

I N D E X

WITNESS	JAMES CHALMERS	PAGE NO.
<i>(Resumed)</i>		
Cross-Examination by Ms. Menard		3
Cross-Examination by Mr. Judge		60
Cross-Examination by Ms. Lee		126

NOTE TO READER:

CONFIDENTIAL SESSION under separate cover
containing **Pages 158 - 163**

E X H I B I T S

EXHIBIT ID	D E S C R I P T I O N	PAGE NO.
DFLD-ABTR 123	Letter, Parade Properties to Eric Tilton and Kimberlee Ganley, May 16, 2017, and their response	10
DFLD-ABTR 124	Default MLS Defined Spreadsheet	15
DFLD-ABTR 127	Email requesting Intervenor status from Gina Neily, 41 Haynes Road, Deerfield, New Hampshire, 9/17/13	36
DFLD-ABTR 128	Property map	41
DFLD-ABTR 130	Tax records	46

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2
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4
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6
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P R O C E E D I N G S

(Hearing resumed at 9:00 a.m.)

PRESIDING OFFICER HONIGBERG: Ms. Menard,
are you ready to continue?

MS. MENARD: Yes.

CROSS-EXAMINATION CONTINUED

BY MS. MENARD:

Q Good morning, Mr. Chalmers.

A Morning.

Q Members of the Committee. I'd like to start off
this morning by just asking you a few questions
about visibility, and on page 3 of your
Supplemental Testimony, line 21 through 22, it
reads, "It should be clear that visibility was
an essential component of my research. That it
is central to my opinions."

So I just have a couple questions to help
us understand how you determined the visibility
component of the case studies, and from your
methodology section, there is a section that
outlines the three ratings of visibility, and
you can see that it ranges from not visible to,
actually if you standby here just for a minute.

So not visible, the rating is if you cannot

1 see structures or conductors, correct?

2 A That's correct.

3 Q And the partial visibility is that there are
4 structures or conductors are partially
5 obstructed, but neither are clearly visible?

6 A It's easier -- partial is simply it's not none
7 and it's not clearly. So.

8 Q Okay. And clearly visible is you have an
9 unobstructed view of the conductors. And so
10 let's go back just because I want to get settled
11 in here. Partially visible, again? How would
12 you, you know, in terms of a methodology
13 explanation, how would you either improve on
14 this definition or are you agreeing that partial
15 is if structures or the wires are, if you can't
16 see them clearly, then it's partially visible?

17 A The -- you misunderstood, I think, the
18 definition of clearly. Ultimately, these
19 definitions, I think, have to be interpreted in
20 terms of the structures. And the definition of
21 clearly visible structures is, and you have to
22 have some defined concept, and the way that
23 we've defined it is that a clearly visible
24 structure is one in which there's an

1 unobstructed view of all portions of the
2 structure to which conductors are attached.
3 Okay? So it doesn't necessarily mean you can
4 see it from the footing to the tip, doesn't mean
5 that you can just see a portion of the H-Frame.
6 It means you can see, if there are three
7 conductors attached to that H-Frame you have an
8 unobstructed view of all portions of that
9 structure to which the conductors are attached.
10 Okay? So that's clearly. That's well-defined.
11 We can understand what that is. None means you
12 can't see anything. You can't see any portion
13 of the structure. And then partial is
14 everything in between. Okay? So partial could
15 be I can see a little bit of a structure or I
16 can see the structure through the foliage or I
17 can see it in the winter but not in the summer
18 and so forth.

19 Q So I think you've hit on the essence of my
20 confusion. So when you're in your methodology
21 section when it states that the structures or
22 conductors, you're not really talking about
23 conductors in terms of the view of wires between
24 structures. You're talking about the conductors

1 if you can see them that if they're attached to
2 a structure, that is what you are rating for
3 visibility.

4 A That's right.

5 Q Why did you decide to have no analysis of any
6 span element to your case study research?

7 A Because we're not visual experts, and we're also
8 not on the properties. So we wanted a workable
9 definition, and it's been my experience that the
10 thing that people react to in most
11 circumstances, there would be exceptions, are
12 the structures, not the conductors. Now, you
13 can imagine a situation where you might be
14 totally screened from structures and have some
15 conductors very close where they could matter,
16 but, in general, I think it's fair to say that
17 it's the structures, the visibility of the
18 structures that are the issue, and generally,
19 clearly visible structures, you're going to have
20 some clearly visible conductors. If you can't
21 see any structures, it's pretty likely you're
22 not going to be able to see any conductors.

23 Q Would you disagree that homeowners are visual
24 experts of their property and could have a

1 degree of sensitivity towards views of the wires
2 between the structures?

3 PRESIDING OFFICER HONIGBERG: Wait. Ms.
4 Menard, would you reword that question, please,
5 because I didn't understand the positives and
6 negatives in the sentence.

7 Q Okay. I'll try again here. Mr. Chalmers,
8 you've just stated that you were not visual
9 experts and so you weren't afforded the
10 opportunity to really be able to do that level
11 of analysis, am I correct, in terms of getting
12 on the property and so you're just looking out
13 there and if you can see structures, that's what
14 you're viewing?

15 A That's right. Fundamentally, A, can you see
16 them, they're the zero one on none and then if
17 you can see them, do you have a clear view for a
18 partial view. And a clear view would simply
19 mean you're above the foliage so you don't have
20 a summer/winter problem. If it's unobstructed,
21 then it's above the tree line and, further, you
22 have to have an unobstructed view of the entire
23 portion of the structure to which the conductors
24 are attached. So it's an operational, it's

1 essentially a pragmatic consideration
2 methodologically for me in terms of how I
3 instruct these people who work in the field to
4 record this, and I've had quite a bit of
5 experience with it. This categorization seems
6 to work pretty well.

7 Q Okay. Back to my original attempted question of
8 a homeowner or a would-be buyer may view wires
9 as having an HVTL impact on the property. Would
10 you agree?

11 A Yes.

12 Q Thank you.

13 A Sure.

14 Q Thank you. Id like to take a look at Case Study
15 11. This is 419 Raccoon Hill Road in Salisbury,
16 and the description of the transmission lines
17 was as, you can see in the middle of the page,
18 in both counts not visible from the house and
19 not visible from the yard. So I'll represent to
20 you that I had an opportunity to view the
21 property both on leaf-on and leaf-off condition,
22 and in leaf-off condition clearly the wires were
23 visible.

