

STATE OF NEW HAMPSHIRE
SITE EVALUATION COMMITTEE

June 9, 2017 - 1:36 p.m. DAY 14
49 Donovan Street Afternoon Session ONLY
Concord, New Hampshire {REDACTED - for public use}

{Electronically filed with SEC 06-21-17}

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
(Hearing on the Merits)

PRESENT FOR SUBCOMMITTEE/SITE EVALUATION COMMITTEE:

Chmn. Martin Honigberg <i>(Presiding Officer)</i>	Public Utilities Comm.
Cmsr. Kathryn M. Bailey	Public Utilities Comm.
Dir. Craig Wright, Designee	Dept. of Enrивon.Serv.
Christopher Way, Designee	Dept. of Resources & Economic Development
William Oldenburg, Designee	Dept. of Transportation
Patricia Weathersby	Public Member
Rachel Whitaker	Alternate Public Member

ALSO PRESENT FOR THE SEC:

Michael J. Iacopino, Esq. Counsel for SEC
(Brennan, Caron, Lenehan & Iacopino)

Pamela G. Monroe, SEC Administrator

(No Appearances Taken)

COURT REPORTER: Cynthia Foster, LCR No. 14

I N D E X

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NOTE TO READER:

CONFIDENTIAL SESSION under separate cover
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P R O C E E D I N G S**(Hearing resumed at 1:36 p.m.)**

1
2
3 PRESIDING OFFICER HONIGBERG: We're going
4 to resume with others from the Municipal Group.
5 Who else has questions? Ms. Pacik? Ms. Pacik,
6 is the plan that you're going to do public
7 questioning and then have a confidential
8 section?

9 MS. PACIK: Correct.

10 PRESIDING OFFICER HONIGBERG: So after your
11 confidential section, Mr. Anderson will circle
12 back to let you complete your questioning, okay?
13 Ms. Pacik, you may proceed.

14 MS. PACIK: Thank you.

CROSS-EXAMINATION**BY MS. PACIK:**

16
17 Q Good afternoon, Ms. Frayer. My name is Danielle
18 Pacik. I represent the City of Concord, and I
19 am also the spokesperson for Municipal Group
20 3-South.

21 First I just want to cover a quick
22 questions about your background. You work at
23 London Economics International?

24 A Yes.

1 Q I just want to confirm. That's in Boston,
2 Massachusetts?

3 A We are headquartered in Boston.

4 Q And do you have another office in Canada?

5 A We have an office in Toronto, we have an office
6 in Taiwan, and we have affiliate offices, small
7 offices in some other locales.

8 Q Okay. It's an energy consulting firm?

9 A Yes. We like to say a little bit more broadly,
10 an economic consulting firm specializing in
11 infrastructure.

12 Q I assume you've heard of the London School of
13 Economics?

14 A I have.

15 Q And that's in London, England?

16 A Yes, that's correct.

17 Q And just to be clear for the Committee, your
18 firm doesn't have any association with that
19 school?

20 A No association.

21 Q Okay. And your firm is not located in London?

22 A Our headquarters are currently in Boston,
23 Massachusetts.

24 Q You don't have any offices in London?

1 A We don't currently have offices in London. We
2 have an affiliate that we work with who is
3 headquartered in London.

4 Q And you're aware that you actually have
5 trademark registration for London Economics?

6 A I believe so, but that would probably be the
7 area of business administration that my partner
8 takes care of and not myself.

9 Q Okay. But at the time that was obtained, there
10 was no association with London, right?

11 A London Economics was founded in London in the UK
12 with the reforms of the UK power pool in the
13 early 1990s. We were, our founders were
14 advisors to the government then in the first
15 experiment to deregulate power markets.

16 Q Can you turn to Exhibit 206, please? Joint Muni
17 206?

18 I don't want to belabor this point, but
19 when you applied for your trademarks office
20 application, you actually were denied in the
21 first instance because the mark was if -- if you
22 could increase on that? Geographically
23 misdescriptive because there was no relationship
24 with London. And if you turn down a few pages,

1 please? The response in that to the denial was
2 that you explained that the reason you wanted
3 London Economics was because it's suggestive of
4 the Applicant's economic financial strategic
5 professional advisory services than London is
6 often seen as a sophisticated city that draws
7 people from all over the world with its rich
8 history and proximity to such world-renowned
9 universities as Oxford and Cambridge. The
10 mention of London suggests high levels of
11 intellectual achievement, and by using London as
12 part of the mark, the Applicant subtly
13 suggests to consumers that its services will
14 meet the needs of its sophisticated business
15 clients around the world.

16 So that wasn't because you had offices in
17 London, was it?

18 MR. NEEDLEMAN: I'm going to object.
19 Relevancy.

20 PRESIDING OFFICER HONIGBERG: I think
21 you've done a good job of establishing how
22 impressive the company's name is. Is there a
23 question associated with that?

24 MS. PACIK: The question is, I'm trying to

1 figure out, I'm just confirming that it's not in
2 London.

3 PRESIDING OFFICER HONIGBERG: I think we
4 got that.

5 MS. PACIK: Thank you.

6 PRESIDING OFFICER HONIGBERG: I think she's
7 confirmed that. Is there another point to be
8 made that's associated with this?

9 MS. PACIK: Well, yes, because she just
10 told me that the reason they chose London
11 Economics was because of their strong
12 relationship in London and according to the
13 application --

14 PRESIDING OFFICER HONIGBERG: That was not
15 what her testimony was. Is there ultimately a
16 point that's relevant to this proceeding about
17 the history of the company?

18 MS. PACIK: I just wanted to clarify that
19 it's not associated with London, and that was
20 the point.

21 PRESIDING OFFICER HONIGBERG: Done.

22 MS. PACIK: Thank you.

23 BY MS. PACIK:

24 Q Ms. Frayer, turning to your Prefiled Testimony

1 which is marked as Applicant's Exhibit 28, I
2 want to look at Attachment A to your testimony.

3 A Can you give me a title for what Attachment A
4 would be?

5 Q Certainly. We'll put it up for you, too. It's
6 your Sample of Relevant Project Experience.

7 A Thank you.

8 Q What we've done is, just so you know, we've
9 marked it as Joint Muni 202, and the reason it's
10 marked as a separate exhibit is because next to
11 the different items we've identified them with
12 labels, we've numbered them starting at number
13 1, and I just want to go through a few of them.
14 I had some questions about them. If you could
15 start with item number 6, and we'll scroll down
16 so you can see it and follow along.

17 Number 6 is work that you did that you
18 identified was done in 2015 and the location
19 said Maine, United States, and it was for a
20 private client. And you stated that you did
21 work for a New England transmission and
22 distribution utility to prepare a 2-day workshop
23 for company executives detailing the current
24 state of New England markets.

1 Was that work done for Eversource?

2 A No.

3 Q Was that work done in any relationship, did that
4 work have any relation to the Northern Pass
5 Project?

6 A No.

7 Q Turning to Item number 9, this states in 2014,
8 you did work in the United States for a private
9 client, and you were doing a quantitative
10 analysis for proposed crosshedging strategies
11 for a merchant transmission project that would
12 be bringing energy from Canada.

13 Was that work done for Eversource?

14 A No.

15 Q Was it related in any way to the Northern Pass
16 Project?

17 A No.

18 Q Can you turn to number 13?

19 Number 13 says that you did work in 2014
20 for a private client in New England, and you
21 evaluated the economic benefits of two
22 suggestions to relieve long-term congestion in
23 the metropolitan area.

24 Was that done for Eversource?

1 A Eversource was one of the clients, and because
2 this project became public in nature at some
3 point, I can say that. Otherwise, I would have
4 to tell you I couldn't. But our work on this
5 was presented at an ISO New England meeting
6 publicly so.

7 Q Was it related to the Northern Pass Project?

8 A No.

9 Q Okay. What about number 14? This says you did
10 work for transmission developer in New England
11 which you identify as a private client. And you
12 talk about doing a ten-year energy market price
13 outlook for the New England wholesale power
14 market, among other things. And the next
15 sentence you talk about doing work looking at
16 employment, economic activity and tax revenues
17 in New England. Was this done for Eversource?

