was 1200
14 megawatt line, and the explanation I've heard a
15 couple times is with the underground portion it
16 had to be reduced to 1090. If the entire
17 portion, if the entire line was buried, all 190
18 miles, would you have to reduce the voltage more
19 because of that additional underground or is --

20 A No, not necessarily. So what really drove that
21 decision is the cable. So when we decided to
22 place that amount underground, we actually
23 changed the cable type, and we've gone to what's
24 referred to as HVDC Light so state of the art

1 cable technology. It's been used in a
2 1090-megawatt commercial application elsewhere
3 in the world. The one we're proposing will be
4 the longest underground segment in North
5 America. The 1200 megawatt version of this is
6 not in commercial application that I'm aware of.

7 So when we looked at, you know, can we
8 reliably stick with 1200 megawatts, we
9 determined we couldn't because it had never been
10 used for that extent. That brought us to 1090.
11 We feel comfortable that for the 60 miles we
12 feel very strongly that this will operate
13 reliably. If we had to go further, I think we'd
14 likewise feel comfortable within some limits. I
15 mean, you can't run it out perpetually but, yes,
16 more length wouldn't necessarily drive you to
17 further reduce the capacity. It's really, you
18 know, how proven is the cable that we are using
19 and the 1200 megawatt version, we were not
20 comfortable with the technical risk of that.

21 Q All right. The next portion was number 13. The
22 reduced CO2 emissions. Very general, how does
23 this project reduce CO2 emissions?

24 A Yes. So hydropower is noncarbon-emitting.

1 Q Um-hum.

2 A So back to that bid stack, the generation, the
3 power plants that are on the margin, those last
4 few units, are invariably fossil emitting
5 plants. Whether it's coal, oil or natural gas.
6 So if by bringing in a large supply of clean
7 energy, those plants run less, it's that reduced
8 operation for those fossil emitting plants that
9 drives down carbon emissions. So you're
10 replacing, in essence, a fossil fuel
11 carbon-emitting plant, like a coal unit, oil
12 unit or natural gas unit, with clean hydropower.
13 And it's the, you look at it over time, you
14 calculate how many fewer hours will those plants
15 run, what would their emissions have been during
16 those hours, and that is how you derive the
17 offset.

18 Q And back last year when we were doing the public
19 hearings, there were slides that showed what
20 plants were at risk or soon to be retired?

21 A Yes.

22 Q Those included some of those fossil fuel plants
23 that would be at risk if this project was built.

24 A Yes.

1 Q Do I understand that right?

2 A Yes. So generally, what's happening, not just
3 here in New England but across the nation, is
4 low natural gas prices are displacing, and,
5 therefore, gas-fired generation is displacing
6 the generation plants we've relied on for a long
7 time as a country, whether it's nuclear plants,
8 coal plants, oil plants. So we're becoming more
9 and more reliant on natural gas as a fuel
10 source.

11 Those units that have retired or are on the
12 list as potential at-risk by ISO, you know, it's
13 a mix of nuclear. Pilgrim station, we know
14 that's going to be retiring. Coal, Brayton
15 Point down in Boston. And oil. So it's those
16 units that are generally at risk. It's not the
17 gas plants. The high capacity, high efficiency
18 gas plants we're leaning more and more heavily
19 on them. So we're becoming increasingly
20 dependent on gas.

21 Q And any of those plants in New Hampshire?

22 A That have retired?

23 Q Or are at risk?

24 A Not that have retired that I'm aware of. I'm

1 aware that a biomass plant in New Hampshire just
2 recently announced that it may be retiring. I
3 believe it's the Alexandria plant so that burns
4 wood. But none of the, none of the historic
5 fleet has retired here in New Hampshire.

6 On the ISO at-risk list, there are coal and
7 oil plants in New Hampshire that are at risk,
8 but no retirement decisions have been made that
9 I'm aware of.

10 Q I could not find it, but I swear I remember it.
11 I might have dreamed it because of late I've
12 been dreaming about this. I remember seeing
13 like Seacoast, Newington, Merrimack.

14 A So Merrimack is a coal plant. It's one of the
15 few coal plants remaining in New England. That
16 is on ISO's at-risk list. Now, ISO just, the
17 way they derived that list is they look at the
18 age of the plant, is it 50 years or older,
19 what's its heat rate, how efficient is it as a
20 generating unit. Because the market, just on
21 economics, is forcing lower efficiency units
22 out, and that's how they come up with their
23 list. Age or vintage, heat rate and
24 environmental questions.

1 So coal in New England has been at risk for
2 a long time. Many coal units have retired
3 across New England. Merrimack and Schiller
4 which is out in the Seacoast area. Schiller
5 Units 4 and 6 are coal as well. So they are on
6 ISO New England's at-risk list.

7 Q All right. So the next question is, and they're
8 related, the increased property tax revenue.
9 Have to talk about the increased property tax
10 revenue, but if those plants close, will those
11 towns, I imagine, are going to see a property
12 revenue decrease if those plants close. Are
13 those, the property tax revenue you're
14 portraying as an increase for communities,
15 probably maybe the host communities or whatever,
16 but there's ramifications for other communities
17 to have a property tax decrease. And I don't
18 know if that's included in your --

19 A No, I don't think there's a direct relationship
20 between Northern Pass and the closure of any
21 particular generation asset. I think that's not
22 a linkage I would personally draw, but to your
23 point, if an operating power plant decides for
24 whatever reason to retire, then its valuation

1 would clearly go down.