24 So in light of that, I sent the owners of

1 the property a letter, and that letter is
2 available, Jo Anne, as an exhibit. Exhibit
3 number 123. And this is a copy of the letter
4 prior to them answering the two questions, and
5 the two questions were, "When standing on the
6 road looking towards your house, are the power
7 lines visible when the leaves are on the trees."
8 And then question number 2, "From the same
9 location on the road, looking at your house, are
10 the power lines visible when the leaves are off
11 the trees."

12 And you can see from their reply, and I was
13 grateful that they did take the time to fill
14 this out and send it back to me. You can see
15 that if there they were at their mailbox and
16 they were looking towards their house they could
17 not see the power lines when we were on leaf-on
18 condition. However, in the leaf-off condition,
19 you can see that they answered yes. So certain
20 number of months a year they are able to see the
21 wire.

22 So do you have any reason to doubt that the
23 homeowners are answering truthfully in the above
24 two questions?

1 A No.

2 Q So if we go back to your methodology page then,
3 on page 6, the not visible rating is referring
4 to structures, correct?

5 A That's right. Let me just clarify. The field
6 workers made recordings with respect to both
7 structures and conductors, and those in fact are
8 recorded on the tables on those case study
9 summary tables that we were looking at
10 yesterday. My analysis and my opinions in this
11 matter have been based exclusively on structure
12 visibility because the conductor visibility is
13 simply too ambiguous, and I think it's structure
14 visibility that matters.

15 In this case study in question that you
16 just asked me about, the summary evidence and
17 the interview evidence is pretty clear that the
18 structures are not visible from the house or the
19 yard. It doesn't say one way or the other on
20 conductors. It's precisely that problem,
21 depending on whether the wind is blowing or not,
22 depending on the time of year, you may be able
23 to get little glimpses of conductors, and it
24 simply is so ambiguous to make a

1 characterization that it's not useful in my
2 view.

3 Early on, there was some support for making
4 a recording with respect to both structures and
5 conductors, but it was subsequently because of
6 that ambiguity I've focused entirely on
7 structures. On structure visibility.

8 Q Well, you have addressed my concern in that for
9 somebody who's reading your report, there are
10 several instances where there's a reference to a
11 visibility rating, and you don't have any idea
12 whether it's specific to structures or specific
13 to conductors, and so thank you for clarifying
14 that.

15 Id like to move on to Mount Delight Road,
16 the land sale. And as a little background and
17 refresher for you, Mr. Chalmers, in my December
18 testimony, I had noted that we had a listing of
19 a piece of property, a piece of land, that had
20 enough frontage for a two-lot subdivision, and
21 due to its location along the right-of-way and
22 due to the Northern Pass proposed Project, it
23 was a tough sell. And you in your Supplemental
24 Testimony had a rebuttal. So I'd like to just

1 take a minute and go over some of the facts that
2 you have presented on behalf of the Applicant.

3 So on page 16, line 21, and this is from
4 your Applicant's Exhibit 104, you state that
5 market data show that Deerfield building lots,
6 some capability of subdivision, sold in the
7 \$40,000 to 60,000 range. You see that?

8 A Yes.

9 Q And I'd like to take a look at your Attachment
10 7.3, and the title of this attachment is 6.49
11 Mount Delight Road. 6.49 is the reference to
12 the acreage.

13 A Correct.

14 Q Who compiled this chart?

15 A This, the data for this was pulled together by
16 Peter Stanhope and his staff, I think some of
17 whom work in the Deerfield area. Peter Stanhope
18 is an appraiser in Portsmouth.

19 Q Yes. We work with him quite frequently.

20 Can you explain if -- so at this time I
21 understand from your conversation with
22 Mr. Pappas yesterday that you had a license, a
23 New Hampshire real estate license and was --

24 A That's not correct.

1 Q Not a license. You had a -- well, correct me,
2 please.

3 A I had an appraisal license. I never had a real
4 estate license.

5 Q When you were, when you had that license, did
6 you have access yourself to MLS?

7 A No.

8 Q So you were reliant on the Stanhope Group or the
9 other appraisers to provide you with the MLS
10 data, correct?

11 A That's correct.

12 Q So if you had asked for them to create a search
13 and you gave them the certain criteria, this is
14 obviously something that you have retyped and
15 was not generated by an MLS data system,
16 correct?

17 A That's right.

18 Q I'd like to take a look at the first lot on your
19 list which is, we can just move beyond. Blake's
20 Hill Road as you note appropriately at the time
21 that you did the report, this was an
22 under-agreement property that had not yet
23 closed. It was a single building lot for 64-9.
24 But on your list you have Mount Delight Road,

1 that was a date of August 22 in 2008. This was
2 a 5.19 acre lot and it sold for 35-9. Correct?

3 A Yes. That's what the table shows.

4 Q And the MLS number for the record is 575427.

5 What I've done, Mr. Chalmers, I've created
6 a Deerfield Abutter Exhibit 124, and I have
7 taken your MLS numbers so there is nine
8 properties that you have selected, and I've also
9 added the subject property, the Mount Delight
10 property, so I have 10 listings and I actually
11 made hard copies for the Committee and the
12 Applicant because this is very, I could not get
13 the program to enlarge so I'm going to take a
14 minute and just distribute hard copy of the
15 list.

16 PRESIDING OFFICER HONIGBERG: Off the
17 record.

18 (Discussion off the record)

19 PRESIDING OFFICER HONIGBERG: Ms. Menard,
20 you may proceed.

21 Q So that same, your first Mount Delight Road lot,
22 and it's easier to chart it by the acreage as
23 opposed to trying to match up the numbers, the
24 5.19 comes up first on the sheet that the

1 search, the MLS search, provided, and if we
2 check the dates of this MLS number, the date
3 that this property sold was May 31st of 2000,
4 not August of 2008. Do you agree?

5 A I agree that these dates are different. I'm
6 not -- right. I don't know which one is right,
7 but --

8 Q Okay. What the clue is, these low MLS numbers,
9 Mr. Chalmers, for somebody who works with
10 listings, this would be very obvious that
11 there's a problem with this.