18 A I believe so.

19 Q Was this for the Northern Pass Project?

20 A I would have to go back and check. We've worked
21 with Eversource on a number of various strategic
22 and commercial matters so I'm not sure if this
23 one would, but I suspect it might because of the
24 date.

1 Q Okay. Is there a reason why you didn't disclose
2 that this was work done for the Northern Pass
3 Project?

4 A Usually, these blurbs in my corporate CV are
5 prepared at the time of an engagement, and if
6 that engagement isn't clearly going to release
7 our work product into the public domain, it is
8 our requirement under our engagement letters
9 with all of our clients to keep their name and
10 project information confidential until such time
11 that it becomes public, and in some instances,
12 many instances, I don't actually go back and
13 change it even after some time it becomes
14 public.

15 Q Okay. Because this was submitted as an
16 attachment to your Prefiled Testimony in this
17 case. So your engagement at that point had
18 become public, correct?

19 A Yes. But I don't necessarily go back and change
20 all the blurbs where I might have worked on this
21 Project in a different capacity. So my CV gets
22 updated with new assignments, but we don't go
23 back and just because we've labeled something
24 with a private client go back and say a-ha, we

1 can actually claim we've worked with X, Y and Z
2 so. We like to keep our clients' commercial
3 matters private to the extent they require it as
4 well.

5 Q Could you turn to item number 18?

6 This talks about work you did in 2013.
7 Actually, just hold on one second.

8 Going back to 18. My apologies. That
9 talks about work you did in northeast United
10 States also for a private client in 2013 looking
11 at a cost/benefit analysis of a proposed
12 transmission line with a potential to change
13 existing market arrangements.

14 Was that done for the Northern Pass
15 Project?

16 A No.

17 Q And what about number 19? It was work you did
18 in Canada for a private client looking at the
19 economics of a proposed transmission project?
20 Was that done for Northern Pass Project?

21 A I don't believe so.

22 Q What about 20? Which is also a Project in New
23 England where you did a comprehensive review of
24 the NESCOE gas electric phase.

1 Was this done for the Northern Pass
2 Project?

3 A No.

4 Q Can you turn to item 26, please? This is work
5 that you did in 2011 for what you've identified
6 as Public Service of New Hampshire and that one
7 you did identify that it was for PSNH, and it
8 was work that you did on the issue of eminent
9 domain, but the next one, and I'm a little
10 confused about this one, which is 2011 it talks
11 about work that you disclose is for the Northern
12 Pass Project, but you write that it's for a
13 private client. Is there a reason why you
14 didn't disclose to the Site Evaluation Committee
15 that this is work being done for Eversource?

16 A No specific reason. An oversight. But as you
17 pointed out, the Site Evaluation Committee or
18 anybody reading this CV should be able to
19 connect the dots.

20 Q Well, were you paid by PSNH or Eversource or
21 were you paid by a different entity for the work
22 that you did in this case?

23 A I don't recall a specific check, but it would
24 have been, if not PSNH, then Eversource or at

1 that time probably Northeast Utility Services.

2 Q Okay. Can you turn to Joint Muni 210?

3 I'll identify for you, and if you need, I
4 can go if the first page of this exhibit, but
5 this is an attachment similar to the relevant
6 Project experience that we just saw that you
7 submitted for your Prefiled Testimony in this
8 case. This is one that you presented to the
9 Louisiana Public Service Commission in 2016, and
10 this identifies work that you did in 2015 for
11 New England for a private client, and it talks
12 about work that you did to look at the Clean
13 Energy RFP. And what you did was you addressed
14 whether or not your client was likely or how
15 they would range in terms of success for the
16 Clean Energy RFP. Was this work that you did
17 for Eversource in the Northern Pass Project?

18 A This work product is under confidentiality, and
19 it involves parties that are parties to this
20 case. So I can't name parties.

21 Q Well, I think as an expert in this case, where
22 you're testifying, it would be appropriate for
23 us to know whether or not you did this analysis
24 for this Project and whether or not it was

1 likely to be successful for the Clean Energy
2 RFP.

3 MR. NEEDLEMAN: I'm going to object.
4 Sounds like a legal argument.

5 PRESIDING OFFICER HONIGBERG: Well, it
6 seems like if this was done for Northern Pass,
7 we should know about it, and if it wasn't,
8 perhaps we don't need to know about who it was
9 for. You want to know that, right, Ms. Pacik?

10 MS. PACIK: Correct.

11 PRESIDING OFFICER HONIGBERG: I think you
12 asked it in a broader way, but was this, the
13 work that's described on the screen right now,
14 2015, was that for Northern Pass?

15 A No.

16 PRESIDING OFFICER HONIGBERG: Was it
17 related to Northern Pass in any way?

18 A It looked at the Clean Energy RFP and a number
19 of potential projects, but the client was not
20 Northern Pass.

21 PRESIDING OFFICER HONIGBERG: Was it for a
22 competitor of Northern Pass on a potential
23 Project?

24 A It was for a project that some might view to be

1 a competitor. I want to be careful because if I
2 start giving away too much information, my
3 actual, I'll be in the violation of my
4 confidentiality agreement for this work.

5 PRESIDING OFFICER HONIGBERG: Were you
6 working for another entity planning on bidding
7 on the same RFP that Northern Pass might be
8 involved in bidding on?

9 A It was another entity that was looking to bid in
10 the Clean Energy RFP.

11 PRESIDING OFFICER HONIGBERG: Ms. Pacik,
12 you may continue.

13 BY MS. PACIK:

14 Q Just as a followup question, there are a number
15 of different projects that were looking to bid
16 into this RFP, and the question is were you
17 analyzing it in terms of the success of Northern
18 Pass's potential to be successful in this RFP?

19 A The analysis was in no way focused on Northern
20 Pass. It was looking at all, as described here,
21 all potential projects that can qualify.

22 Q Did you provide an opinion as to the likelihood
23 of Northern Pass being successful in the Clean
24 Energy RFP?

1 A No.

2 Q You were asked earlier by Attorney Pappas about
3 whether or not you've analyzed the Massachusetts
4 RFP that Eversource is now looking at bidding
5 into, and you stated that you have not done any
6 work for that. Is that correct?

7 A I have not prepared anything in writing for the
8 Massachusetts RFP at this time.

9 Q And I don't think that was what Attorney Pappas
10 asked you. I think it was broader than just if
11 you had done anything in writing. He had asked
12 whether you had done an analysis of the
13 Massachusetts RFP for Northern Pass Project, and
14 my recollection is you said no.

15 A I have not done analysis for the Northern Pass
16 Project submission to the Massachusetts RFP at
17 this time.

18 Q So you haven't done anything in writing. Have
19 you done analysis that did not involve writing?

20 A I have definitely talked to my client about the
21 Massachusetts RFP.

22 Q Have you provided an opinion as to the
23 likelihood of success in the Massachusetts RFP
24 for Northern Pass Project?

1 A No, I have not provided such an opinion.

2 Q I'd like to turn to what we've marked as Joint
3 Muni 203. This is a report that was prepared by
4 Charles River Associates in December of 2010.
5 Are you familiar with this report?

6 A Yes, I have read it in the past. I haven't
7 reviewed it recently, but I have read it in the
8 past.

9 Q Okay, and Charles River Associates is also out
10 of Boston?

11 A I believe so. They are a consulting firm. I
12 don't know where their headquarters are
13 officially, but they do have offices in Boston.

14 Q And they're another economic consulting firm?

15 A Sure. Yes.

16 Q And this report, you're aware, was submitted to
17 the Department of Energy as part of the
18 application for a Presidential Permit. Is that
19 correct?

20 A Well, I'm not, I don't recall if that was the
21 use of the report, but I will accept it subject
22 to check.

23 Q Okay. It was prepared for, as you can see right
24 on the title of this document, it was prepared

1 for Northern Pass Transmission, right?

2 A I see that. Yes.

3 Q Okay. Now, we had just talked about work that
4 you did in 2011 for Northern Pass which was on
5 your relevant experience list, right?

6 A I had done work for PSNH where I had come to
7 speak before a Senate Committee, yes.

8 Q Okay. And I think there was another item, and
9 we can turn back to it, which stated that you
10 did additional work for Northern Pass, and that
11 it was an error that you didn't include it in
12 terms of identifying that it was for Eversource,
13 and that was -- let me just find it. Number 27.

