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  (Presiding Officer)  Public Utilities Comm.

Dir. Christoper 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
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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
certainly to me to go back over this project.
And I think you, in response to a question
yesterday, said that the Northern Pass project
was conceived in when, please?
A I think initially in the 2009 time frame.
Q And could you explain to us and to the Committee
how it was conceived? Or where the planning for
it started?
A Again, the initial conception was in the 2009
time frame, and I would say the genesis of it
had to do with the question of how do you help
to achieve the region's carbon reduction to
reduce carbon emissions. It has been a long
history of New England importing clean hydro
from Canada, in particular the Province of
Quebec, and so the team who was involved in
those early discussions really looked at this
project as a way to increase the importation of
an emission-free energy source. So that was the
genesis back in the 2009 time frame. It's
obviously evolved since then.
Q Can I ask you about some early documents that --
I don't have them marked as exhibits, but I have
here on the table with me a Memorandum of
Understanding between Northeast Utilities Service Company and Hydro-Quebec. It's dated June 10th, 2008. Are you familiar with that document?

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

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

A I am not.

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

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

Q Would you mind looking at them for me?

A Happy to do so.

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

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

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

A They appear to, yes. The development of a new
high voltage direct current interconnection with Quebec.

Q And who's a signatory to that document?
A Which one?

Q The Memorandum of Understanding about the development of the project.
A There are two. Two different memoranda.
Q One's a PPA and one's just a Memorandum of Understanding.
A Yes. So on behalf of Northeast Utilities Service Company, it was James Robb. He was the gentleman I referred to yesterday who was the Senior Vice President of Enterprise Planning and Development at the time.

Q Is he still with the company?
A He is not.
Q And Mr. Muntz also signed that document, did he not?
A I don't believe so. The other signature is Christian Russo who is the President of Hydro-Quebec.

Q And if you would look at the Power Purchase Agreement, if you have in front of you. Would you look at that for me, please?
A Those are both Memoranda of Understanding.
Q I understand, but one's described as a Power Purchase Agreement?
A That's the one I was referring to.
Q Well, look at the other one, please. Let's back up.
A Okay.
Q And is that signed? Is that document signed?
A It is.
Q And who signed that one?
A Isabelle Courville from Hydro-Quebec and James Muntz for Northeast Utilities.
Q That's the one I was looking for. So that's the James Muntz that's been discussed in previous questions in this docket?
A Yes. He was the former President of Transmission.
Q Yes, and who did he work for at that time?
A Northeast Utilities Service Company.
Q And is that now Eversource Energy Service Company?
A Yes. The service company is, in a holding company structure, a service companyore an organization that can provide services across
all the affiliates under the Public Utilities Holding Company Act.

Q As I recall your testimony, you said that there's a public utilities holding company by the name of Eversource Energy?
A I'm sorry. Can you repeat that question?
Q Yes.
A There is a service company.
Q Let's back up. I'm trying to understand the total organization of Eversource Energy.
A Sure. The service company provides services across all of its subsidiaries.
Q And Eversource Energy is the public utility holding company, is it not?
A Eversource Energy is the parent.
Q Yes.
A Eversource Energy is now the brand for all of the subsidiaries as well. So, for example, Public Service of New Hampshire, is still the legal entity, but it's doing business as Eversource Energy. So we have an unified brand.
Q So if we look from the top down, we have Eversource Energy which is the utility holding company?
A  The parent company, yes.
Q  The parent company?
A  Yes.
Q  And where is Eversource Energy, Incorporated?
  
  MR. NEEDLEMAN:  Mr. Chair, I'm going to object at this point.  I don't see the relevancy of this, and I also want to note that there is a pending Federal Court case that Mr. Cunningham has filed against the company, and it sounds to me like this questioning relates more to the subject matter in this case than something that would be relevant to this proceeding.
  
  PRESIDING OFFICER HONIGBERG:
  Mr. Cunningham?
  
  MR. CUNNINGHAM:  Where this is going, Mr. Chairman, it's through Mr. Muntz, who is the party who signed the structuring documents in the Northern Pass including the TSA, the lease agreement.  So what I think is important for the Committee to understand is the overall corporate structure and where Mr. Muntz plays into this because Mr. Muntz is no longer available as a witness in this case.
  
  PRESIDING OFFICER HONIGBERG:  And I'm fine
with you establishing what the corporate structure is and where Mr. Muntz was in it, and I think there's a really crisp way for you to do that by asking him to describe the corporate structure and where Mr. Muntz fits in it. How's that for a question that would really work well, I think, in this context.

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

BY MR. CUNNINGHAM:

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

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

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

He was an employee of Eversource Energy Service Company. He also was the President of Northern Pass Transmission Company. So he had an officer title in the subsidiary Northern Pass Transmission.

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

Yes.

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

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

Yes, and what was the date of that agreement?


Would you be good enough to explain to the Committee how the planning for a project of that size was developed?
When you say planning --

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

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

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

Where would the engineering start?

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

And when would the engineering plan for this
project have begun, given the size of the project?

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

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

A This is an early, it even refers to it as a conceptual framework so I think in that time frame, it was a mere concept. It may have been based upon what Hydro-Quebec have available for export at the time. Again, I was not involved in that early conceptual planning, but, so you start with a concept, you know, what's available for export, what works technologically. You're
starting to get to levels of capacity that are significant. 12 to 1500 megawatts.

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

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

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

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

Q All right.

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

Q All right. And during this period of time, can you give us detail on what Mr. James Muntz' role was?
A Yes. Jim Muntz was at the time the President of our transmission company. So we had set up a transmission business to develop and operate our transmission infrastructure across three states; New Hampshire, Connecticut and Massachusetts. So he was the president of that line of business. Ultimately, he became president of Northern Pass Transmission as well when that subsidiary was established.

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

A I believe he was. Subject to check.

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

A Yes. So on the Eversource side, the party is Northern Pass Transmission, LLC. Again, subject to check. And on the Hydro-Quebec side, it's essentially the production arm of Hydro-Quebec. The power marketing arm. So it's an agreement as between Eversource and Hydro-Quebec that provides for the cost recovery of the Northern Pass Transmission project. It's referred to as
a Transmission Services Agreement. It's based upon the use of the line.

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

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

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

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

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

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

Q And my clients, Spencer and Legasse, one of the easements that, one of the PSNH easements is
located on their property. Are you familiar with that easement?

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

Q All right.

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

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

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

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

A It is. That's correct.

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

A I'm not certain I understand that question.

Q I'll withdraw the question.

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

A I believe it's Ellen Angley who is our Vice
President of Real Estate.

Q Who signed on behalf of Northern Pass Transmission?

A I'm going to guess Mr. Muntz.

Q Was it James Muntz again?

A Subject to check. Yes.

Q Okay.

A It would be logical.

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

A Yes.

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

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

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

A I believe technically it was a retirement.

Q And where is he now?

A I'm not aware of where he is now.
Q  Is he employed somewhere else?
A  I don't know the answer.
Q  Is he somewhere where he could become a witness in this case and answer questions about these base documents?

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

PRESIDING OFFICER HONIGBERG:  Mr. Cunningham?

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

PRESIDING OFFICER HONIGBERG:  Okay.