12 So let's take a look at the next listing
13 that you had on your chart that you typed. The
14 Mount Delight property that, for the record, the
15 MLS number is 507357. And if you go to the
16 second listing on the MLS spreadsheet, you can
17 match the acreage of 15, you can match the sale
18 price of 37,000, and looking at the date, date
19 is March 10th, 1998, compared with your date
20 sold of December 26th, 2007.

21 A I can't explain that discrepancy. As you know,
22 sometimes these things take a while to figure
23 out. It doesn't affect my conclusion here. My
24 conclusion was simply that the market --

1 Q I would like to -- we will talk about your
2 conclusion, but I'd like to just continue with a
3 few other comments about the selection of your
4 listings.

5 Do you agree that using sales data that is
6 15 years old drives the pricing average down.

7 A Depends on what the market is doing. I mean, if
8 the market is rising, it would drive it down.
9 If it's falling, it would raise it.

10 Q Yes. Good point. In this example, where we
11 have a market that is clearly -- well, I can't
12 say that, historically I can state the 2000
13 market, but from a price standpoint, you can
14 agree with me that prices were increasing on
15 your sheet from 2007 forward since the market
16 dropped. Prices were increasing in the New
17 Hampshire market?

18 A Between when and when?

19 Q Since the market drop of 2007 until 2017. The
20 last ten years.

21 A The market, you're saying that the market has
22 increased?

23 Q Yes. The sale prices?

24 A Well, they went through a period, obviously, of

1 substantial decline and then continued to
2 decline, and they've started to recover. In
3 general, they're not back at 2007 levels yet.

4 Q Would you agree that using incorrect data such
5 as these two listings that it would render your
6 work irrelevant to this case?

7 A No. Well, these two particular sales are old.
8 If the dates that this listing shows are
9 correct, which may or may not be the case,
10 but -- and if they are that old, yeah, they
11 could easily be deleted from this tabulation.
12 They're not contributing anything important, I
13 don't think. The important conclusion is that
14 the market is, you know, essentially 40 to
15 \$60,000 which is what my testimony was in my
16 Supplemental Testimony.

17 Q Mr. Chalmers, if you're providing data for an
18 analysis on pricing, and we are taking your 9
19 listings and coming up with a mean or an average
20 price, do you disagree that two sales in the 35
21 and 37,000 range wouldn't bring that average
22 down?

23 A Sure. It would bring it down. But again, my
24 understanding was that those were 2007/2008

1 sales, and we're appropriately in the average.

2 Q With regards to the subdivision, you may recall
3 the subdividability of the subject lot. So what
4 we have just discussed is the value of single
5 building lots. Correct? This is an average of
6 single building lots.

7 A I don't think that's accurate.

8 Q Okay. So in your Rebuttal, you stated that some
9 of the lots were, some of these lots, the
10 comparable sales that you've pulled up were
11 subdividable. Do you know what Deerfield zoning
12 requirement is for the minimum building lot?

13 A No, I don't.

14 Q I'll represent to you that it's three acres. Do
15 you know the minimum frontage requirement for a
16 building lot in Deerfield?

17 A No, I don't.

18 Q I'll represent to you that it's 200 feet. So on
19 the spreadsheet that we handed or that you have,
20 I added the 200-foot frontage, I added the
21 frontage column to that spreadsheet. So as a
22 refresher for you, I would like for you to
23 identify the properties that you had deemed
24 possible to be subdivided.

1 A Again, I was simply going off of the narrative
2 in the MLS listings so, you know, it would
3 describe the property, and in some of the ones I
4 looked at it said this property, these tracts,
5 are subdividable, and that was the basis of my
6 comment.

7 PRESIDING OFFICER HONIGBERG: So which ones
8 were they?

9 A I don't recall. We can look here. So you say
10 three acres and 200 feet?

11 Q That is correct.

12 A So I guess the fourth one would be subdividable,
13 the --

14 Q Excuse me. The \$35,900? Which sheet are you
15 looking at? The MLS sheet or your sheet?

16 A I'm looking at your exhibit.

17 Q Okay.

18 A The 9-acre parcel fourth from the bottom.

19 Q Um-hum.

20 A So you're saying the minimum lot size is 3
21 acres?

22 Q That is correct.

23 A Okay. So that would be the only other one. Or
24 the only one actually.

1 Q Okay. Thank you.

2 A What about the 12.54; does that have no
3 frontage?

4 Q I'm asking you that question.

5 A Well, it's your exhibit. Is that a typo or is
6 that just a zero?

7 Q I apologize. Which line are you on, please?

8 A The 12.54 acre lot that's fifth down.

9 Q That was an expired listing that you had on your
10 original spreadsheet.

11 A But you're the one who calculated the frontage.
12 I was asking you what is the frontage on that
13 one? My only point is that may be subdividable
14 as well.

15 Q Actually, it is not. First of all, it's an
16 expired listing so we are not looking at sales
17 data which is the topic, but Mountain Road
18 Extension is a Class VI road.

19 MR. WALKER: Objection, Mr. Chairman.

20 PRESIDING OFFICER HONIGBERG: Sustained.

21 Ms. Menard, you need to ask him questions and
22 get him to answer questions, and if you need
23 help getting him to answer questions I'll help
24 you, but getting into a discussion with him --

1 MS. MENARD: What do I do when he asks me a
2 question?

3 PRESIDING OFFICER HONIGBERG: You're not
4 obligated to answer those questions. I believe
5 another questioner the other day noted that the
6 person standing where you're standing gets to
7 ask the questions. The person sitting over
8 where he's sitting is expected to answer them.

9 MS. MENARD: Okay. It's hard to not
10 interrupt, but I'll --

11 Q So you are representing that there's the
12 possibility of subdivision of the -- I'm going
13 to let you answer that question again, please.
14 Which of these listings on this sheet do you
15 consider a possible subdivision with the
16 information that you remember or that you have
17 available to you?

18 A My statement was simply that some of these are
19 potentially subdividable, and that opinion is
20 based on having looked at the MLS descriptions.

21 Q Okay. So the Mount Delight Road lot, you agree
22 that the Mount Delight Road lot abuts the
23 centerline of the right-of-way?