14 So this was work that you did in terms of
15 presenting material on the electricity market
16 impacts and the benefits of Northern Pass and
17 that's under item 27 of Attachment A. So that
18 was work that you were doing in 2011 for
19 Eversource for the Northern Pass Project, right?

20 A Yes, and specifically it was some work related
21 to some OpEd pieces and discussions on a New
22 Hampshire Public Radio program about electricity
23 markets here in New England and projects like
24 Northern Pass.

1 Q And the work that you did in 2011, that's part
2 of the construction cost of this Project, isn't
3 it?

4 A I don't know where the client would have
5 allocated those potential costs.

6 Q When you did your analysis on the jobs to be
7 created in this case, you received spreadsheets.
8 Did you ever look to see, look to see where that
9 work was allocated?

10 A Actually, I didn't, but good point. It will be
11 interesting to go back and take a look.

12 Q Okay. So would it be fair to say in 2011 you
13 were doing work for Northern Pass Transmission,
14 and in 2011 time frame, Charles River Associates
15 was also doing work for Northern Pass
16 Transmission, correct?

17 A I think based on the dates of that report and
18 the dates of my CV, that's correct.

19 Q And are you aware whether the work for Charles
20 River that they were doing was coming out or
21 being included in the cost of construction of
22 this Project?

23 A I'm not aware.

24 Q But you would agree that Eversource was working

1 at least in 2011 with two different economic
2 consulting firms for this Project?

3 A On the basis of the work I did or the basis of
4 the Charles River report or the date of that
5 report that you put up, I agree that they had
6 hired us consultants to provide them with some
7 analysis.

8 Q Okay. And as part of your work for the
9 application, you also performed an analysis of
10 the jobs that would be created from this
11 Project, right?

12 A For the SEC Application, correct.

13 Q Are you familiar with Dr. Lisa Shapiro?

14 A Yes, I am.

15 Q And Dr. Shapiro is also an economist?

16 A That's my understanding.

17 Q Are you aware that in 2010 and 2011 she actually
18 evaluated the jobs that would be created for the
19 Project as proposed at that time?

20 A Yes. I recall reviewing something that Dr.
21 Shapiro, sorry. I mispronounce her name all the
22 time. Dr. Shapiro had put together.

23 Q Yes. My apologies, yes. Dr. Shapiro.

24 So if you could turn to Exhibit 204. We'll

1 put it up. This is the report, and we'll zoom
2 out a little bit so you can see it, but this is
3 what we've marked as Joint Muni 204, and it's
4 the report prepared by Dr. Shapiro in October
5 2010, and it's Preliminary Economic and Fiscal
6 Impacts of the Proposed Northern Pass
7 Transmission Project, and if you keep going to
8 the next exhibit, which is marked as 205, this
9 was the Proposed Northern Pass Transmission
10 Economic Impact Update which estimated New
11 Hampshire jobs during the three-year
12 construction phase in April 2011.

13 Now, the work that Dr. Shapiro did, is that
14 part of the cost of construction of this
15 Project?

16 A I am not aware.

17 Q So you never looked at the spreadsheet to see
18 whether her work was included?

19 A I didn't look at the details of the various
20 vendors listed. I focused on the raw numbers.

21 Q Dr. Shapiro did not ultimately submit a report
22 on jobs for the Site Evaluation Committee, did
23 she?

24 A Not to my knowledge.

1 Q And, instead, Eversource hired you to do that
2 work?

3 A Yes.

4 Q So it would be fair to say Eversource has paid
5 two different economists to analyze the jobs to
6 be created?

7 A I guess so, based on what we know from 2010
8 through today.

9 Q Okay. Now, turning to your report which was
10 marked as Exhibit 1 by the Applicants, and it's
11 Appendix 43, I want to talk for a bit about your
12 October 16th, 2015, report.

13 There's just a couple items that I want to
14 go through with you on the report. The first
15 one is, actually, if you go to Figure 40 first.
16 I'm showing you what is Figure 40, and it's a
17 chart that you created about "Direct jobs by
18 Northern Pass Transmission during the planning
19 and construction phase in New England," and this
20 is, this report talks about or this section of
21 your report talks about direct jobs. Direct
22 jobs are the jobs that are actually anticipated
23 to be needed for the construction of the
24 Project; is that right?

1 A That's correct.

2 Q And so I wanted to just ask you a bit about
3 this, because for the direct jobs, you have
4 numbers of the jobs, but I'm trying to figure
5 out what employment sectors those direct jobs
6 might be. And so if you turn to Figure 44 which
7 is a little bit further in your report, this is
8 a chart that shows by employment sector where
9 people are going to be hired for the indirect
10 jobs, and 44 is for New Hampshire, and 45 is for
11 New England, and no where in the report could I
12 find a similar chart that would show by
13 employment sector the direct jobs that would be
14 created in New Hampshire and in New England.
15 Did I miss something?

16 A It is not in our report, but it is in our
17 workpapers that we provided with the original
18 report. You could actually go directly to our
19 workpapers and look at the direct job inputs
20 because we specify the sector, we call it policy
21 variable, but the sectors that we are affecting
22 change in our REMI modeling.

23 Q When you say workpapers, you're talking about
24 the spreadsheet that's confidential and that was

1 provided in discovery, right?

2 A Yes. It was provided in discovery. To what
3 extent it's confidential or not confidential, I
4 don't recall, but, subject to check, I'll assume
5 it's still confidential.

6 Q So those workpapers were never provided to the
7 Site Evaluation Committee. Are you aware of
8 that?

9 A Those workpapers, I'm not aware of what happens
10 formality-wise with all the discovery so I am
11 not aware of it, but I understand that everybody
12 who signed a Confidentiality Agreement had
13 access to those workpapers if they were
14 confidential, and if they were public then
15 everybody in the case would have had access to
16 those workpapers.

17 Q Well, they were confidential so the general
18 public and the Site Evaluation Committee has not
19 yet received this. It wasn't submitted as part
20 of your report. Is there a reason why you
21 didn't include that in your report?

22 A I don't recall at this time.

23 Q Now, looking at this chart itself, I had a
24 question. Indirect jobs, I understand, is

1 different than a direct job, and yesterday when
2 you were talking to Attorney Pappas, you
3 explained that direct jobs drive the indirect
4 jobs which then drives induced jobs. Basically,
5 indirect jobs are created by businesses which
6 provide goods and services essential to the
7 construction or operations of the Project. Is
8 that right?

9 A Yes.

10 Q And so I'm just going to give you a really
11 simplistic example, but by way of example, if
12 Northern Pass needs to buy concrete for its
13 foundations, for its towers, this could create
14 indirect jobs because of the needs by the
15 concrete plant; is that right?

16 A Yes.

17 Q So now in terms of Figures 44 and 45, you talk
18 about the different employment sectors for
19 indirect jobs, and so going up to Figure 44, you
20 talk about 24 percent would be administrative
21 and support services; 17, professional
22 scientific, technical services; and then under
23 others, you have 29 percent and there's an
24 asterisk. Now, that's over 25 percent or a

1 quarter of the indirect jobs, right, in the
2 "Others" category?

3 A Yes.

4 Q And there's an asterisk, but no where in your
5 report could I see where those other jobs were
6 identified in terms of what other employment
7 sectors would be included. Did I miss
8 something?

9 A No, you didn't. I don't know where the asterisk
10 went. It's not in my version either. So
11 perhaps it was just a typographical error to
12 have an asterisk there. The purposes of the
13 "Others" is it's a lot of very small other
14 sectors aggregated together. So there wasn't
15 enough room in the pie chart to have so many
16 slices and so much text.

17 Q So we don't know what 29 percent of the indirect
18 jobs will be in terms of employment sectors
19 based on your report?

20 A Based on the report, no. Again, I think in the
21 workpapers, you could go into the lowest common
22 denominator of detail that's provided in the
23 REMI model itself.

24 Q And that's the workpapers which we've already

1 discussed were not submitted to the Site
2 Evaluation Committee?