BY MR. CUNNINGHAM:
Q  What I want to talk about a little bit is my clients, I think you told us that you don't know them.
A  I don't believe I've met them.
Q Kevin Spencer or Mark Legasse? In your listening sessions, did you have an opportunity to speak with them or look at the property that's concerned in this docket?

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

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

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

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

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

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

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

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

A Not particularly, no.
Q  And are you aware, Mr. Quinlan, that the lodge
is very near the beautiful Christine Lake?
A  I am not.
Q  You're not familiar with that either?
A  I'm not.
Q  And are you aware that Percy Lodge & Campground
has frontage on the Upper Ammonoosuc River?
A  I am not aware of that either.
Q  Do you know where the Upper Ammonoosuc River is?
A  I know where the Ammonoosuc River is, but not
the Upper Ammonoosuc in particular, no.
Q  Are you familiar with the fact that part of
their development is a campground and a boat
launch on the Upper Ammonoosuc River? Are you
familiar with that fact?
A  I am not.
Q  Are you familiar with the fishing available in
that river, that beautiful river?
A  No, I'm not.
Q  And do you know whether or not it's a tributary
to any other water bodies?
A  No.
Q  And if I told you it was a tributary of the
Connecticut River, are you aware of that fact?
A I am not. No.
Q So you're not able to tell the Committee today what impacts this project was going to have on the Percy Lodge & Campground?
A I personally am not. When you say impacts, if you're referring to visual impacts, I would defer those to our experts. He has probably studied the property. Sounds like there's an existing transmission corridor through the property so, but you know, beyond that, I can't go into the details of what the impacts may or may not be if that's what you're referring to, the visual impacts. So is there an existing transmission corridor?
Q Well, there's an easement.
A But is there a transmission corridor?
Q And we'll talk about that in a minute.

PRESIDING OFFICER HONIGBERG: And this is going to be much more efficient, Mr. Quinlan, if you don't ask Mr. Cunningham questions.
A It was more of a statement.
Q Okay. The question I had -- I think the exchange, Mr. Chairman, is probably more fun for he and I than it is for you.
PRESIDING OFFICER HONIGBERG: You're probably right about that.

BY MR. CUNNINGHAM:

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

A Yes.

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

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

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

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

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

A Yes.

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

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

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

(Discussion off the record)

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

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

BY MR. CUNNINGHAM:

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

A. Yes.

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

A. Yes.

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

A. Yes.

Q. Are you familiar with that document?

A. No.

Q. Could you describe for the Committee what it is?
A  It appears to be an easement grant from Stella
Lunn of Stark to Public Service Company of New
Hampshire.

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

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

Q  And --

A  It's in Stark, yes.

Q  I did it again.

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

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

A  Can you scroll down?

Q  Sorry.

A  May 24th, 1946. That was the date of the
witness. Can you scroll down again, please?

Signatures appear to be May 27th, 1946.
Q: What are the dimensions of the PSNH easement described in that document?
A: Appears to be 150-foot strip of land, 75 feet on each side of the centerline.
Q: And can you tell us the length of the right-of-way or easement?
A: 600 feet in the northerly direction and 3059 feet in the westerly direction.
Q: So is it fair to say that the easement is 3000-some feet long?
A: Without a map as to how the easement lays out, it's difficult for me to say, but it appears to be 3059 feet in length to the west.
Q: Yes. And that's over half a mile, is it not, if my arithmetic is correct?
A: That's correct. Yes.
Q: And can you tell us from the document itself how much PSNH paid for this 150-foot by 3000-foot easement?
A: Appears to be 1 dollar and other valuable consideration.
Q: What I asked you to look at is up in the top left where it says US stamps. 55 cents.
A: Where is that? I'm sorry?
Q: Top of exhibit, top left.
A: Parenthetical?
Q: Yes. It's in parenthetical reference there.
A: I don't know whether that's the consideration or not. I don't know what 55 cent stamp means.
Q: If I told you it was a 1.10 at that time in 1947 per thousand that would mean that PSNH paid $500 for this easement. Would you disagree with that?
A: Can you repeat the question? I'm sorry.
Q: Well, let me suggest that in 1947, those tax stamps, US stamps, were 1.10 per thousand.

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

PRESIDING OFFICER HONIGBERG: Mr. Cunningham?

MR. CUNNINGHAM: What this is entitled to show, your Honor, is what Eversource Energy has here is not a transmission corridor. In other words, they paid $500 for over half a mile of easement in 1947 to bring electricity to rural New Hampshire, not to build a huge transmission corridor from Canada to greater New England. I think that $500 is a relevant point for this
Committee to understand and in that connection --

PRESIDING OFFICER HONIGBERG:
Mr. Needleman?

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

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

BY MR. CUNNINGHAM:

Q Mr. Quinlan, the easement, the PSNH easement, you say it's part of or holds the Coos Loop?
A Subject to check. Yes.
Q I think you said that in response to a question yesterday from the Society's attorney.
A You're referring to this particular easement?
Q Yes. I am.
A I'm assuming it does. It would be logical. It's an easement in Stark. I know the Coos Loop, the transmission corridor runs through
Stark. So it's logical, but I'd have to confirm that specifically. It's the first time I've seen this easement, as I said.

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

A I'm sorry?

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

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

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

A Yes.

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

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

Q Okay. And I'll ask him that. But if you would, generally, in other words, this is a 115 kV line?
Q  AC current?
A  Yes.
Q  And you just testified that there are substations somewhere to reduce the current for local distribution.
A  Yes.
Q  What is the current level of the voltage on the lower distribution lines?
A  Lower distribution lines?
Q  Yes.
A  You mean into a home?
Q  Yes.
A  So distribution in New Hampshire is 34,500 kilovolts and lower.
Q  In other words --
A  We would consider any of those to be distribution.
Q  In other words, the 115 kV alternating current is reduced in voltage to 34.5 kV for local distribution, that's correct, is it not?
A  Correct.
Q  And that's part of what the Coos Loop does, does it not?
The substations for the transformers along the Coos Loop and out into the radial feeds to the distribution would step it down for business or home use.

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

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

Bear with me a second.

Okay.

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

Is that A2 1-2?

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

Yes.

Could you take a look at that and tell me what that response was in terms of who owns the gas
pipeline, the size of the gas pipeline and any other description that's contained in the gas pipeline?

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

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

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

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

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

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

A No. This pipeline, no.

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

A I assume that it does. If it's an interstate pipeline, it tends to be subject to compression...
which means a higher pressure, but, again, I don't know the particulars about this pipeline.

Q  In other words, the gas is in liquid form.
A  No. The gas is in a gaseous form.

Q  But under pressure.
A  Compressed. Yes. To allow it to flow.

Q  And are there compression stations anywhere near this pipeline that you know of?
A  I am not familiar with this pipeline, no.

Q  And do you know where the pipeline, the 24-inch compressed gas pipeline, is located with respect to your existing infrastructure on my client's property?
A  I am not specifically, but it appears to be co-located within the same right-of-way. I'm certain that the appropriate safety separation was adhered to. There are very strict rules with respect to separation of gas and electric infrastructure.

Q  So just to summarize, do you know what your structures of the PSNH structures look like as they exist on my client's property?
A  No. I do not.

Q  With the 115 kV lines?
A  I do not.
Q  Whether they're wood, what the height is, what
    the cross bars are and so on?