24 A Yes.

1 Q And it actually, I'll represent to you that it
2 has 527 feet of frontage along the right-of-way.
3 And from the spreadsheet, this listing is number
4 6 on the list. So you can see that it has a
5 total of 6.49 acres, and it sold for 59,000, and
6 it had 1280 feet of frontage. So this lot had
7 frontage for two building lots, correct?

8 A Once entitled.

9 Q Pardon me?

10 A Once entitled.

11 Q I'm not familiar with that term.

12 A Once it's subdivided.

13 Q Correct. It has the possibility for
14 subdivision.

15 A Precisely.

16 Q Yes. This lot has since, as you noted in your
17 rebuttal, Supplemental Testimony, this lot has
18 since been subdivided into two building lots,
19 correct?

20 A That's right.

21 Q And so the subdividable lot that sold at 59,000
22 which is less than your median average for a
23 single building lot, correct?

24 A My median or --

1 Q Would you agree?

2 A I agree it sold for 59-9, and you can look at
3 the numbers here. The mean, including all those
4 sales, are 52,000. What's the median?

5 Q Well, we don't have to split hairs on this
6 point. The average single building lot in
7 Deerfield in the 2014 time period was in the
8 \$59,000 range, and if you would like to be
9 exact, it's 59,400.

10 MR. WALKER: Mr. Chairman, objection to the
11 extent that she's presenting evidence here as
12 evidence without asking the question. It's
13 related to it.

14 PRESIDING OFFICER HONIGBERG: He's got a
15 good point, Ms. Menard.

16 Q Mr. Chalmers, would you agree that a seller of
17 this lot received a value that the, sale value,
18 sale price, that is in line with a single
19 building lot and did not realize any value for
20 having an extra lot that would be available for
21 subdivision down the road?

22 A No.

23 Q Can you explain why?

24 A Yes. These are tracts, these are parcels, and

1 this lot sold very much in line with other
2 parcels ranging from 3 acres to 15 acres, some
3 of which are subdividable. The market discounts
4 the prospect of entitlement very, very heavily.
5 You know, this parcel could be subdivided if,
6 you know, all goes well. And in some cases,
7 that would earn a premium. But my conclusion
8 here is that this lot was wildly overpriced
9 historically, and that when it got into the
10 relevant range for lots that were selling in
11 Deerfield, at 59-9, it sold. And it was
12 subsequently developed by a competent developer
13 who develops some nice homes and sold them at
14 market.

15 Q So you're not recognizing the value of the
16 difference between a single building lot and a
17 lot that would afford subdivision potential?
18 You're not making a distinction between the two?

19 A That's right.

20 Q Okay. This was filed in response to a Data
21 Request, and I would like to just show you a few
22 of the other lots that had subdivision
23 potential. I actually had to go, I'll represent
24 to you that I had to go outside of Deerfield to

1 locate these because the Deerfield lots were not
2 appropriate comparables, and I won't, the
3 viewing of all the data, like I said, this is
4 information that is in the Supplemental or,
5 excuse me, ShareFile site.

6 So Mr. Chalmers, this is a piece of
7 property in Candia that as you can see has --
8 Candia is an abutting town in between Deerfield
9 and Manchester. You can see in the upper
10 right-hand corner the list price was 109, it
11 closed for 100,000, acreage fairly comparable to
12 our subject at 6.3. Road frontage length,
13 again, Candia has a 200-foot road frontage
14 length, and this property sold, again, in the
15 time period that we are talking, in September of
16 2011. And through the interview with the
17 selling agent, the developer purchased this lot
18 and subdivided and sold two lots.

19 MR. WALKER: Mr. Chairman, same objection.
20 Was there a question related to this exhibit?

21 MS. MENARD: I'm going to show one other as
22 an example, and then ask a question,
23 Mr. Chairman. Thank you.

24 Q So this is, again, a neighboring abutting town

1 which is a very common town that Deerfield is
2 comped with. You can see a list price of 138-9.
3 A closed price of 125. This is a larger lot, as
4 you can see, and the frontage is not listed.
5 What was happening, well, this parcel was being
6 subdivided off of a farmhouse so they hadn't
7 established the survey boundary.

8 MR. WALKER: Objection. Foundation.

9 PRESIDING OFFICER HONIGBERG: Sustained.

10 MS. MENARD: Too much information? Not
11 enough questions?

12 PRESIDING OFFICER HONIGBERG: If you want
13 him to assume something, ask him to assume
14 something.

15 Q Mr. Chalmers, we have just two examples of some
16 properties, abutting towns with much greater
17 value than in Deerfield. Would you agree now
18 with this, if what we have here is correct and
19 representative of comparable sales for
20 subdivided lots, would you agree that the 59,000
21 sale in Deerfield was significantly reduced
22 compared with other properties from these two
23 towns?

24 A No.

1 Q Okay. Let's see if we can do better on this
2 topic.

3 This is a few questions about view, and in
4 your New Hampshire research, you used property
5 data, appraisal, and interview data to determine
6 proximity effects, correct? Property data,
7 appraisal, and interview data and from that you
8 determined your proximity effects?

9 A That's not the way I would describe it, no.

10 Q Would you correct what is in error?

11 A Yeah, I wasn't, we were looking at the effects
12 on market value of HVTL and the variables that
13 we were focused on were proximity, visibility
14 and encumbrance.

15 Q But when you were determining what the possible
16 effects were being close to the power line, you
17 referred back to your collection of data about
18 the property in terms of the number of
19 structures and the visibility, and then you took
20 a look at the Appraisal Evidence as a result of
21 the interview, and then interview evidence
22 separate from the appraisal, you looked at the
23 value of the appraisal to determine whether or
24 not that proximity had any market value effect.

1 A You're still misinterpreting it. It's the
2 combination, proximity is an independent
3 variable, not a dependent variable. Okay?

4 Q Um-hum.

5 A So it's the combination of the three independent
6 variables which is assessed using the interview
7 evidence, the physical relationship of the
8 property to the line and the Appraisal Evidence.
9 Did I say the interview evidence as well? So
10 we're trying to understand how proximity,
11 visibility, and encumbrance collectively
12 influenced market value.