3 A Because -- I guess so. Yes. Same workpapers.

4 Q Okay.

5 A I can't speak to why or why not they were not
6 submitted.

7 Q Same question for Figure 45. It talks about the
8 indirect jobs that you estimate would be created
9 during construction for New England, and the
10 "Others" is actually 33 percent, and, again,
11 that's not identified in this report in terms of
12 what the employment sectors for 33 percent of
13 those jobs would be?

14 A Yes. It's not identified. It's a composite of
15 many different industries.

16 Q Now, I want to talk for a moment about the jobs
17 created during the operation of this Project.
18 If you could turn to page 69 of the report.
19 Just one moment while we get it on the screen,
20 please.

21 This is the intro to your Local Economic
22 Benefits section of your report from October of
23 2015, and what we did was we highlighted one
24 sentence in there which talks about jobs created

1 during operations, and I'm just going to read it
2 outloud and you can let me know if I read it
3 correctly, but it says, "NPT will also employ
4 personnel (and services) based in New Hampshire
5 once the project begins operations in order to
6 operate and maintain the transmission
7 infrastructure." Is that right?

8 A Yes.

9 Q And when you say, "NPT will also employ
10 personnel (and services)," employ personnel,
11 that's talking about direct jobs?

12 A Yes.

13 Q So now I think lower on that page, you state and
14 this is also highlighted in yellow, you talk --
15 can you go up a little bit?

16 First you talk about that NPT will create
17 an average of 6,820 jobs per annum across all of
18 New England in the first 11 years of commercial
19 operations, and then the next sentence says,
20 "From this total, New Hampshire will see on
21 average 1,148 new jobs per year."

22 A I see that.

23 Q Okay. And that time frame is from 2019 to 2029,
24 right?

1 A Yes.

2 Q And that number, 1,148, that includes direct
3 jobs, indirect jobs and induced jobs, right?

4 A Correct.

5 Q And when you do your REMI model, that number, it
6 doesn't take into account or assume everything's
7 full-time job. It includes part-time jobs and
8 full-time jobs, right?

9 A And seasonal jobs. It's using a definition of
10 employment that's consistent with a BLS.

11 Q Okay. But when we see 1,148 jobs, we don't know
12 whether that means somebody's going to be
13 working 50 hours that year and that's a job or
14 2080 hours which would be a full-time job,
15 right?

16 A There is no way to distinguish that. Again, the
17 model, the REMI model is consistent with US
18 statistics agency's definitions because it uses
19 their data to create the forecast so there isn't
20 a distinction in the model between those
21 categories.

22 Q Okay. And just going back to what we talked
23 about a moment ago in terms of your response to
24 one of Attorney Pappas's questions, you had

1 indicated that the direct jobs result in
2 indirect jobs, right? You had said direct jobs
3 drives indirect jobs which drives induced jobs.
4 Is that right?

5 A I don't remember exactly what I said, but I
6 agree with you that direct jobs, there's a
7 relationship between direct jobs and indirect
8 jobs. And direct jobs, as you and I described
9 earlier, are created in industries that are
10 impacted by the construction work.

11 Q Okay.

12 A The spending that takes place in the
13 construction work.

14 Q So let's turn to Figure 49?

15 A If I could just clarify though because I think
16 here we're talking about the operations period
17 so -- do you want me to clarify? Sorry.

18 Q Well, I thought you just answered my question.

19 A That's for the construction period, but for the
20 operations period it's a little bit different.

21 Q What's different?

22 A Well, there's no construction going on in the
23 operations period so the direct jobs are related
24 only to the direct jobs for operations and

1 maintenance. And then the indirect jobs,
2 induced jobs are a function of other, the
3 indirect jobs are a function of the other
4 spending that is being done by the Project but
5 not direct jobs. For example, the New Hampshire
6 Forward plan, the property taxes, et cetera, and
7 then the induced jobs are a function of
8 electricity cost savings.

9 Q Thank you for that clarification.

10 A Okay. Thank you.

11 Q Now, I want to talk about 49 because this talks
12 about the number of jobs in New Hampshire
13 created by Northern Pass Transmission during the
14 first 11 years of operation, and when you look
15 at the chart, the graphs that you have,
16 underneath it there's the legend which says
17 direct jobs are in blue, indirect jobs are in
18 maroon, and induced jobs are in green, and when
19 I look at that, I don't see any blue on the
20 chart. Was that right?

21 A Because of the scale. If you look at the table
22 below the direct jobs, we estimated our rounding
23 to around two jobs per year.

24 Q Okay. So two direct jobs per year is what you

1 estimate will be created by this project during
2 operations, and that's not actually completely
3 accurate because in 2025 and 2029 you have one
4 job. Is that right? One direct job?

5 A So there's some, I would call it noise in the
6 rounding and estimation of this number so yes,
7 and we wanted to present everything to whole
8 numbers to make it easier to understand.

9 Q And going back to what we discussed earlier,
10 this could include part-time, seasonal or
11 full-time; we don't know, right?

12 A That's correct.

13 Q And you don't have any sort of chart or
14 explanation in this report which indicates what
15 employment sectors those two or one jobs will
16 be, do you?

17 A No, but I think there's text describing it.
18 Those are the two jobs related to labor spending
19 on O&M on the Project which would inevitably be
20 in the context of this REMI PI plus model the
21 Utilities sector.

22 Q And I didn't see that in your report. Can you
23 show me where in your report that is?

24 A If you go to page 115, Figure 73. I know it's

1 buried in an Appendix, but it is the back of
2 detail to some of the assumptions.

3 Q Okay.

4 A If you go to Figure 73 again?

5 Q If you can just hold up, we'll put it on the
6 screen so everybody can follow along.

7 A Yes. 115. Great. If you focus on the
8 Operations Period, bottom part of the table, and
9 you go to the first line item, Labor, and then
10 it says Industry Employment, Industries
11 Affected, Utilities.

12 Q But by saying Utilities, that doesn't
13 necessarily mean it's going to be all linemen
14 that those two jobs involve, does it? It could
15 be administrative and support staff?

16 A It could. We don't have that level of
17 breakdown. This is a 70 sector model version of
18 the economy. So we don't break it down to that
19 level of detail.

20 Q And, again, we don't know if it's part-time or
21 full-time jobs, do we?

22 A No. That's not specified in the model.

23 Q I'd like to go into confidential session now.

24 PRESIDING OFFICER HONIGBERG: All right.

1 We'll do that. We'll ask the people who would
2 not sign confidentiality agreements to leave and
3 for the speaker to be turned off in the public
4 area.

5 After Ms. Pacik is done with her section,
6 we'll circle back to Mr. Anderson to do his.
7 Ms. Pacik, how long do you think you have?

8 MS. PACIK: It's somewhat hard to estimate
9 but probably 15 minutes to 20 minutes.

10 PRESIDING OFFICER HONIGBERG: Mr. Anderson,
11 how much more do you think you have?

12 MR. ANDERSON: Approximately 30 minutes.

13 PRESIDING OFFICER HONIGBERG: So it sounds
14 like a total of 45 minutes or so. Probably when
15 we get to the end of that, we'll take a break.

16 (Discussion off the record)

17 ***(Pages 37 through 84 of the***
18 ***transcript are contained under***
19 ***separate cover designated as***
20 ***"Confidential and Proprietary.")***

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22

23

24

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

3 **CROSS-EXAMINATION**

4 **BY MR. REIMERS:**

5 Q Good afternoon, Ms. Frayer. My name is Jason
6 Reimers. I represent the Society for the
7 Protection of New Hampshire Forests.

8 A Good afternoon.

9 Q Were you here when Mr. Quinlan testified?

10 A I was not here in person, no.

11 Q At one point, he referred to you as Dr. Frayer.
12 You don't have a Ph.D., do you?

13 A No, I do not.

14 Q So he misspoke when he called you Dr. Frayer?

15 A Yes. I will thank him for those kind accolades,
16 but no, I only have a graduate degree in
17 economics.

18 Q Economics and international affairs?

19 A The graduate degree is only in economics. The
20 undergraduate degree is in economics and
21 international affairs, I think, and math and
22 whatever.

23 Q And you received that from Boston University?

24 A Yes.

1 Q And then you worked an as investor banker in New
2 York City?

3 A Yes.

4 Q And for how long did you work as an investment
5 banker?

6 A I believe less than two years.

7 Q Okay.

8 A Yes. Actually, a little over a year.

9 Q In your time at LEI, out of all the testimony
10 you've given in regard to various projects, only
11 once have you testified in opposition to a
12 project, is that correct?