PRESIDING OFFICER HONIGBERG: I don't know
I think really means I don't know.
A  That's correct.
Q  You don't know.
A  I do not know.
Q  There was testimony yesterday, a lot of
    questions yesterday, Mr. Quinlan, about the Coos
    Loop, and whether or not the Coos Loop should be
    upgraded. I think you responded that yes, it
    should be upgraded, did you not?
A  I indicated that we had committed to upgrading
    the Coos Loop.
Q  And could you describe for us what upgrades
    would go through my client's property with
    respect to the Coos Loop should you decide to go
    ahead and do that?
A  Specifically? Your client's property I cannot,
    but as I indicated yesterday, our upgrade is to
    the northwest quadrant of the Loop. We will be
    essentially reconductoring the line which means
    replacing the existing cable with a higher
capacity cable to allow more of the local
generation to get to market.

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

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

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

A Specifically to your client's property?

Q Yes.

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

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

A Potentially, yes.

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

A Yes. If it's in that quadrant of the Loop,
Q So if I understand that, what we'll have there on that old line easement will be your existing 115 kV lines that may or may not be upgraded by the Coos Loop improvements?
A Correct.
Q A 24-inch gas pipeline, and Northern Pass DC transmission infrastructure.
A Potentially, yes.
Q And could you explain to the Committee how that's all going to work together on this particular property?
A Work with respect to? Safety?
Q Where it will be in relation to one another?
A Sure. Again, I'm not familiar with this specific right-of-way across this particular parcel, but there are very clear and specific requirements for the setoff distances between those various infrastructures, and, obviously, it's our intent not just on this property but throughout the entire corridor to design this thing in accordance with the National Electric Safety Code and to respect those setoff distances to ensure it could be operated safely.
Q  But you cannot tell us on this day when this Committee has this under consideration how this is going to work and what the specifications are going to be?
A  For this particular property?
Q  For this particular property.
A  No, but I can say with confidence that it will be designed and built in accordance with the National Electric Safety Code. Not just for this property but for the entirety of the project.
Q  A few more questions, Mr. Quinlan, with respect to the Coos Loop.
A  Yes.
Q  Yes. That's the current estimate. But again, there are some elements that may need to be added at the Berlin substation.
Q  And where is that money going to come from?
A  The money for the upgrade to the Coos Loop?
Q  Yes.
A From the Northern Pass Transmission project. It's going to be a project development cost.

Q Who is going to front the cost?

A Northern Pass Transmission.

Q And where would Northern Pass Transmission get the funds?

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

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

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

Q And if I recall that review of the Transmission Service Agreement, the Transmission Service Agreement requires a 50/50 split between debt
and equity, does it not?

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

Q All right.

A It tends to be our capital structure.

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

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

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

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

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

A Establish what?

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

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

Q Yes, but --

A The upgrade to the Coos Loop is part of the project.
Q  But the Transmission Service Agreement requires
an exchange, does it not, of budgets and costs
and projections of cost between you and
Hydro-Quebec, does it not?
A  Yes.
Q  And is there a document that we can see where
the Coos Loop funds are going to be part of that
projected budget?
A  Sitting here today, I can't point to a specific
document, but the total project cost estimate is
a subject of frequent discussions, and the Coos
Loop upgrades are part of the project costs
estimate.
Q  And there's been a recent, and I know some
questions were asked yesterday, there's been a
recent spate of publicity that Hydro-Quebec is
bucking some of the costs, development and
projected costs of the Northern Pass?
A  I'm aware that there have been questions and a
lack of clarity, at least in the media. The
parties, both we and Hydro-Quebec, issued a
joint press release about a week ago where both
of our Chief Executive Officers expressed strong
commitment to the project, our mutual view that
the transmission services agreement is in full
force and effect and that we intend to proceed
with this project development, and it was really
intended to clear up any confusion that existed
out in the media. So that joint press release
is as direct and unequivocal as it can be, and
it came from our respective Chief Executive
Officers. So to the extent there were prior
confusion in the media, that release was
intended to clarify that.

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

A I don't believe there is a public dispute about
cost as between the parties. I mean, if you're
referring to the Coos Loop upgrades somehow
leading to the confusion in the media, there's
really no relationship. I suspect the project
budget and cost documents in some respects has
been produced here. I think it's a matter of
public knowledge that the current estimate is
$1.6 billion. I can tell you categorically that includes the Coos Loop upgrade.

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

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

A I'm not aware of any --

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

A That what?

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

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

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

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

Q Yes. I understand. So my clients, the public
and this Committee, at least in the public
sessions here, have to rely on a press release
to assure themselves that the costs of this
project are under control.

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

PRESIDING OFFICER HONIGBERG:

Mr. Cunningham?

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

BY MR. CUNNINGHAM:

Q  Now, just a few more questions about the Coos
Loop. If I understand your testimony yesterday,
you said that absent the Northern Pass, well,
let's back up a second. The Coos Loop upgrade
has nothing whatsoever to do structurally, does
it, with the Northern Pass project. In other words, the Coos Loop is not part of the Northern Pass project, is it?

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

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

A  Okay.

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

A  Correct.

Q  So notwithstanding the need for the Coos Loop to be upgraded for the people that live in the North Country, you will only go ahead with the upgrade of the Coos Loop if you get permission to build the Northern Pass on these old easements?
PRESIDING OFFICER HONIGBERG: The answer is still going to be yes because that's what he just said.

A Let me add to that because it's technically not needed for the people of the North Country. There's no reliability need that's driving the investment in the Coos Loop. There's no capacity need. We have plenty of capacity to serve the citizens of the North Country. The question is, should the export capacity of the Loop be increased so that competitive generators can get their energy to southern New Hampshire or to Vermont. Typically, when that type of investment is considered, it's the competitive generators who would pay for the transmission upgrade. In this case, for decades, the competitive generators have been unwilling to make that investment. So the Loop is constrained. But for our customers in the North Country, the folks who take electric service from Public Service of New Hampshire, it's not a necessary upgrade either from a reliability or capacity perspective. It's why it's never occurred.
Q  Okay. And if it was a Reliability Project, if you and I could agree that it was a Reliability Project, you could recover the cost of the project from the ratepayers, could you not?

A  If it were required for grade reliability?

Q  Yes, sir.

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

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

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

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

PRESIDING OFFICER HONIGBERG: I think we got it. Seriously. Everybody out there knows
more about this than all of us. We get that.
But I think we understand the circumstances
under which the Coos Loop will or won't be
upgraded as it relates to this project.

MR. CUNNINGHAM: All right.

BY MR. CUNNINGHAM:

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

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

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

A You're referring to the loan?

Q Yes.

A I think they're very distinguishable. The loan
was intended to promote economic development and
tourism in the North Country on a project that
is transformational, if you will, in the North
Country. This has a different focus. This
focuses on small scale renewable energy.
Q Now, I think I just have a few more questions, Mr. Quinlan.
You understand, and I recall from your testimony yesterday, that you have to have what you describe as a secure route to build the Northern Pass.
A That's correct.
Q Does "secure route" mean the legal right to build the Northern Pass?
A I think that's probably a legal question, but generally, yes, that's how I would characterize it, yes.
Q And you're, I'm sure, familiar with RSA 162-H:7 that requires a developer of transmission projects to have the legal right to build a project?
A I'm not familiar with the RSA you're referring to.
Q Or Site 301.03(6) that requires you to have the legal right to build the Northern Pass?
A Not familiar with it either.
Q And who should I ask those questions to?
A Probably counsel.
Q Do you have such a legal right?
A To do what?
Q To build the Northern Pass on my client's property?