13 Q Did I hear you correctly yesterday that you did
14 not find a single property that would have a
15 visibility effect after proximity was accounted
16 for?

17 A No. That's not correct.

18 Q I'd like to take a look at, this is Applicant's
19 Exhibit 3, and because this property wasn't
20 marketed, Mr. Chalmers, you would not have had
21 access to this in your sales data, but I will
22 represent to you that I put those, I took the
23 scale from the bottom of the page and just put
24 it up there so one inch equals 100 feet. Would

1 you agree that this property is situated
2 approximately maybe 275 feet or 250 feet,
3 depending on which corner of the house, but it
4 is outside the 100-foot range? Would you agree?

5 MR. WALKER: Ms. Menard, can you give us a
6 page number, please?

7 Q Yes. This is sheet number 662, and this is the
8 Wetland Army Corps of Engineer map.

9 A I now see -- are we talking about the house in
10 the upper left-hand corner?

11 Q Yes. I'm sorry. I didn't make that clear.

12 A And the dotted lines, what are the dotted, what
13 are the black dotted lines?

14 Q Those are hatch marks to give us a rough scale
15 from the distance from the house to the
16 right-of-way. The black dotted line is the edge
17 of the right-of-way.

18 A Okay. That was my question.

19 Q Yes. Sorry.

20 A Now what is your question?

21 Q My question is would you agree that this house,
22 if I've scaled this correctly, is in the range
23 of 250, 275 feet depending on where you measure
24 from the house to the right-of-way? So it is

1 outside the hundred foot mark.

2 A Again, I'm not seeing the scale, but where is
3 the scale? Okay. It would appear to be well in
4 excess of 100 feet.

5 Q Thank you. Would you agree that if you were
6 standing on the front porch of this house which
7 faces to the right on the map, it's oriented to
8 the southeast? If you were standing on this
9 front porch and you're looking out over this
10 field, would you agree that you would see a
11 structure whereas now there might not be a
12 visible pole?

13 A Yeah. I don't see structure locations here.

14 Q (Indicating to witness)

15 A I'm sorry. Could you clarify the structure
16 location? Are we talking about those?

17 Q There's a proposed Northern Pass structure in
18 the lower right-hand corner of that field where
19 Jo Anne is pointing to.

20 A Where's the mark though? There's usually a dot
21 or a square or a triangle.

22 Q Do you see the four red dots that are indicating
23 a tower footing?

24 A No. I don't see any red dots. Is it me?

1 Q Well, I'll represent to you that there is a
2 proposed tower in the middle of that crane pad
3 location. Would you, can you conceptualize a
4 structure being located in that location that
5 has visibility to the house?

6 A Yeah. It would appear that it's, you know,
7 depending on where it's located, and exactly,
8 you know, what the screening is there on the two
9 sides, but there is a -- it would appear there
10 might be a line of sight to that location.

11 Q Would you agree that Northern Pass Transmission
12 would not enhance the view of this property?

13 A That's a value judgment. If it were visible, it
14 would be in the view and I would think most
15 people would think it's a negative.

16 Q Are you aware that in Deerfield there is a view
17 tax?

18 A That's jargon, I think. Perhaps you could
19 explain what the view tax is, and then I could
20 answer the question.

21 Q Okay. From Deerfield Abutter Exhibit -- you can
22 remove that map, Jo Anne, thank you.

23 This is an attachment to Deerfield Abutter
24 Exhibit 10, and this came from our town's

1 Valuation Guidebook, and there is a section
2 about views. And I will read two starred
3 sections. "Like land and building values, the
4 contributory value of a view is extracted from
5 the actual sales data." And then from down
6 below. "When this occurs, the assessor, using
7 all the sales data available, must then give an
8 opinion of the value of this new view, grading
9 it better or worse than the sales data and
10 making an appropriate value adjustment. Here
11 experience and common sense play a large part of
12 in this process."

13 So you had asked the question about the --
14 my question to you was about the view tax. This
15 next exhibit gives some properties that the
16 Assessor assigns a view value to for each
17 property. Would you agree again then that on a
18 property card this value is amended as an
19 amenity to the property?

20 A Yeah, view premiums are very common and
21 appropriate and affect the market value of the
22 property, no question about that, and should be
23 reflected in the assessed value.

24 Q Yes.

1 A I wouldn't usually call it a view tax. It's
2 just a characteristic of property that
3 influences, that influences its value. It's
4 market value and should be reflected in the
5 assessment.

6 Q So from these four properties here, a range of a
7 view value of 30,000 at 65 Nottingham Road, down
8 to 56,000, 49 Meetinghouse Hill Road, would you
9 agree that the view amenities for property can
10 be significant?

11 A Yes.

12 Q Yet your report, given the limitation of the
13 100-foot proximity range that you've arrived at
14 statistically, would you agree that there are
15 many properties such as this property on Lang
16 Road in Deerfield that could have a view
17 reassessment and reduction to their property
18 value?

19 A They could.

20 Q Back to your Supplemental Testimony,
21 Mr. Chalmers, on page 6, Section 8, you state
22 that 41 Haynes Road was actively marketed over a
23 period of from 2011 to 2015. Do you see that on
24 your report?

1 A I do.

2 Q What evidence do you have that this property was
3 on the market from 2012 until April of 2015 when
4 it sold?

5 A That would be based on MLS data.

6 Q Did you produce the MLS data in your
7 Supplemental Testimony?

8 A I'm not sure. The listing history MLS sheet is
9 not here. I've got an expired listing sheet
10 here when it was on the market at 279-9, and
11 the, it was listed, yeah, on page 3 of 3,
12 indicates that the MLS list date was 5/26/2011.

13 Q So it listed in 2011. And then you have an
14 expiration date, and what date was that?

15 A This expired, it was withdrawn in 9-1-2011.

16 Q So --

17 A It expired -- excuse me. It expired in
18 11/25/2011.

19 Q So I will put up a MLS listing history. When
20 MLS affords us the opportunity to type in an
21 address, and this is what comes up for 41 Haynes
22 Road as you have stated correctly. That this
23 property was attempted to be marketed with two
24 different realtors and it expired.

1 So do you have further MLS data that
2 supports your testimony that is claiming that
3 this property was marketed actively up until the
4 date it sold?