13 A I have recently -- well, no. In what context do
14 you mean project? A transmission project or
15 generally infrastructure projects?

16 Q I believe infrastructure projects.

17 A There have been other occasions where our
18 testimony suggested that there wasn't an
19 economically oriented need for infrastructure so
20 not just once. There have been other times
21 where we have been representing clients who have
22 asked us a very specific question about
23 economics of infrastructure where our conclusion
24 suggested there may have not necessarily been a

1 need.

2 Q That doesn't sound to me like working for a
3 client in opposition. That sounds to me like
4 you're describing possibly a utility asking you
5 whether this particular project is a good idea.

6 A In this instance, I was actually thinking of us
7 working for a regulator.

8 Q Dawn, could you turn on the hard wire?

9 I want to understand what LEI was hired by
10 the Northern Pass to do. As stated in your 2015
11 report, so this is an excerpt.

12 LEI was hired to analyze the potential
13 economic benefits in terms of the wholesale
14 electricity market impacts and environmental
15 effects as well as the impact on the local
16 economy in New Hampshire and other states in New
17 England.

18 Did I read that correctly?

19 A I believe so, although I don't have it in front
20 of me, but --

21 Q Is it on the screen in front of you?

22 A Not yet. It's getting there. But that sounds,
23 subject to check, my words.

24 Q When it gets to your screen, take a look at it.

1 A Yes. That is my report.

2 Q Then in your March 2017 Supplemental Testimony,
3 you state that LEI was hired to provide an
4 expert analysis of the economic and
5 environmental impacts of the Project using
6 simulation-based modeling. Is that correct?

7 A Yes.

8 Q And those two statements describe the scope of
9 LEI's work, don't they?

10 A Yes. In different words, but the same thing.

11 Q You would agree that LEI holds itself out as an
12 objective consultant, wouldn't you?

13 A I would.

14 Q And you did your initial economic and
15 environmental analysis in October 2015, right?

16 A Yes. That's the date of that report.

17 Q You didn't do any modeling prior to 2015, did
18 you?

19 A We did modeling but not for the SEC.

20 Q When did you do that modeling?

21 A I believe we did some modeling in 2014 looking
22 at a variety of different investment
23 opportunities for Eversource.

24 Q LEI was paid for providing the 2015 and 2017

1 reports and testimonies, right?

2 A Yes.

3 Q Now, in 2011, in May 2011, you testified before
4 the New Hampshire Senate Judiciary Committee on
5 behalf of the Northern Pass, correct?

6 A Yes.

7 Q And your testimony was in opposition to House
8 Bill 648 which took away the use of eminent
9 domain for non-Reliability Projects such as the
10 Northern Pass, correct?

11 A Yes. That was the setting.

12 Q When you testified you thought that it would be
13 a good idea to use the power of eminent domain
14 to build the Northern Pass, correct?

15 A I don't recall speaking about eminent domain.
16 My purpose there was to, I would say, educate
17 the Committee and other stakeholders about the
18 New England wholesale power markets and the
19 general prospects for investment and the need
20 for investment. That was really the scope of my
21 testimony. I wasn't there to make assertions
22 about the policies like eminent domain per se.

23 Q You were there to support the Northern Pass
24 though, weren't you?

1 A Yes. In supporting Northern Pass being able to
2 provide information and educate about prospects
3 of the New England power market.

4 Q Prospects, specifically the Northern Pass,
5 correct?

6 A I think my testimony actually was primarily more
7 general in nature. What our wholesale market's
8 looking like, I think where have we been in the
9 past with respect to wholesale markets, where
10 are we today, where are we going. It was more
11 of a market overview and analysis. I don't
12 recall exactly slide by slide, but -- or
13 actually, I didn't even have slides. I think
14 there were some talking points, but that was the
15 general sense.

16 Q Okay. I want to ask you about Attachment A to
17 your Prefiled Testimony that Attorney Pacik
18 asked you about earlier. This is Joint Muni
19 Exhibit 202 that includes the numbers in the
20 margin.

21 A Go ahead. Sorry. I was going to say I see it,
22 yes.

23 Q Beginning on page APP0613 and going on to the
24 next page, there's a 2011 entry listing PSNH as

1 the client. You talked about that earlier,
2 didn't you?

3 A Yes.

4 Q And it says Julia testified in front of the New
5 Hampshire Senate Committee, correct?

6 A Yes.

7 Q Is this a reference to the Senate Judiciary
8 Committee testimony that I just asked you?

9 A I believe so. That's the only time I have
10 testified in front of New Hampshire legislation.

11 Q And the next entry on chart is also from 2011
12 and is for the private client that actually was
13 PSNH, correct?

14 A Yes. PSNH or maybe an affiliate. I don't
15 remember exactly who the contracting client was.

16 Q I was going to have you read this paragraph
17 outloud, but given your cold, could you just
18 take 30 seconds and read it?

19 A Yes.

20 Q This entry lists four activities. First, LEI
21 prepared presentation materials for consumers,
22 correct?

23 A Yes.

24 Q Was this for a mailer?

1 A I don't know how it was used or at least I don't
2 recall. I'm not sure.

3 Q The second activity was you helped the client
4 write an OpEd. Is that correct?

5 A Yes. That's correct.

6 Q The third was that you testified before the
7 Senate Committee, correct?

8 A Yes.

9 Q And is this reference to testifying on behalf of
10 the client a duplicative reference to the same
11 testimony that's in the prior entry?

12 A I believe so.

13 Q And, fourth, you appeared on the exchange to
14 advocate for the Northern Pass, correct?

15 A Yes.

16 Q And these activities are public relations work,
17 aren't they?

18 A I don't know how the client would see them. The
19 way I would see it is we're talking about the
20 New England market, and we're talking about a
21 Project in the New England market. Even on the
22 New Hampshire Public Radio program, I think
23 although it was set up as like a pro/con, I felt
24 my role was to provide fact-based information

1 generally about the New England market where the
2 prospects are for supply/demand in the future,
3 the need for new investment.

4 Q For all of these activities those, you were
5 helping Northern Pass send messages to consumers
6 and policy makers, weren't you?

7 A I was providing fact-based information that they
8 could then use with stakeholders.

9 Q Okay. In 2011, the proposed Northern Pass was
10 an all-overhead Project, wasn't it?

11 A I don't recall, but, subject to check, if that
12 was the case, I will agree.

13 Q And it was your opinion in 2011 that the
14 Northern Pass should be built, correct?

15 A In 2011, my opinion was the market needed new
16 investment, and that Northern Pass could fill
17 that need.

18 Q You formed that opinion that the Northern Pass
19 could fill that need in 2011 which was years
20 before you performed your objective analysis in
21 2015, correct?

22 A Yes. Or the other way I would say it is the
23 analysis and the information we were preparing
24 in 2011 was very different than the information

1 that is presented in my analysis for the SEC. I
2 didn't do at that time a detailed market
3 simulation to look at market impacts or a local
4 economic study. It was a different scope of
5 much higher, 10,000-foot perspective about
6 wholesale power markets.

7 Q But still advocated the ultimate conclusion that
8 the Northern Pass should be built, correct?

9 A Again, I want to refresh my memory on the
10 specific documents. It's been six years. I
11 don't know if I would find anywhere in my
12 documents that specific set of words: I am
13 advocating for Northern Pass to be built.

14 Q This is, I'm showing you what's been marked as
15 SPNHF 18. This is the OpED that you wrote,
16 correct?

17 A Yes.

18 Q And the OpEd was published in the Union Leader
19 on May 24th, 2011, correct?

20 A It is. Yes.

21 Q And that would have been a few days after you
22 testified?

23 A I think so. You probably recall the dates
24 better than I.

1 Q Right around that same time, wasn't it?

2 A I think so. Yes.

3 Q And it is called "Julia Frayer: Why New
4 Hampshire should be open to the Northern Pass
5 project," correct?

6 A Yes.

7 Q And in that attachment or the Joint Muni 202
8 exhibit that you read, it's stated that LEI
9 staff assisted the unnamed client in preparing
10 the OpEd. Is that right? Want me to go back to
11 it?