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

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

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

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

MR. NEEDLEMAN: Absolutely.

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

Okay. I see it.

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

Okay.

And are you familiar with that paragraph?

No.

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

I was not.

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

Can you scroll down to the signature page?

Of course. Page 31?

Yes.

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

Ask him what?

What it means.
A  What it means?
Q  Yes. Do you know what it means, paragraph 6?
A  Yes. Generally.
Q  What's it mean?
A  It's an as-is condition. A disclaimer of warranty where the lessor, in this case PSNH, is providing the lease on an as-is basis with no representation of current warranty.
Q  In other words, PSNH is warranting in its lease with Northern Pass Transmission that it doesn't claim any warranties or guarantee the title to the lease, to the easements under the lease?
A  Correct. And the lessee in this case, Northern Pass, is assuming the risk of that representation, correct.
Q  And could you tell me whether or not that's unusual in a lease deal? To have a disclaimer of title?
A  That's a question better asked to the lawyers, but it would seem common to me and logical.
Q  That a company that claims to have rights over easements does not warrant title to the easements? That's usual?
A  Again, I think that's a question better asked to
a real estate lawyer generally, but it doesn't
strike me as unusual, no.

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

A Yes. I see that.

Q Are you familiar with that paragraph of the
lease?

A No.

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

A Okay.

Q How would you characterize the intent of that
paragraph?

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

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

A Yes, I am aware there is a ongoing proceeding
with the New Hampshire Public Utilities
Commission concerning this lease and the consideration to be paid and whether it's in essence just and reasonable. I know that's an ongoing proceeding.

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

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

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

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

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

Mr. Palmer. You may proceed.

CROSS-EXAMINATION

BY MR. PALMER:
Thank you, Mr. Chairman. Hello, Mr. Quinlan.

Morning.

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

Okay.

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

Approximately, yes. 60 miles.

We've heard testimony yesterday and today about the lengthy considerations and studies and work that went into development of the overall...
overhead route that you had arrived at as of 2013. You mentioned several criteria that your group looks at carefully, and you mentioned a whole host of studies that you discussed this morning that you went through in order to arrive at your proposed plan that you had arrived at by 2013. Is that right?

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

Q  The company had. Predating your involvement.

That's true.

A  Yes.

Q  But the point is that years were spent?

A  I'm sorry?

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

A  The 2013 plan?

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

A  Yes. So the progression was the, I think the initial route was an all overhead route through the western portion of the North Country. That was subsequently changed to move the northern
corridor, if you will, to the east away from the population center so that happened in the 2010 to 2013 time frame.

Q    Well, I understand the progression of the proposals.

A    Okay.

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


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

A    Yes. That's correct. Yes.

Q    Our concern, I wanted to ask whether you
understand that our concern is that the decision
to go to this underground route was a
precipitous decision taken very quickly based on
political and convenience factors without the
appropriate study that should have gone into
deciding to build one third of the route in this
very ill-conceived, in our opinion,
illy-conceived manner. Do you understand that
that's the concern that I'm raising here today?
A  I don't agree with your characterization. I
think it was a well-thought-out decision that
was based upon extensive stakeholder outreach
over roughly a year period.

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

PRESIDING OFFICER HONIGBERG: But that is
his concern, and you understand that, correct?
A  I understand that. Yes. It's clear.
Q  Because we do consider this to be a very
ill-conceived plan because it's going to be burying a high voltage transmission line right through the center of some very active little towns in northern New Hampshire and right down rural and residential roads and through the yards, the front yards of people who have owned property on those roads, abutters along those roads, who have invested their life savings in the properties along those roads.

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

A I understand that's your point, yes.

Q Okay. And to support that point, I'd just like to point out that you said that this decision was taken after you had begun working with Northern Pass, and after you had begun your listening tour, and when did you begin your
listening tour?
A  Mid 2014.
Q  An you said that the decision to build a large portion of this transmission line underground was based on things that you heard during your listening tour which started in mid 2014. So if I have the chronology correct, you started your listening tour in mid 2014, and you took this decision to build a third of the power line underground through our neighborhoods less than a year later.
A  Not quite. I believe we announced the Forward NH Plan in August of 2015. So a little over a year later.
Q  Okay. Okay. I'm sorry. Maybe a year and a couple months later.
A  Okay.
Q  So this decision to build one third of the transmission line through our neighborhoods underground was developed in the course of less than a year. Maybe a couple months more than a year.
A  Approximately. Yes.
Q  So I'm wondering considering that in order to
develop the plan that you had developed up to that time took five years of study and careful consideration of many criteria, how is it that you could now suddenly decide to build a large portion of the third of this power line underground in our neighborhoods and in our towns in less than a year? How could you possibly have done the amount of study that would be required to develop that plan in the space of a year?

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

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

A Sure.

Q I'm just curious. Can you give me a little bit more detail on what type of very focused studies were carried out in the space of a year in order to arrive at this fairly momentous and
ill-conceived decision?
A Studies or outreach? I'm sorry.
Q Both.
A On the technical and engineering side, we had an engineering team look at what it would take from a design and engineering perspective to be able to, in essence, avoid overhead construction in and around the White Mountain National Forest. That was the goal or objective that came out of the outreach. When we established that goal or objective, I asked the engineers to look at routes that allowed us to accomplish that goal. That led to the route that we announced. It was based upon technical feasibility. It was based upon the available land rights. Where can we exit and enter the right-of-way. What are the roads that we would go under because we didn't want to go underground through the right-of-way because of the environmental impacts of underground construction and transmission right-of-ways.

So we were driven to the roadways. The engineers evaluated that. We made a determination as to how big a bypass were we
going to design. You know, technically, the White Mountain National Forest, we're only, the right-of-way, the transmission corridor, is only in the White Mountain National Forest for 16 miles technically. But when you look at the approaches to the north and the south of the White Mountain National Forest, we said well, let's try to be underground around those approaches. That led us from 16 miles to 52 miles. That's how we ended up from Bethlehem to the north to Bridgewater to the south which was to totally avoid the White Mountain National Forest, Franconia Notch, Appalachian Trail.

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

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

A Yes.

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

A For bypassing the White Mountain National Forest?

Q Yes.

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

Q Where would those 16 miles have run?

A I don't have a map in front of me, but if you look at the existing transmission corridor, and when does it enter and exit the White Mountain
National Forest, that's a 16-mile distance. But then if you really looked at where would the line be visible from the White Mountain National Forest because of the contours in that area, that's how we landed on the 52 miles. If I had a map, I could show you more clearly what I mean.

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

A Okay.

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

A Yes.

Q What studies were produced?

A The Forward NH Plan.

Q The Forward NH Plan that I saw was a fairly short and cursory description, but it certainly was not anything that could be characterized as a detailed study demonstrating the benefits of this new route.
That was the essence of the Forward NH Plan was to demonstrate the benefits of not only the new route but the economic and environmental benefits of the project.

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

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

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

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

Well, I've looked, and the only thing that I've seen that really addresses this is the Burns &
McDonnell study which is partially confidential, but what was the date of that study? When was that study released?