2 PRESIDING OFFICER HONIGBERG:

3 Mr. Oldenburg, would this be a decent time to
4 break?

5 MR. OLDENBURG: I really have one question
6 left.

7 PRESIDING OFFICER HONIGBERG: Go for it.

8 BY MR. OLDENBURG:

9 Q All right. And this goes with the whole idea of
10 the public outreach and the listening sessions
11 and everything else.

12 A Yes.

13 Q As President of the company, I have to believe
14 that you sort of set policy and tone of how the
15 company will act. So when you have these
16 decisions you have to make, like one of the, I
17 think you testified yesterday that the decision
18 to not bury the entire line was a management
19 decision.

20 A Yes.

21 Q And also heard testimony on the smaller degree,
22 and I think it was, I want to say it's in
23 Mr. Fortier's testimony, that there was a
24 change, specifically in Concord, there was a

1 change of trusses to make lower to stop the
2 effect of the visual view. So there's those
3 decisions that are being made as the project
4 goes through, and there's a thousand emails on
5 the website that list people's concerns. How do
6 you sort of set that, how do you direct people,
7 who are those people that are making those
8 decisions of whether or not this is a good idea
9 or not a good idea. I'm sure you don't, you're
10 not, maybe you are, doing like a cost/benefit
11 analysis on each thing. Is there a monopole,
12 this a truss, do I move this five feet, do I
13 move it ten feet. Just how are you as a, more
14 as a company, or how are you directing people to
15 do that?

16 A It's a great question. So you're right. My
17 role is not to get into every detail around the
18 project design or mitigation steps that we may
19 be taking, but I am responsible for the overall
20 project development which means all of the
21 siting, permitting, design engineering,
22 construction planning and ultimately the
23 operation. So we have a fairly large team, not
24 surprisingly, that is broken out by discipline.

1 We have an engineering and design system
2 planning group. We have a construction
3 management group. We have an outreach
4 community, outreach group that's interfacing
5 with businesses and municipalities and
6 landowners. We have a lot of other groups. So
7 through, I guess, coordination with the leads
8 for all of those various efforts.

9 There are certain things that I do get
10 involved in that tend to drive higher level
11 corporate commitments. Significant increases in
12 project costs, changes in project schedule. We
13 do meet regularly as a group with all those
14 leads. So those are the ones that I tend to get
15 involved in, but to your point, if there's a
16 design change that we're considering that's
17 fairly local and modest in impact, the design
18 and engineering team would address that. If
19 there is a landowner issue that needs to be
20 addressed, our outreach team would address that,
21 to your point.

22 There are literally thousands of
23 interactions with folks who have a question or a
24 concern about this project, whether it's a

1 landowner or business, and those are happening
2 literally every day. That's probably, there's
3 probably on any given day 25 to 50 people
4 involved in project development efforts across
5 that span.

6 So the way we pull it all together is
7 frequent cross-functional discussions about the
8 issues that rise to that level of need for, that
9 warrant that level of attention. So that's how
10 we pull it all together, but on a day-to-day
11 basis, people are dealing with issues.

12 Q So you have, either your consultant or your
13 staff, have the ability to make certain
14 decisions at some level.

15 A Yes.

16 Q And I imagine the higher the cost or higher the
17 complexity or whatever, the higher they have to
18 go, like in any organization.

19 A That's absolutely true, and you use the point
20 of, there are certainly decisions that transcend
21 my authority. So if it's something that
22 requires consultation and agreement with our
23 partner, Hydro-Quebec, then we have the
24 necessary management meeting to address those.

1 There are certain issues that rides to the level
2 of our Board of Trustees. Those tend to be ones
3 that require public disclosure under the
4 Securities & Exchange Commission rules.

5 PRESIDING OFFICER HONIGBERG:

6 Mr. Oldenburg, don't feel like you have to
7 declare yourself done. We can always circle
8 back to you. One of the great things about
9 being on the Committee is that you get to ask
10 questions if you want to. So would this be a
11 time to break?

12 MR. OLDENBERG: It's a good time to break.

13 PRESIDING OFFICER HONIGBERG: All right.
14 We're going to take a lunch break. We'll be
15 back as close to 1:15 as we can. Off the
16 record.

17 (Lunch recess taken at 12:25
18 p.m. and concludes the **Day 2**
19 **Morning Session.** The hearing
20 continues under separate cover
21 in the transcript noted as **Day**
22 **2 Afternoon Session ONLY.**)

C E R T I F I C A T E

1
2 I, Cynthia Foster, Registered Professional
3 Reporter and Licensed Court Reporter, duly authorized
4 to practice Shorthand Court Reporting in the State of
5 New Hampshire, hereby certify that the foregoing
6 pages are a true and accurate transcription of my
7 stenographic notes of the hearing for use in the
8 matter indicated on the title sheet, as to which a
9 transcript was duly ordered;

10 I further certify that I am neither
11 attorney nor counsel for, nor related to or employed
12 by any of the parties to the action in which this
13 transcript was produced, and further that I am not a
14 relative or employee of any attorney or counsel
15 employed in this case, nor am I financially
16 interested in this action.

17 Dated at West Lebanon, New Hampshire, this 15th
18 day of April, 2017.

19
20 _____
Cynthia Foster, LCR
21
22
23
24