12 A No. I remember that blurb. Yes.

13 Q So if LEI staff assisted the client, who else
14 wrote the OpEd?

15 A I don't recall. I would say that I probably
16 wrote out the outline of the OpEd, bullet points
17 and all details. Some of my staff may have then
18 formed it into cohesive English, and there might
19 have been some more editorial of the English,
20 and finally my review since my name is on it.

21 Q Who from the client also wrote the OpEd?

22 A The client would have been Eversource/PSNH
23 staff. There was a group there. I don't know
24 who would have been reviewing and giving me

1 editorials. I sent it out for editorial comment
2 to a large group.

3 Q But you don't identify anyone else in the OpEd
4 who helped prepare it, do you?

5 A No, I do not.

6 Q So this was presented as being authored by an
7 independent objective consultant only?

8 A I think actually if you go, scroll down, I could
9 disclose or I thought I disclosed that I was
10 working for them.

11 Q You do. It says that you were retained by the
12 Northern Pass.

13 A Okay. So. For that, for full disclosure, I put
14 my independent views, but I also made it known
15 to those reading that I've been paid by Northern
16 Pass or Eversource. Or Northeast Utilities.

17 Q Your OpEd also ran in the Keene Sentinel. Are
18 you aware of that?

19 A I am not sure who picked it up. No.

20 Q I'm showing you what has been marked as SPNHF
21 177. The first document is your editorial in
22 the Keene Sentinel, and the second document of
23 that exhibit shows what appears to be your
24 editorial running in the Coos County Democrat

1 newspaper. Scrolling down to it. Do you see
2 that?

3 A Yes. I see that portion right now.

4 Q You mentioned that with the OpEd you were
5 careful to note that you worked for Northern
6 Pass and that you were being paid, but in this
7 opinion piece, I can give you a moment to look
8 through it, it's continued on to the next page,
9 I don't see anywhere where it's stated that you
10 were retained by Northern Pass.

11 A I can't control how editors decide to publish
12 these. I see that it states who I am and who
13 London Economics is, but it doesn't state that
14 we have been retained by Northern Pass.

15 Q In the OpEd you state, "Unfortunately, while
16 there has been concern expressed about the
17 project's route and its aesthetics, there has
18 been very little attention paid to the specific
19 benefits the project will deliver."

20 At the end of the OpEd, you state, "The
21 cost-benefit proposition is very compelling,
22 confirming the need for this Project from the
23 New Hampshire consumers' and policy makers'
24 perspective."

1 Do you see that?

2 A Yes.

3 Q When you stated that the Project was needed, you
4 weren't saying that the Northern Pass at that
5 point was a Reliability Project, were you?

6 A No. I believe needed was in air quotes, and
7 then followed by five reasons as I said I would
8 lay out to explain that term, if you will. Or
9 my opinion.

10 Q So that need is in air quotes?

11 A I believe so.

12 Q What do you mean by that?

13 A Well, it's in air quotes because need is going
14 to be perceived from the perspective of a
15 particular stakeholder. An engineer when
16 talking about need will look at it from a
17 reliability perspective. When you talk to a
18 policy maker, he may view need from the
19 perspective of achieving policies. When you
20 talk to an economist, they probably will grimace
21 a little bit and say well, it should be based on
22 the economics, whether I want it or not, rather
23 than whether I need it or not. So there's
24 different definitions that could be applied

1 colloquially, depending on the perspective.

2 Q You said it's not a Reliability Project. The
3 Northern Pass is a business venture for
4 Eversource and Northern Pass, correct?

5 A Yes. I think earlier today perhaps one of the
6 other attorneys suggested it was a merchant
7 project, and I had agreed with him that that
8 could be a classification that could apply.

9 Q And you would agree that if it could also be
10 classified or described as a business venture?

11 A Yes. I guess so. Depends on what you mean, but
12 it is an opportunity for Northern Pass and for
13 Eversource.

14 Q You state in the OpEd that concerns have been
15 expressed about the Project's route. You were
16 not hired to compare the benefits and impacts of
17 alternate routes, were you?

18 A No.

19 Q And you did not evaluate the economic benefits
20 and impacts of burying the entire line, did you?

21 A No.

22 Q And if the line were buried, it is possible that
23 more jobs would be created than with the
24 proposed route, isn't it?

1 A My understanding is that there would definitely
2 be a higher cost, capital investment cost, for
3 burying, for the hypothetical you lay out
4 burying the entire line which could mean
5 additional construction jobs, but it may have
6 ramifications as well on the overall economics
7 of the project.

8 Q Right, but I simply asked about jobs. So it's
9 possible that burying the entire route would
10 result in more jobs.

11 A If the project moves forward, under the
12 condition of burying more or all of the
13 transmission line, if both of those and we move
14 to construction, I would agree. I'm just
15 questioning about the relationship or the
16 implication of burying the Project, what that
17 creates as consequences for the project.

18 Q In your OpEd you also mention that concerns have
19 been expressed about the Project's aesthetics.
20 You were not hired to evaluate the aesthetics
21 impact, were you?

22 A No, I was not, but at that Senate hearing there
23 was a lot of, I heard a lot of concerns from
24 stakeholders about those. That's what I'm

1 referring to in the sentence.

2 Q And you were not retained to evaluate the
3 Project's effect on tourism, were you?

4 A No, I was not.

5 Q The word tourism is not in your 2015 report, is
6 it?

7 A No, because at that time, I don't think at the
8 Senate hearing I personally heard any
9 discussions about tourism industry effects.

10 Q I'm showing you Exhibit B of CFP Exhibit 148
11 which is Kavet & Rockler's Supplemental Report
12 dated April 17th, 2017. Do you see that?

13 A Yes.

14 Q And on page 28 there's a section in the KRA
15 report regarding, it's called Review of
16 Applicants' Tourism Impact Analysis. Do you see
17 that?

18 A Yes. I see that Section 5.

19 Q KRA is responding to Mitch Nichols, correct?

20 A That's what it appears to be, yes.

21 Q The KRA doesn't mention you or LEI in this
22 section, do they?

23 A I don't know. I don't recall spending a long
24 time reading this.

1 Q Do you want me to scroll through it or would you
2 accept my representation that LEI or you is not
3 mentioned in this 12-page section?

4 A I would accept that.

5 Q This is your Rebuttal Report, Applicant's
6 Exhibit 102, in which you criticize KRA's
7 conclusions regarding the effects on tourism.

8 A Yes.

9 Q You begin on page, actually --

10 A Well, I believe I discuss all of KRA's analysis
11 in this rebuttal.

12 Q And on this page, on page 46 you have a
13 paragraph which is this paragraph regarding
14 tourism. Do you see that?

15 A Yes. I do.

16 Q And it says or you write, "In addition to the
17 fact that KRA's tourism impacts are not based on
18 the tourism sector directly, there is no
19 foundation for assuming that the effects would
20 not diminish with time. As new generations of
21 tourists will come back to New Hampshire, they
22 will not have the same non-pecuniary concerns
23 about the transmission infrastructure as it
24 becomes an established element in the

1 landscape."

2 Do you see that?

3 A Yes, I do.

4 Q Since KRA did not critique you or LEI, and since
5 you are not a tourism expert, isn't your
6 critique of KRA simply piling on?

7 A No. I don't agree. KRA incorporated the
8 tourism effect analysis into its the own REMI
9 modeling, and as I am the witness responsible
10 for the REMI modeling, I felt it incumbent on me
11 to think about whether it is appropriate, it has
12 been appropriately considered by KRA. I worked
13 with Mr. Nichols who is the expert at Eversource
14 retained to talk to this to form my rebuttal.

15 So the connection there is that the KRA's
16 analysis of tourism isn't just simply a
17 description of tourism. They actually have
18 incorporated it into their aggregate long-term
19 effects.

20 Q And using REMI?

21 A That's correct.

22 Q And it's the REMI nexus that brought you into
23 the tourism dispute?

24 A You could say that.

1 Q So your statement, "As new generations of
2 tourists will come to New Hampshire, they will
3 not have the same non-pecuniary concerns about
4 the transmission infrastructure as it becomes an
5 established element of the landscape," is that a
6 result of a REMI, of running REMI?