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

Q  Yes.

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

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

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

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

A  Subject to check, that makes sense.

Q  So that's nearly fully a year after your
decision to adopt this underground route through our neighborhoods. Is that correct? Almost a year.

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

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

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

Q Sorry.

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

Q Okay. We know that you know or consider that
your proposal is a good proposal or is a proposal. But my point is that you have not demonstrated by releasing technical studies to support your assertion that this is a good route. You have not supported your assertions that this is an optimal route or a good route. And, in fact, it's our concern that this is a very suboptimal route, and we feel that, you understand, that our concern is that your assertion that this is somehow a good route is totally unsupported by any technical data or studies that were released prior to your decision.

PRESIDING OFFICER HONIGBERG:
Mr. Needleman, you want to go first?

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

PRESIDING OFFICER HONIGBERG: I don't know
that Mr. Palmer knows whether there's something that hasn't been produced because he's probably not seen it. But what I was going to say to you, Mr. Palmer, is that it's rarely effective to argue with the witness while the witness is on the stand.

MR. PALMER: Okay.

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

Where you want to end up at the end of this proceeding, I think we all know, but I can almost guarantee you that he's not going to
agree with you while he's sitting here today.

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

Mr. Needleman alluded to hundreds of thousands of pages of documentation. Thank you, Mr. Needleman. I do you understand that there are hundreds of thousands of pages of documentation. None of this is pertinent to the underground route. Or very little of it is. I mean, if you look at the studies that Northern Pass has produced, isn't it true, Mr. Quinlan, that Mr. Chalmers' study, for example, looking at the impact on property values does not
address underground installation whatsoever?

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

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

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

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

A Certainly upon completion of the project.

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

A I don't know the answer to that question. I would believe that we've done environmental studies of underground impacts. I'm certainly aware that we've conducted a lot of geotechnical survey work along the underground route so there's extensive field work taken place on these segments.
Well, I'll tell you that during the technical session, I asked Lee Carbonneau that question, and she told me that the environmental studies along the proposed underground portion of the route were based on generic knowledge of New Hampshire ecologies and not based upon field studies because that portion of the route was decided upon well after most of her studies had been done; and, therefore, my conclusion, wouldn't you agree that it's a logical conclusion that these environmental studies, appropriate environmental studies were not done prior to the decision to adopt this underground route?

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

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

A I do not know. That's correct.

PRESIDING OFFICER HONIGBERG: I think that's what you want. Isn't it? Because you
think you have other information that says that it doesn't.

MR. PALMER: Okay.

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

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

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

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

A Okay.

Q That was in June of 2016. That was fully a year after you made the decision to adopt this route.
So I hope you can understand how it might appear to us that these studies produced after the decision was taken are sort of after the fact studies which are trying to justify a bad decision rather than -- and did you do similar geotechnical works on the other alternatives? Did you consider whether they were comparatively better or worse geotechnically than the route that you chose?

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

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

A Yes.

Q My point is they were not conducted as a basis for deciding amongst the most appropriate
alternatives for avoiding taking your transmission line through White Mountain National Forest. You did not conduct similar geotechnical studies on the other alternatives that you considered, for example.

Q I'm sorry?

A Which alternatives are you referring to?

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

A Correct.

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

A That's correct.

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

PRESIDING OFFICER HONIGBERG: Sustained.

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

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

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

PRESIDING OFFICER HONIGBERG: And the
question is?
Q The question is, is that true?
A I don't know the answer to that question.
Q So I'm taking that as a maybe there will be some trees cut.

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

MR. PALMER: Okay.

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

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

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

A No.

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

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

Q So hypothetically, if trees need to be cut, and if blasting needs to be conducted and ledge needs to be blasted and if a tremendous amount of soil needs to be removed and replaced, is it really going to be technically feasible to return things to as good or better condition as
they were before you started construction?

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

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

A I'm aware that the letter was issued. I am not
familiar with the letter in detail, no.

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

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

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

Q I'm sorry. Excuse me. I don't mean to interrupt, but my question was not whether you can comply with conditions. I'm sure that you would be able to. My question is, can that be
done without irreparable damage to the environment, and the reason I ask is because in my property and on other properties along the route, the shallow water table which I'm using to water my livestock is much less than 7 feet below the ground. This power line that you intend to install will be sitting in the aquifer. Sitting in the aquifer. The power line will be surrounded by geothermal concrete which has unknown chemical additives in it which will be leaking into my aquifer.

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

A Yes. Again, DES has also looked at the proposed project, and they have identified specific conditions, and it's our intention to comply with both DOT and DES's conditions. DES on the environmental side, DOT on the transportation side. Yes.
Q  Quite separate from the DES conditions, can you explain to me how placing material containing chemical additives in the aquifer and leaving it there indefinitely will not affect that aquifer?

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

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

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

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

(Discussion off the record)

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

MR. PALMER: Okay. Thank you.

(Recess taken 10:41 - 10:55 a.m.)
PRESIDING OFFICER HONIGBERG: Mr. Palmer,
you may proceed.

MR. PALMER: Okay. Thank you.

BY MR. PALMER:

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

A Warning signs?

Q Warning signs or any types of signs.

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

Q Not extensive, but there will be, you're saying that there may be some signage aboveground after
the project is finished?

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

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

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

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

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

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

A Potentially. Again, the final design has not yet been determined, but if we have to go deeper we'll have to obviously excavate more and backfill greater depths.
Q So if you're going deeper and you're excavating more, would you agree that when excavating the deeper trench, the top of the trench becomes much wider, is that right? Because of the collapse of the side walls?

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

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

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

Q Because, again, one of our concerns is that in some portions of the right-of-way the right-of-way width is only 40 feet wide, and my question is if you need to do trenching down to 7-foot depth, and you also need to leave a safety lane in order for emergency vehicles to get past, is it going to be possible to do both
of those things within a 40-foot right-of-way? I mean, we wonder whether your proposal is even technically feasible.

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

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

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

Q And in areas where the right-of-way has not been
established because legal historic documents establishing it have not been found, isn't it true that you are constrained to staying within the disturbed shoulder of the road and cannot move off into any further right-of-way because there's no established right-of-way?

MR. NEEDLEMAN: I'm going to object.

A I would refer that to counsel.

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

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

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

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

MR. NEEDLEMAN: Well --

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

BY MR. PALMER:

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

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

Q Okay.

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

Q Once the project has been installed, yes.

A Yes. I would defer that question.

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

A Mr. Bowes is probably the right person.

MR. NEEDLEMAN: Mr. Palmer, I can also help with that. The construction panel is going to speak both to construction and operation, and so there should be people in that panel that can
answer those kinds of questions.

MR. PALMER: Okay. Thank you.

BY MR. PALMER:

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

A Yes.

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

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

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

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

Q But the 2600 that you're referring to are the construction phase jobs. So we're talking about temporary jobs here. We're not talking about sustained economic growth, are we?
I disagree. I think it's a -- you're talking about a very sizable project. $1.6 billion project being built in New Hampshire. That project will not only create those multi-year construction jobs which are highly desirable for a construction worker but will also drive a lot of GDP growth in the surrounding areas that is, in essence, permanent. So I don't agree that these are temporary effects. They continue on well beyond the project being placed in service.