5 A No. This is the only date I have on its listing
6 history.

7 Q From your testimony on page 14, there is a
8 question that was asked that raises another
9 methodology, methodological question, and I'll
10 quote the question. "There is another
11 methodological question that has been raised.
12 It is a shortcoming of your approach that you
13 only analyze properties that have sold. What
14 about properties that cannot be sold due to the
15 Project?"

16 We have a letter from the former owner of
17 this property that I would like for Jo Anne to
18 put up. And this is listed as Deerfield Exhibit
19 number 127. And you can see this was a letter
20 written to the SEC. They were attempting to
21 obtain Intervenor status.

22 "We have had our home on the market for two
23 years, and though we've had lots of showings,
24 the consensus was nice home, too bad it's in the

1 path of Northern Pass."

2 Do you still feel that the expired listings
3 are not warranted when you have potential family
4 members, family owners like this one who have
5 had difficulty marketing their home along the
6 right-of-way, and because they weren't sold
7 might give some market evidence?

8 A I'm sorry. Could you restate your question?

9 Q Would you agree that only looking at sold
10 properties is not a true picture of the market
11 activity when there are properties that are on
12 the market and come off the market because they
13 cannot, they are not sold due to the influence
14 of a Project like NPT?

15 A I think marketing time, marketability is very
16 important, and that was a component of
17 everything that we did. The issue of withdrawn
18 listings is a difficult one to deal with and
19 typically not dealt with. Eventually, these
20 properties come on the market and, you know, if
21 there are serious problems, it will show up in
22 the form of a sale price that's substantially
23 below market. But to try to dig into withdrawn
24 listings would be really tough.

1 The example here is that that this property
2 is severely impacted by the existing corridor,
3 quite independent of Northern Pass. It's a
4 flag, what we call a flag lot. It's got a very
5 narrow portion that reaches out to Haynes Road
6 that's only 200 feet wide and of that 200, then
7 it's got a large back excess acreage portion in
8 the back. It's got a lot of wetlands on it.
9 And the right-of-way encumbers 75 feet of that
10 flag pole. So you're only left with 125 feet of
11 buildable land. You only essentially have 125
12 feet of usable frontage. So you've got this
13 very skinny lot, and the house is necessarily
14 going to be right on top of the right-of-way.
15 So you've got significant effects on that
16 property of the existing, of the existing
17 corridor.

18 Northern Pass could certainly have
19 contributed to buyer concerns, but that sort of
20 gets us to one of the issues that I raise here
21 which is that my understanding, at least of the
22 question before us, is what are the impacts of
23 Northern Pass if built. Not what are the
24 effects of proposing Northern Pass. And this

1 proposal period which has been extensive, you
2 know, creates uncertainty in the market and
3 creates concerns and may well have some market
4 effects of the sort that you're describing. But
5 the real issue is what would the effect of, what
6 would the effect of Northern Pass be on market
7 values if it's built as proposed.

8 Q Yesterday we took a look at the Counsel for the
9 Public's spreadsheet and the exhibit number is
10 375, and you were provided with a list of
11 properties to evaluate for effects. And you can
12 see the bottom of this chart, 39 Haynes Road,
13 and 42 Haynes Road is accounted for, but if we
14 switch to the next page, we have 40 Haynes Road
15 and then another Deerfield property. Can you
16 explain why 41 Haynes Road was not evaluated for
17 market value impacts?

18 A Would you back that exhibit up so I can see
19 the -- no. I can't.

20 Q Would you like to look at a hard copy?

21 MR. IACOPINO: Mrs. Menard, the Exhibit
22 375, that's Counsel for the Public's exhibit.
23 Do you know who created it?

24 MS. MENARD: Can you read the discovery

1 number on the bottom? This was a topic of
2 conversation yesterday as well.

3 MR. WALKER: Just to be clear, last night
4 was updated was Exhibit 107, Applicant's Exhibit
5 107, Dr. Chalmers testified yesterday that
6 Exhibit 375 was an older version.

7 A So actually, the second version that was handed
8 out yesterday does have, appropriately, 41
9 Haynes Road on it.

10 Q Okay.

11 A You know, that oversight was noted and
12 corrected.

13 Q When was it corrected?

14 A I can't tell you exactly, but, you know, some
15 time in the last 3 or 4 months.

16 Q So the correction of this heavily impacted
17 property was not available to you when you were
18 doing your final conclusions with regards to
19 impacts along the right-of-way?

20 A No. This exhibit is the basis on which my
21 opinions and testimony had been offered.

22 Q Did you have this spreadsheet available to you
23 when you were creating, drawing your final
24 conclusions?

1 A I can't tell you exactly. There have been some
2 fugitive properties that have come on and off
3 this list based on partly my field inspection.
4 I'd go look for a house and there's no house
5 there or Siri couldn't find it or -- so it's
6 gone through many minor, very minor edits as one
7 property would go on and one property would go
8 off. I can't answer that specifically, but
9 certainly for my purposes, it's a, you know,
10 it's a perfectly reliable basis for the
11 conclusion that of those properties that are
12 within 100 feet of the corridor, the number of
13 properties that are going to experience a change
14 in visibility is pretty small. Dozen or so.

15 Q You would agree from Deerfield Abutter Exhibit
16 128 that this house, again, poor quality, I
17 apologize, there's a measurement tool in the
18 upper right-hand corner, and if this is
19 approximate, I'll represent this is approximate,
20 if this house is 17.4 feet, you would agree that
21 there could be significant impacts to this
22 property.

23 A Yeah. It is shown on the sheet now as 20.5
24 feet.

1 Q Okay. I'd like to put before you an exhibit
2 that, again, was part of the testimony, this is
3 Deerfield Abutter Exhibit 10, and this was an
4 attachment to Supplemental Testimony or no,
5 actually, the December 30th filing. Yesterday
6 you were asked by Attorney Pappas regarding
7 your, when you came to New Hampshire, you did
8 not take the time to develop an understanding of
9 the various markets affiliated with the
10 different towns along the right-of-way; is that
11 correct?