7 A That is linked to the sentence before where I
8 specifically say my concern is that KRA in
9 running REMI made an assumption that the effects
10 would not diminish with time, and I needed to
11 explain that in more laymen's terms and that's
12 the purpose of the second sentence you just
13 read.

14 Q So that sentence that I just read about new
15 generations of tourists, that's your statement?

16 A That is my statement to explain in laymen terms
17 the concerns I have in KRA's analysis in REMI
18 about the tourism impact. So their specific
19 assumption about the trend they incorporate
20 because they do this long-term aggregate impact
21 analysis.

22 Q You would agree that if the Northern Pass is
23 built, these new generations of tourists will
24 encounter a New Hampshire landscape that is

1 different than the current New Hampshire
2 landscape, wouldn't you?

3 A I would agree.

4 Q And these new generations of tourists that will
5 come to New Hampshire could be a smaller number
6 of tourists than the current generation,
7 couldn't they?

8 A Due to Northern Pass or simply --

9 Q Yes. Due to Northern Pass.

10 A I believe that Mr. Nichols has concluded the
11 opposite so I've relied on his Rebuttal Report
12 as such, too.

13 Q You relied on his Rebuttal Report as a portion
14 of the foundation for this paragraph?

15 A As a portion for how I then went on to treat the
16 next page, if you will, of this by alternative
17 calculations of potential aggregate impacts.

18 Q So if the Northern Pass is built, would you
19 expect the next generations of tourists to come
20 to New Hampshire because of the Northern Pass?

21 A I don't think so.

22 Q Okay. Because it would be ridiculous to
23 suggest, for example, that 9 percent of tourists
24 visiting New Hampshire come to New Hampshire for

1 the purpose of seeing power lines, wouldn't it?

2 A Well, I don't think I state that anywhere.

3 Q I'm just saying, for instance. Wouldn't it be
4 ridiculous to say that 9 percent of tourists
5 coming to New Hampshire come here to see the
6 power lines?

7 A I would, I personally would agree, but then
8 again, perhaps the new generation is interested
9 in different things than what we're interested
10 in.

11 Q So personally you would agree.

12 So this is Mr. Nichols' report, and we're
13 looking at page 26. His report is Appendix 1,
14 I'm sorry. Appellant's Exhibit 1, Appendix 45.
15 And do you see in this table that a destination
16 attribute, visible power lines in the area, that
17 Mr. Nichols concluded that for 9 percent of the
18 people that come to New Hampshire seeing visible
19 power lines in the area is an essential or very
20 important benefit?

21 MR. NEEDLEMAN: I'm going to object.
22 That's Mr. Reimers' interpretation of what
23 Mr. Nichols said. I don't think that's Mr.
24 Nichols' interpretation.

1 MR. REIMERS: I'll lay more foundation. Is
2 that all right, Mr. Chair?

3 PRESIDING OFFICER HONIGBERG: Sure.

4 BY MR. REIMERS:

5 Q Do you see I have highlighted what drives
6 visitors to choose New Hampshire?

7 A I see that statement.

8 Q And tell me if I'm reading this right.

9 "Respondents were also asked to rate destination
10 attributes related to their choosing to visit a
11 New Hampshire destination." Do you see that?

12 A Yes.

13 Q And the next sentence references Table 6-3. And
14 was it 6-3 that I was pointing you toward a
15 minute ago?

16 A Yes. I believe Table 6-3 is a summary of,
17 without reading the full report, just this
18 portion, I believe it's a summary of a survey.

19 Q Performed by who?

20 A I don't know. I haven't read the rest of it.

21 Q The rest of the report or Mr. Nichols' report?

22 A I haven't read the rest of the pages, and I
23 don't recall. So I'd need to read before and
24 after just to make sure I understood all the

1 context.

2 Q Would you agree that Mr. Nichols concludes that
3 Visible power lines in areas is an essential or
4 very important benefit for a large number or for
5 9 percent of potential visitors?

6 A I think Mr. Nichols is showing what the results
7 of the survey were, and I would say that 9
8 percent of whatever survey sample had selected
9 this attribute.

10 Q And a few minutes ago, you testified that your
11 personal opinion would be that it would be
12 ridiculous to think that 9 percent of visitors
13 either come here or would come to see power
14 lines, isn't that right?

15 A I believe, and I apologize if the word choice
16 was a little messed up, but I said personally, I
17 wouldn't consider that as a reason to visit a
18 place, visibility of power lines. But I also
19 said others, I think I followed and said others
20 might have a very different opinion. And I
21 think the whole point is this is a survey of, I
22 would assume, more than just one or two
23 individuals. So I recognize others might have a
24 very different view on what they would like to

1 look at than me.

2 Q I distinctly recall you saying that in your
3 personal, not in these, you said, regarded your
4 personal opinion and you agreed that my
5 proposition was ridiculous.

6 A That I wouldn't be wanting to personally visit a
7 place because of power lines. I have other
8 criteria that I would use for myself.

9 Q So you would agree with Mr. Nichols that 9
10 percent of potential tourists would visit New
11 Hampshire to see power lines?

12 A I would say that Mr. Nichols has the expertise,
13 and I would look to him to give me conclusions
14 from his analysis and studies.

15 Q Around the time that you testified at the
16 legislature and wrote the OpEd, you also
17 appeared on "The Exchange." Correct?

18 A Yes.

19 Q And in response to a question from Attorney
20 Pacik, you characterized the subject of the
21 program to be the New England Energy Market and
22 Projects such as the Northern Pass. Do you
23 recall that?

24 A I don't recall that discussion, but I'll take

1 it, I assume it must have happened with
2 Mr. Pappas?

3 Q No. I'm sorry. Danielle Pacik, Concord's
4 attorney, about an hour ago.

5 A Yes. Ms. Pacik. Yes. Sorry. I didn't hear
6 correctly. My cold is getting to my ears now,
7 too.

8 Q Just to clarify, you don't recall characterizing
9 the subject of The Exchange program to be the
10 New England Energy Market and Projects such as
11 the Northern Pass?

12 A If I said that, that's what I said.

13 Q Okay. I'm showing you SPNHF 175 which is a
14 website printout discussing the program, and if
15 you look, read the description here, isn't it
16 clear that the program's sole topic was the
17 Northern Pass?

18 A Well, the topic was trying to enumerate the
19 disagreement on the amount of energy that we
20 brought in, how badly the energy is needed, and
21 the economics of the Project. So it's covering
22 a variety of issues, some of them are more about
23 what's needed for New England, maybe in air
24 quotes again, and what kind of products will be

1 delivered on the Project.

2 Q So is the title of the program, "Northern Pass:
3 Separating Truth from Fiction," a little
4 misleading?

5 A No. I think that was the name of the TV show.
6 It was getting a lot of press at the time.
7 Sorry. Radio show. That was a hot topic at the
8 time.

9 Q So the website here shows that you were one of
10 the two main guests, correct?

11 A Yes. It was Christophe and myself.

12 Q Other guests were Peter Powell and Brian
13 Underwood?

14 A I see that here. Yes.

15 Q And Mr. Underwood did appraisal work for the
16 Northern Pass, correct?

17 A I'm not familiar with it, but I'll take it,
18 subject to check.

19 Q Assume that Mr. Underwood worked for the
20 Northern Pass. If that's the case, you and Mr.
21 Underwood were the only guests on the program
22 that were paid consultants, correct?

23 A Well, Mr. Christophe is a professional lawyer as
24 part of Conservation Law Foundation.

1 Q Right. He was a staff attorney there, correct?

2 A I understand that to be the case, yes.

3 Q He wasn't an expert hired by CLF to push a
4 position, was he?

5 A He was working as part of CLF, and I believe CLF
6 and he himself had positions on the Project.
7 That was the whole point to have the two of us
8 banter, if you will, and debate the topic. So
9 he had a specific position and I did as well.

10 Q And my point was that you and Mr. Underwood,
11 though, the two people advocating for the
12 Project, were the two people on the show who
13 were paid consultants.

14 MR. NEEDLEMAN: Mr. Chair, I'm going to
15 object. I don't think it's been established
16 that Mr. Underwood was working for the Project
17 at this point. He certainly worked for the
18 Project.