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

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

So even in the construction area while the
duration of the project is a period of years, I expect in that instance those apprentices to go on to very successful careers beyond that.

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

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

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

A I wouldn't view it that way. I think it's a great opportunity for an extensive period of time on a single project. There are very few projects that are 2-plus years in duration that provide the training opportunities that we're going to create here. So it is very unique in that regard. And it's right here New Hampshire. What I hear repeatedly from line workers in this state is they're forced to leave the State of New Hampshire for employment, whether it's to go
elsewhere in New England or beyond. So one of the things that makes it attractive to in-state workers, it's an opportunity to work in their home state for an extended period of time.

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

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

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

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

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

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

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

MR. PALMER: It's not.

PRESIDING OFFICER HONIGBERG: Okay. You may proceed.

MR. PALMER: These questions were actually --

PRESIDING OFFICER HONIGBERG: You may proceed.

MR. PALMER: Okay.

BY MR. PALMER:

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

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

Q So it seems intuitive, to me anyway, that at the end of the construction period we're going to have, maybe not 2600, maybe 2000 workers who were lured here by the Northern Pass construction project, worked here for three
years and are now suddenly out of employment and jobless here in New Hampshire.

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

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

MR. NEEDLEMAN: Object, Mr. Chair. I don't think that characterized the testimony accurately.
MR. PALMER: I'm sorry?

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

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

MR. PALMER: I'll just move on.

BY MR. PALMER:

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

A No. As the Forward NH Plan makes clear, there
are several billion dollars worth of economic
benefits that are going to flow to New Hampshire
as a result of this project, and I expect that
will have a long-lasting effect on the future of
this state.
Q  But any way you put it, there's 2000 jobs
    created and 2000 jobs eliminated; is that right?
A  No.
Q  The boom and bust cycle. Are you familiar with
    the economic body of study that shows that boom
    and bust cycles result in the long-term in
    recession and depression in the economy?
A  No.
Q  Are you familiar with studies showing that
    companies that operate on a model such as yours
    which involves hiring of short-term labor, using
    them when needed, and then releasing them when
    no longer needed results in economic havoc in
    the local economies?
A  I'm not familiar with the study. I will tell
    you that infrastructure throughout this country
    is generally built by contractors who are
    accustomed to working on projects, and they
    recognize when they enter that field that they
    generally move from project to project.
    
    My point here is that you have a very
    significant infrastructure project being built
    in this state, it's going to create highly
    desirable opportunities for hundreds of New
Hampshire residents who are anxious to get to work on the project, and in some cases they'll be learning a highly skilled trade. In other instances, it's a trade they're already qualified to perform. And they understand that these projects have a beginning and an end, and they'll happily work on Northern Pass for the 2-plus years of the construction, and then in all likelihood they will move on to the next project. That's the nature of the contracting business. But I can tell you firsthand, in talking to dozens if not hundreds of these workers, they're very anxious to get to work on the project.

Q No doubt. I don't question that.
A Okay.
Q I don't question that individual workers would be happy to find a short-term job to support their families. My point is that the overall model results in a boom and bust cycle which wreaks havoc on the local economy and ultimately results in long-term unemployment.
A I'm not familiar with the study, but I can tell you once these folks have the qualifications to
be an electrical worker, you know, they likely will be in high demand on other projects either in this state or beyond. So I don't know that there's any bust, if you will, for these particular workers. I think they view these opportunities as a full-time career.

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

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

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

PRESIDING OFFICER HONIGBERG: You're welcome.

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

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

MR. LAKES: I was hoping to sit right here.
PRESIDING OFFICER HONIGBERG: If you're more comfortable there, by all means. As long as -- do you see where he is, Mr. Quinlan?

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

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

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

MR. QUINLAN: Morning.

CROSS-EXAMINATION

BY MR. LAKES:

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

A Yes.

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

A I'm hesitating. The answer is yes. There will be a transmission line built north of the border, if that's what you're referring to, to
interconnect Northern Pass to the generation source, the hydro dams.

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

A That's correct.

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

(Discussion off the record)

BY MR. LAKES:

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

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

PRESIDING OFFICER HONIGBERG: Sustained. That means we're not going to require Mr. Quinlan to answer that question. In part,
because he answered a question like that yesterday. So do you have another question you'd like to ask him?

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

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

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

PRESIDING OFFICER HONIGBERG: Mr. Lakes?

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

BY MR. LAKES:

Q Does Eversource have a moral or ethical corporate policy with regard to pollution? If so, what does it say?
A I wouldn't necessarily characterize it as you have, but we do have a corporate environmental policy and a sustainability program. So yes, we do, in essence. I don't have it here with me today so I can't quote it directly.

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

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

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

A The importation of hydropower?

Q Yes.

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

Q All right.

A It's been recognized in New Hampshire as Climate Action Plan as such.
Q So am I to understand that the boundaries in terms of what is called "clean energy" starts at the border but does not go beyond the border into Canada?

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

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

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

Q So I'd have to ask, would you agree to claim an ignorance or lack of understanding of these
issues, which you just said you don't know what's happening as much on the other side of the border is a huge moral and ethical lapse on the part of Eversource, a failure to do its due diligence, to recognize proven scientific data in the best interests of the planet?

MR. NEEDLEMAN: Objection.

PRESIDING OFFICER HONIGBERG: Grounds?

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

PRESIDING OFFICER HONIGBERG: Mr. Lakes?

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

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

MR. LAKES: I believe the premise that he's
stating is that the issues that I'm bringing up are not an issue on this side of the border, in the United States.

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

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

BY MR. LAKES:

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

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

Q Okay.

A But I am, my perspective on hydropower is being
a clean energy source and an important one is my view.

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

A No. No.

Q -- carbon dioxide?

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

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

A I'm generally aware that companies work to create hydropower in an environmentally conscious way, but I'm not familiar with the specific issues you're referring to. I do view hydropower, however, as clean energy. It's a noncarbon-emitting fuel source.
Okay. Okay. I'll move on to my next question. On October 14th, 2016, the PUC approved the Northern Pass Petition to become a New Hampshire Utility. As part of the settlement, $20,000,000 was allocated from the Forward NH Plan to the PUC for dispersal upon approval of the Application by the SEC.

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

Yes. They will.

What was the motivation to provide these monies and how was this $20 million figured or arrived at?

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

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

Is it standard practice? I'm not aware of the, whether it is or is not, but in the context of these settlement discussions, and given the fact that we had committed to the Forward NH Fund, it
was reasonable to talk about allocating a portion of those funds to critically important programs here in New Hampshire such as energy efficiency for low income customers.

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

Q Are you aware that three members of the PUC sit on the SEC?
A I am not aware of that. I know there are, I believe, two members on this panel. It may be that a third Commissioner sits on another panel, but here, I'm aware that there are two.

Q Do you see where this could be construed as a conflict of interest?
A No. I think they're entirely separate considerations. The consideration in that case is whether Northern Pass should be granted utility status under New Hampshire law which means subject itself to regulation and oversight
by the Public Utility Commission. That's a very different question than what the question is before the SEC. So I don't think there's any interrelationship, and I think from the State's perspective, having the Public Utility Commission exercising such jurisdiction, whether it's safety, reliability or otherwise is an important part of their statutory obligation.