12 A I didn't try to characterize the differential
13 real estate markets in the various towns, no.

14 Q Would you agree that and as just a quick point
15 of background, what we have in this chart is, as
16 you can see, a list of all the towns in the
17 right-of-way, and the different categories of
18 properties that are being marketed, and this is
19 a grouping of all categories of not just sold
20 properties so we're not representing that
21 Deerfield had 108 sales. This is a -- there are
22 lots of activity of active and withdrawn and
23 under agreement and sold properties. So would
24 you agree that, for instance, Concord is showing

1 a high number of condos, relatively high number
2 of condominium units as a market share for that
3 city?

4 A I'm not sure I quite understand what the, what
5 we're measuring. It's 144 --

6 Q Properties that have some level of market
7 activity. They may be active listings, they may
8 be under contract listing, they may be sold
9 listings for the year. In the year 2013, there
10 was 144 properties involved in some level of the
11 market.

12 A Okay. And the question is?

13 Q Are you, would you agree that 144 is a
14 significant number in terms of the market share
15 for Concord?

16 A Right. It appears there is significant condo
17 market in Concord, right.

18 Q Would you agree that in Thornton, predominantly
19 single-family homes, but we have as demonstrated
20 here, again, 50 condominium and 52 land listings
21 at some level. Would you agree that those are
22 significant numbers for the markets in that
23 community?

24 A It's a large proportion of the total, yes.

1 Q And Woodstock actually has more condominiums at
2 60 than single-family. Would you agree?

3 A That's what the table shows, yes.

4 Q And in Franconia, in 2013, there was more land
5 activity happening as compared to single-family,
6 would you agree?

7 A Yes. Well, yes. One, by one unit, right?

8 Q Pardon me?

9 A 29 is bigger than 28.

10 Q Yes.

11 A All right.

12 Q So on equal footing. Yes. So your title of
13 your report implies New Hampshire Real Estate
14 Markets, and would you agree that the New
15 Hampshire real estate market includes properties
16 that are for sale, under contract, properties
17 that may come back on the market, have sold and
18 that have expired. Would you agree?

19 A Yes. Those things are all characteristics.
20 They're all part of the market, yes.

21 Q So your research that solely focuses on
22 single-family homes potentially is not a clear
23 or rigorous analysis of the New Hampshire market
24 as a whole, would you agree?

1 A We addressed the land market in the subdivision
2 studies. The single-family detached is viewed
3 as being the most sensitive segment and the
4 place where you'd start. I was sensitive to the
5 questions with respect to the condo market, and
6 given that, have pursued analysis of a project
7 statistically in Concord, and I think that's
8 basically a good idea. You know, I support
9 that. I think it's relevant.

10 The multi-family market has never, has
11 never been suggested as being vulnerable
12 although I did, as my testimony indicated, made
13 a few inquiries simply to confirm what I
14 presume, and what I presume was in fact
15 confirmed that the multi-family market doesn't
16 seem to show any sensitivity to HVTL proximity.

17 Q Are you aware that your Case Study number 49 is
18 a multi-family property?

19 A I'd have to look.

20 Q The address off the top of my head would be
21 Mount Delight Road. I do not know the number.

22 A It's 50.

23 Q 50 is 39 Haynes Road.

24 A Oh, it's a two-family home.

1 Q Duplex.

2 A Yeah. Well, I looked at this picture. It never
3 really occurred to me, but it was appropriately
4 assessed. Obviously, on a sample of one, you're
5 not going to be able to make many
6 generalizations about multiplexes, but it
7 doesn't do any harm to have it in there.

8 Q You cannot make any generalizations about
9 multi-family duplexes. Would you agree that
10 you're not in a position to make any
11 representations of effects on condominiums
12 because you didn't research them?

13 A But we have now. But at the time of my original
14 testimony, we had not investigated the
15 condominium market. We subsequently have.

16 Q I'd like to take a look at Deerfield Abutter
17 Exhibit Number 130. And this is two pages of
18 tax records that were pulled for a Northern Pass
19 study team back in 2011/2012. So these, for
20 example, a sale like the Mount Delight lot that
21 we were talking about earlier would not be
22 accurately reflected on this, but for purposes
23 of our question this morning, were you aware
24 that in Deerfield, 54 percent of the properties

1 impacted along the right-of-way are residential?
2 So that represents 33 properties. And 46
3 percent or 28 parcels are land parcels. Were
4 you aware of the high number of raw land parcels
5 and they could be including conservation lands
6 were not, I'm not suggesting that these are all
7 buildable lots. These are land parcels along
8 the right-of-way. Were you aware of the impact
9 on land that this proposal is going to be having
10 in Deerfield?

11 A That was a very long sentence.

12 Q Okay. Sorry.

13 A I have a -- A, you're presuming an impact on
14 land. I think the only thing you're showing
15 here is that there is, that the assessed value
16 base of Deerfield has a variety of real estate
17 in it. I haven't tried to digest either what
18 you've just said or what I'm looking at, but so
19 there's certainly a variety as you would expect
20 in a relatively rural community, there's a lot
21 of raw land, and there are single-family homes
22 and there's some attached homes. And I'm not
23 quite sure what the question is.

24 Q So basically the question is because you

1 excluded raw land with the exception of the one
2 Deerfield subdivision study which was land that
3 was developed in the mid-'80s as opposed to
4 current land and impacts of this Project, given
5 the high percentage of land available in
6 Deerfield, and you don't have anything to offer
7 in your report to show any measured impact, this
8 was not an area that you researched.

9 A A, we reviewed the land literature. We didn't,
10 to directly answer your question, we did not, I
11 have not rendered an opinion about potential
12 impact of the Project on Deerfield land
13 holdings, but we have looked at the literature
14 as it relates to land, and we've got 13
15 subdivision studies which are an extensive
16 amount of material looking at the sale of
17 improved lots. And ultimately, the value of
18 development property, at least, as opposed to
19 agricultural property, the value of property
20 that's potentially developable in residential
21 uses is going to be driven by the effects, if
22 any, of the line on improved residential
23 properties. So I think that's where, that's the
24 place that you start and I think you can draw

1 some inferences from that with respect to
2 residential land. But land parcels per se are
3 not, are not a subject of our study in the same
4 sense that the improved residential parcels are
5 subject to the case studies.