19 MR. REIMERS: I'll get back to this in
20 confidential.

21 PRESIDING OFFICER HONIGBERG: Okay.

22 BY MR. REIMERS:

23 Q LEI was paid for your lobbying and public
24 relations work in 2011, testifying at the

1 legislature, preparing materials for consumers,
2 assisting the Northern Pass with the OpEd, and
3 appearing on The Exchange, correct?

4 A Yes, I was paid for various analyses and
5 presentations thereof.

6 Q In 2014, you provided testimony for the New
7 England Power Pool in a FERC, Federal Energy
8 Regulatory Committee, proceeding involving
9 NEPOOL and ISO New England in which you were a
10 witness for NEPOOL, correct?

11 A Yes.

12 Q And NEPOOL was your client?

13 A The client was NEPOOL, but it went through
14 NEPOOL's counsel.

15 Q That case involved competing proposals, one from
16 NEPOOL and one from ISO New England, to revise
17 ISO New England's transmission markets and
18 services tariff, is that correct?

19 A Yes. Specifically with respect to performance
20 incentives. And that's performance incentives
21 in the Capacity Market.

22 Q And although FERC did not adopt wholesale either
23 NEPOOL's or ISO New England's proposals, FERC
24 decided that we will largely adopt ISO New

1 England's proposal, correct?

2 A That's correct.

3 Q In that docket, prior to the order, ISO New
4 England filed a motion for leave to answer out
5 of time an answer of ISO New England, Inc. Is
6 that correct?

7 A I see that document, yes.

8 Q And ISO New England's answer included attached
9 testimony from a principal of the Brattle Group,
10 Robert S. Mudge, do you recall?

11 A I don't recall, but I see the words on this
12 paper so I will accept that. He did file
13 testimony.

14 Q And this motion and answer was filed by the Vice
15 President, General Counsel and Corporate
16 Secretary of NEPOOL and the Senior Regulatory
17 Counsel of NEPOOL?

18 A Yes. I see that.

19 Q And on page 4, ISO New England explained that
20 while the ISO generally is hesitant to submit
21 additional testimony in this third round of
22 pleadings, this testimony is essential to ensure
23 a complete and accurate record in this
24 proceeding. Correct?

1 A I see that statement. Yes.

2 Q You have read this answer of ISO New England and
3 the Brattle Group's attached testimony, haven't
4 you?

5 A I don't recall it in detail. What was the date
6 of it again?

7 Q It's 2014.

8 A I probably did, but I don't recall at all the
9 content of this.

10 Q In this answer, ISO states that your
11 calculations are based upon inconsistent
12 assumptions, apparent conceptual
13 misunderstandings of how Pay for Performance
14 works and errors in various formulas. As a
15 result, Ms. Frayer's illustrations mislead
16 instead of inform.

17 This is what ISO said, correct?

18 A That is what ISO says in this, yes. I don't
19 agree with them, but --

20 Q I'm not asking if you agree, and I understand
21 that you don't.

22 ISO further stated that your analysis rests
23 on inappropriate assumptions, didn't it?

24 A That's what it says here in this pleading from

1 ISO.

2 Q And ISO thought that one of your inappropriate
3 assumptions created a misleading impression, is
4 that correct?

5 A That's what you highlighted. I haven't, again,
6 I haven't read all these.

7 Q Take the time to read it if you'd like.

8 A How long is this document? I think it's 68
9 pages.

10 Q We're not going through 68 pages. I promise.

11 A But that's the problem. Going through piecemeal
12 excerpts does not give me enough information to
13 refresh my memory. I would need to read 68
14 pages, and then I can actually converse with you
15 intelligently in response to these allegations.

16 Q My questions only have to do with what ISO New
17 England asserted.

18 PRESIDING OFFICER HONIGBERG: Mr. Reimers,
19 I have a question for you.

20 MR. REIMERS: Sure.

21 PRESIDING OFFICER HONIGBERG: Can you
22 scroll to the bottom of this document and show
23 me who filed this document again?

24 MR. REIMERS: Sure.

1 PRESIDING OFFICER HONIGBERG: Because I
2 thought this document was filed by NEPOOL. Am I
3 wrong about that?

4 MR. REIMERS: No. It's filed by ISO.

5 PRESIDING OFFICER HONIGBERG: I think you
6 had said NEPOOL earlier.

7 MR. REIMERS: I apologize if I did.

8 PRESIDING OFFICER HONIGBERG: How about
9 control end.

10 MR. REIMERS: There we go. ISO New
11 England.

12 PRESIDING OFFICER HONIGBERG: Okay. And
13 Mr. Hepper is the General Counsel to the ISO.
14 Okay. So this document was filed by the ISO and
15 not by NEPOOL.

16 MR. REIMERS: Correct. Ms. Frayer was a
17 witness for NEPOOL.

18 PRESIDING OFFICER HONIGBERG: Right, and
19 earlier you had said "filed by NEPOOL" and
20 that's how that stuck in my head.

21 MR. REIMERS: I apologize.

22 PRESIDING OFFICER HONIGBERG: All right.

23 MR. REIMERS: Filed by ISO.

24 BY MR. REIMERS:

1 Q Further on that page, ISO thought that your
2 testimony appears unaware of a certain
3 fundamental relationship which results in
4 assumptions that are logically inconsistent and
5 contributes to the puzzling results. Did I read
6 that -- well, did I characterize what ISO
7 asserted?

8 A I believe that is what ISO had written, yes, on
9 that page.

10 Q And on the next page, ISO asserted, did it not,
11 once again, that these inconsistent assumptions
12 render the illustrative payment calculations
13 provided in the Frayer testimony, Figures 12 and
14 13, uninformative if not outright misleading?

15 A I see that sentence on the page.

16 Q On the next page, ISO New England asserted that
17 your calculations significantly misrepresent the
18 magnitude of the resources' net FCM revenue,
19 correct?

20 A That's what they write.

21 Q And FCM is Forward Capacity Market?

22 A That is the acronym.

23 Q And Mr. Mudge of the Brattle Group was
24 characterized by ISO New England as finding that

1 your cost impact assessment is not supported by
2 the evidence. Is that what they stated?

3 A That's what Mr. Mudge supposedly states.

4 Q And finally on that page, ISO New England
5 asserted that your evidence is completely
6 disjointed from NEPOOL assertions that Pay for
7 Performance would undermine the ability of new
8 entry to secure financing.

9 Did I read that correctly?

10 A That's what it seems to say on that sentence.

11 Q And in its order that we looked at before,
12 looking at that answer, FERC substantially
13 adopted ISO New England's position, correct?

14 A I believe it said that it had adopted ISO New
15 England's proposal for the performance
16 incentive. With some changes.

17 Q With some changes. I agree. But FERC did not
18 adopt your client NEPOOL's proposal
19 substantially?

20 A FERC did not adopt my client's proposal, no.

21 MR. REIMERS: I will have these marked as
22 the FERC Order will be SPNHF 189 and the ISO New
23 England Motion Answer will be SPNHF 188.

24 (The documents, as described, were

1 herewith marked as **SPNHF Exhibit 189**
2 and **SPNHF Exhibit 190**, respectively,
3 for identification.)

4 MR. REIMER: I have no further questions in
5 nonconfidential. Thank you.

6 PRESIDING OFFICER HONIGBERG: Let's go off
7 the record for a second.

8 (Discussion off the record)

9 PRESIDING OFFICER HONIGBERG: We're going
10 into confidential session so people who need to
11 leave can leave, and we won't be coming back
12 into public session today.

13 Mr. Reimers, you may proceed
14 (Pages 121 through 131 of the
15 transcript are contained under
16 separate cover designated as
17 "Confidential & Proprietary.").

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PAGES 121 THRU 131 FILED UNDER SEPARATE COVER
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1 PRESIDING OFFICER HONIGBERG: Next week we
2 are meeting on Tuesday, Wednesday and Friday for
3 hearings, and on Thursday morning we will be
4 taking Public Comment. There's going to be a
5 notice going out on that Monday.

6 Anything else we need to do before we break
7 for the day? All right. Thank you all. We are
8 adjourned.

9 (Whereupon Day 14 Afternoon Session
10 adjourned at 4:54 p.m.)

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C E R T I F I C A T E

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 12th day of June, 2017.

Cynthia Foster, LCR