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

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

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

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

PRESIDING OFFICER HONIGBERG: Hang on. Hang on. Mr. Lakes, Mr. Needleman has made an objection that Mr. Quinlan has already answered the question. What is your response to that?
MR. LAKES: Well, my response is that he's obfuscating with regard to the answer.

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

BY MR. LAKES:

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

MR. NEEDLEMAN: Same objection.

PRESIDING OFFICER HONIGBERG: Sustained.

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

It seems to suggest that you're willing to,
A, to negotiate a higher initial tax rate, and
B, remove the threat of abatement in order to
entice towns to not fight Northern Pass. Do you
agree with this?

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

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

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

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

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

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

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

A No. I don't agree with that characterization.

What it basically says simply is that there's an accepted methodology for valuing utility property. If a town uses that methodology, we commit not to seek abatement. And then we provide a schedule to the town as to what the tax revenues look like for the first 20 years of the project being in service. So it's really intended to provide information or certainty or clarity around the minimum level of tax revenue that a town could count on.

Q Thank you. My questioning is over.

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

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

CROSS-EXAMINATION

BY MS. MENARD:

Q  Good morning.
A  Morning.

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

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

A  Okay.

Q  All set? Sorry.
A Catching up with you.

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

A Did I personally? No.

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

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

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

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

Q In addition to dealing with the negative impacts of Northern Pass Transmission, it is possible that a seller with such a contingency may actually have to lower their price to attract a buyer. Would you take that into consideration as well?
A If that were true, we'd certainly take it under advisement, yes.

Q Okay. But basically you would agree that the concept of the Eversource Right of First Refusal clause could complicate a real estate transaction?
A I could see how that could be a complication. Yes.

Q Most importantly to me is who would disclose and explain the pitfalls of this Right of First Refusal clause to a seller who is contemplating, you know, a prospective landowner prior to signing up for the program?
A Who would disclose it?
Q Yes.
I don't know if it would be an obligation for the seller to disclose it or the realtor or the listing broker.

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

A Okay.

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

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

Q Yes.

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

Q So Eversource.

A Eversource.

Q Eversource would take it upon themselves to explain that?

A Yes. Yes. As well as all the other Program Details.
Q  Okay. Is a copy of the agreement between Eversource and the landowner available for review?
A  Which agreement are you referring to?
Q  The Guarantee Program. You know, whatever, and I may have gotten part of that answer yesterday, that this program is something that you are doing as an attempt to mitigate property value losses to certain property owners, but have you gotten to the point of actually framing up or drafting and what an agreement between Eversource and a landowner might look like?
A  The form of agreement, no. What you have here is, essence, the extent of our development at this point. Again, as I mentioned yesterday, we've never embarked on such a practice. I'm not familiar with this type of guarantee existing in the industry. It's something we are committing to here, certainly, but the details will need to be developed as we move forward.
Q  Okay. The program cites in Section 5 C that Eversource will provide a list of appraisers.
A  Yes.
Q  Wouldn't you agree that it would be more fair
for a landowner to select a certified appraiser?

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

Q  Okay.

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

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

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

Q  Okay. Basically the concern that I have is that
how would you assure landowners that an
Applicant-approved appraiser doesn't bring an
industry bias to the appraisal process?

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

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

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

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

A We are not planning a broad-based campaign.
This is intended to be a program that addresses and mitigates to the extent possible some of the impacts that we know are of concern. So I'm not anticipating a marketing campaign around this.

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

A Okay.

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

A Yes. And just for clarity, this program was essentially designed based upon the findings of this study, and my layman's explanation of that
is he looked at statistics across a wide range of transactions to determine is there an effect, and he finds little evidence of that, but is there an increased likelihood of an effect. And his conclusion is that these three criteria identify instances where there is some likelihood that there might be an effect. So that then formed the basis for the program.

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

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

A Studied by Chalmers or by?

Q Anyone.

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

Q Are you aware that these eligibility criteria are so restrictive that, as Mr. Bilodeau stated yesterday, that even having a new substation
built in your backyard, you would not qualify to be considered for recouping economic loss to property value?

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

Q  Your reliance on Mr. Chalmers' conclusions would exclude several New Hampshire property owners who have beautiful parcels of raw land, several parcels of conservation land, would you agree that your company's reliance on Mr. Chalmers' conclusions solely pertain to single family
residences, and they would leave out hundreds of New Hampshire property owners subject to economic loss due to the Northern Pass Transmission project?

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

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

COMMISSIONER BAILEY: Not driving us nuts but crooked.
PRESIDING OFFICER HONIGBERG: It is crooked. Better.

BY MS. MENARD:

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

A Okay.

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

PRESIDING OFFICER HONIGBERG: Off the record.

(Discussion off the record)
BY MS. MENARD:

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

A So where is the property? The lower green?

Q Excuse me?

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

Q It's the yellow highlighted lot.

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

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

A Yes. The dashed line. Got it.

Q To the east.

A Yes.

Q And a brief overview is that this is a collection of 6 similar antiques that have sold all within that same year, 2012, and the differential of 30,000 on this particular sale is significant compared to as you go down this list you'll see a lesser and lesser differential between the sale price and the list price.
I will assert to you today that upwards of $25,000 of this loss in value to the seller was due to the proposed Northern Pass Transmission project, and there is another very minor situation with a home that I'm not going to state that the full $30,000 price difference was due to Northern Pass, but, unquestionably $25,000 loss to the seller.

My question to you --


MS. MENARD: Yes.

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

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

PRESIDING OFFICER HONIGBERG: I'm sorry. So what you wanted to do is assume that to be true and then what happens with his program or
should his program be expanded or something like that?

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

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

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

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

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

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

MS. MENARD: Well, I didn't want him to think that this was a hypothetical situation. This is a real sale, and it was a significant loss to a property owner in Deerfield.
PRESIDING OFFICER HONIGBERG: So you're going to prove up later that this happened and you're going to assert that A caused B.

MS. MENARD: Correct.

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

MS. MENARD: If he chooses to.

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

MS. MENARD: Correct.

PRESIDING OFFICER HONIGBERG: Okay.

MS. MENARD: Thank you.

BY MS. MENARD:

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

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

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

MR. ROTH: You want to ask him if he agrees.
MS. MENARD: Oh, thank you.

BY MS. MENARD:

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

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

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

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

Q Will do.

A Okay.

Q Thank you.

A Yes.

Q We have a few questions for you regarding your
Attachment M of your Supplement. This is the Claims Submission Form?

A Yes.

Q Will this form be available online to claimants?

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

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

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

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

A No.

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

A Not that I'm aware of, no.

Q If as a result of a construction activity, a property owner couldn't access their property,
would Eversource pay for a hotel, meal, transportation if there was some reason why they couldn't get home for the night?

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

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

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

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

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

Q And last question, is there a means to have mediation if the claim is denied?
A A mediation, short of a lawsuit or an arbitration, is always something the company is open to which is to resolve differences amicably through discussion, if you will. So we're
generally always open to mediation in dispute resolution.

Q Okay. Thank you.
A You're welcome.

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

INTERROGATORIES BY COMMITTEE MEMBERS

BY MR. OLDENBURG:

Q All right. Compared to the rest of this, I think this is going to be relatively easy. Just for a setup, just for reference, things that I'm talking about I'll reference. They all seem to come from the Executive Summary in the Application. That's because where I first came across my question, and I didn't get an answer all the way through all the testimony and everything else. So my references are mostly going to come from there.
A Should I get a copy of that?
Q I don't think you need to because it is pretty high level.

A Okay.

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

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

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

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

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

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

A So specific to the Power Purchase Agreement,
those benefits would flow to Public Service of
New Hampshire customers so Eversource customers.
That's for the Power Purchase Agreement. The
broader energy cost savings from the market
suppression effect which we talked about
yesterday, that flows to customers across New England, including all other New Hampshire customers. The Co-op, Unitil, et cetera.

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

A Yes.

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

A Okay.

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

A Right.

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

A So what happens, the way energy prices work in New England, there's one market for all six
It's called the wholesale power market. And the price for all the power in the queue, which means all the power needed to meet customer demand across all New England, is set by the last generating plant necessary to meet customer demand. So that last unit, whatever the price is that they bid into the wholesale market, sets the clearing price for all of the other generation in the region.

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

Q I won't look down at that end of the table.
A Okay.
Q I've got some questions about the Coos Loop.
A Okay.
Q And I think I learned more about it yesterday
than I could find anywhere in the Application, but originally when we were reviewing the project out in the field, that's where I think I first realized that the upgrade is not a replacement. It's not going to be totally rebuilt. It's going to be upgrade.

A That's right.

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

A In large part, yes. However, as we talked about yesterday, so that's technically true for that northwest quadrant, but there are a couple of segments further to the east and then to the west on either end that still have thermal limitations. They still restrict flow from the Loop. So we've committed to go beyond that which we technically need to upgrade to include those additional segments so we eliminate all the constraints. So in large part you're
correct, but there are a couple of areas that we've added to make sure it's fully unconstrained.

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

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

Q Okay.

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

Q So the part that gets the thermal upgrade?

A Yes.

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

A New conductor. Just an increased diameter.

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

A They're moving.
Q Well, that's the section that you're collocating.

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

PRESIDING OFFICER HONIGBERG:
Mr. Oldenburg, try not to talk over Mr. Quinlan.

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

PRESIDING OFFICER HONIGBERG: You're doing great.

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

A No, not necessarily. So what really drove that decision is the cable. So when we decided to place that amount underground, we actually changed the cable type, and we've gone to what's referred to as HVDC Light so state of the art
cable technology. It's been used in a 1090-megawatt commercial application elsewhere in the world. The one we're proposing will be the longest underground segment in North America. The 1200 megawatt version of this is not in commercial application that I'm aware of.

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

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

A Yes. So hydropower is noncarbon-emitting.
Um-hum.

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

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

Yes.

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

Yes.
Q Do I understand that right?
A Yes. So generally, what's happening, not just here in New England but across the nation, is low natural gas prices are displacing, and, therefore, gas-fired generation is displacing the generation plants we've relied on for a long time as a country, whether it's nuclear plants, coal plants, oil plants. So we're becoming more and more reliant on natural gas as a fuel source.

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

Q And any of those plants in New Hampshire?
A That have retired?
Q Or are at risk?
A Not that have retired that I'm aware of. I'm
aware that a biomass plant in New Hampshire just recently announced that it may be retiring. I believe it's the Alexandria plant so that burns wood. But none of the, none of the historic fleet has retired here in New Hampshire.

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

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

A So Merrimack is a coal plant. It's one of the few coal plants remaining in New England. That is on ISO's at-risk list. Now, ISO just, the way they derived that list is they look at the age of the plant, is it 50 years or older, what's its heat rate, how efficient is it as a generating unit. Because the market, just on economics, is forcing lower efficiency units out, and that's how they come up with their list. Age or vintage, heat rate and environmental questions.
So coal in New England has been at risk for a long time. Many coal units have retired across New England. Merrimack and Schiller which is out in the Seacoast area. Schiller Units 4 and 6 are coal as well. So they are on ISO New England's at-risk list.

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

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

PRESIDING OFFICER HONIGBERG:
Mr. Oldenburg, would this be a decent time to break?

MR. OLDENBURG: I really have one question left.

PRESIDING OFFICER HONIGBERG: Go for it.

BY MR. OLDENBURG:

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

A Yes.

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

A Yes.

Q And also heard testimony on the smaller degree, and I think it was, I want to say it's in Mr. Fortier's testimony, that there was a change, specifically in Concord, there was a
change of trusses to make lower to stop the
effect of the visual view. So there's those
decisions that are being made as the project
goes through, and there's a thousand emails on
the website that list people's concerns. How do
you sort of set that, how do you direct people,
who are those people that are making those
decisions of whether or not this is a good idea
or not a good idea. I'm sure you don't, you're
not, maybe you are, doing like a cost/benefit
analysis on each thing. Is there a monopole,
this a truss, do I move this five feet, do I
move it ten feet. Just how are you as a, more
as a company, or how are you directing people to
do that?

A It's a great question. So you're right. My
role is not to get into every detail around the
project design or mitigation steps that we may
be taking, but I am responsible for the overall
project development which means all of the
siting, permitting, design engineering,
construction planning and ultimately the
operation. So we have a fairly large team, not
surprisingly, that is broken out by discipline.
We have an engineering and design system planning group. We have a construction management group. We have an outreach community, outreach group that's interfacing with businesses and municipalities and landowners. We have a lot of other groups. So through, I guess, coordination with the leads for all of those various efforts.

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

There are literally thousands of interactions with folks who have a question or a concern about this project, whether it's a
landowner or business, and those are happening literally every day. That's probably, there's probably on any given day 25 to 50 people involved in project development efforts across that span.

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

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

A Yes.

Q And I imagine the higher the cost or higher the complexity or whatever, the higher they have to go, like in any organization.

A That's absolutely true, and you use the point of, there are certainly decisions that transcend my authority. So if it's something that requires consultation and agreement with our partner, Hydro-Quebec, then we have the necessary management meeting to address those.
There are certain issues that ride to the level of our Board of Trustees. Those tend to be ones that require public disclosure under the Securities & Exchange Commission rules.

PRESIDING OFFICER HONIGBERG:
Mr. Oldenburg, don't feel like you have to declare yourself done. We can always circle back to you. One of the great things about being on the Committee is that you get to ask questions if you want to. So would this be a time to break?

MR. OLDENBERG: It's a good time to break.

PRESIDING OFFICER HONIGBERG: All right. We're going to take a lunch break. We'll be back as close to 1:15 as we can. Off the record.

(Lunch recess taken at 12:25 p.m. and concludes the Day 2 Morning Session. The hearing continues under separate cover in the transcript noted as Day 2 Afternoon Session ONLY.)
CERTIFICATE

I, Cynthia Foster, Registered Professional Reporter and Licensed Court Reporter, duly authorized to practice Shorthand Court Reporting in the State of New Hampshire, hereby certify that the foregoing pages are a true and accurate transcription of my stenographic notes of the hearing for use in the matter indicated on the title sheet, as to which a transcript was duly ordered;

I further certify that I am neither attorney nor counsel for, nor related to or employed by any of the parties to the action in which this transcript was produced, and further that I am not a relative or employee of any attorney or counsel employed in this case, nor am I financially interested in this action.

Dated at West Lebanon, New Hampshire, this 15th day of April, 2017.

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Cynthia Foster, LCR