6 Q Just a few more questions this morning. Back to
7 41 Haynes Road, in your Rebuttal when you were
8 testifying that the property was marketed up
9 until 2015, at the time of your writing of your
10 Supplemental Testimony, were you aware, did the
11 Applicant talk with you at all about this
12 property?

13 A No.

14 Q Specifically? We have in front of us a
15 transcript, and this is from Day 11 from June
16 1st where I was questioning Mr. Bowes regarding
17 this property. And I asked Mr. Bowes if
18 Eversource had a contact in Texas that was used
19 to purchase 41 Haynes Road in Deerfield. And
20 Mr. Bowes, as you can see, answers, I believe
21 that is correct. Yes. And he answered the
22 reason for the purchase was to deal with a
23 concerned customer. And he agreed that that was
24 the reason for the purchase.

1 And on the next page, 72, page 72, Mr.
2 Bowes, are you acknowledging that, you are
3 acknowledging that Eversource was involved in
4 this purchase. And Mr. Bowes answered, Northern
5 Pass was. Yes.

6 Would you, had you known that Eversource
7 was involved in this particular property, would
8 you consider this an arms-length sale?

9 A Typically arms-length, I don't really like
10 arms-length because that just refers to the
11 related parties dimension. I like to talk in
12 terms of a fair market sale and a fair market
13 sale --

14 Q Actually, can you think about it in terms of
15 arms-length?

16 A Well, I'll answer your --

17 Q In terms of arms-length as defined by family to
18 family, liquidation sale, some of the other
19 characteristics of an arms-length sale?

20 A Let me just finish because I think that will
21 answer your question. Fair market sale implies
22 typical motivation. Okay? That the buyer and
23 seller are typically motivated. So if, so that
24 would be the question here. If it's an

1 assemblage for some kind of a transition
2 station, that Northern Pass is buying a
3 property, that would probably not meet that
4 criteria because they need it in that particular
5 place, they may be willing to pay quite a bit of
6 money for it, that's not typical motivation.
7 But typically informed, typically motivated
8 would be the criteria for a fair market sale,
9 and a lot of people use arms-length and fair
10 market sale as synonymous.

11 Q Typically, if the seller was distressed and was
12 not able to sell their home and was approached
13 by a utility company, would that, is that
14 considered a typical motivation, typical sales
15 situation?

16 A You know, I'd have to know the details. It
17 could be. It might be. It might not be.

18 Q Okay. And for a wrap-up, I would like to go
19 back to just revisit 39 Haynes Road, and you had
20 asked yesterday about the -- we were having a
21 discussion about the discrepancy in the square
22 footage. And you had asked yesterday to see the
23 property card. So I would like to give you an
24 opportunity to view that property card and make

1 a decision as to why the appraiser would have
2 downsized this house given the discrepancy
3 between the listing sheet and the tax records.

4 So I had asked yesterday what was the gross
5 living area, the GLA, and you can see the total
6 gross living area is 3720. What would you --

7 A I've seen that other number somewhere. I
8 wonder, is this the current tax card?

9 Q This is the current tax card.

10 A We would need to look at the tax card at the
11 time of the sale. I saw that, I've seen that
12 discrepancy, and I have looked into it and
13 satisfied myself at some point in the past that
14 it was the right number. This would contradict
15 that. But I'm wondering if maybe there was a
16 prior tax card, and it could well have been that
17 whether the porch was heated or not, you know,
18 was an object of some confusion at some point in
19 the past. It's not uncommon.

20 Q If I were to represent to you that the tax card,
21 the square footage represented as finished
22 square footage at 2064 was the same at the time
23 of the listing and today's date, would you be
24 able to offer any explanation other than the

1 fact that there may have been an error on the
2 tax card that was not picked up until later on?

3 A Right. I wouldn't have a -- I'm not going to be
4 able to untangle this as I sit here.

5 Q Okay. I'm going to ask, the Counsel for the
6 Public has kindly offered to put up a case study
7 summary sheet and so that you all can read it.
8 I'd like to just focus --

9 MS. MERRIGAN: Hold on one second. Dawn,
10 if you'd kindly turn on my system?

11 Q We're having Case Study number 50, 39 Haynes
12 Road. The last one in the column is being
13 enlarged for us. Thank you.

14 So I just would like to walk through the
15 evidence that was available to you when you drew
16 your conclusions regarding this property. 39
17 Haynes Road. It is, again, from the Appraisal
18 Evidence, we have a discrepancy on the square
19 footage, you would agree?

20 A Correct.

21 Q The acreage is correct at 6.76. Your
22 encumbrance and I have no way of verifying your
23 proximity. So we'll assume that that is
24 correct. We have a partial visibility rating of

1 the most visible structure, correct?

2 A That's right.

3 Q And the Appraisal Evidence has the property
4 appraising at 239,000 when the actual sale price
5 of the property was 245. And I'd like to ask
6 you a question about the linking of marketing
7 time to days on market for a property such as 39
8 Haynes Road.

9 Would you agree that when a listing broker
10 meets with a seller and is deciding upon list
11 price that the seller may offer opinions
12 regarding what they deem to be valuable in the
13 house, and what the issues are that they're
14 going to be faced with in terms of marketing the
15 house. So evaluating the plusses and the
16 minuses of the property. Would you agree that
17 that process is, would be typical in arriving at
18 a list price?

19 A Yes.

20 Q And if a seller, hypothetically, was aware of
21 the effect of the power line as it currently
22 exists, but it was also aware of the proposed
23 Northern Pass Project, that they may have, would
24 you agree that there may be an incentive to

1 potentially be a little bit more aggressive in
2 fine-tuning the list price if they had the
3 motivation to sell and to sell quickly?

4 A Yes.

5 Q So if a property was well-priced and sold
6 quickly, how do you fault a property for or how
7 do you come to the conclusion that the HVTL did
8 not have an effect on the marketing time when it
9 clearly has an effect? Would you agree that it
10 clearly would have an effect on the price that
11 was placed on the property so it's kind of a --
12 can you help explain how you're drawing that
13 concept in marketing time versus sale price.
14 And you're -- again, this isn't an apples to
15 apples comparison is what I'm suggesting to you.
16 Can you explain it?

17 A I don't think I can. No.

18 Q Okay.

19 A Because I don't understand what you're asking me
20 to explain.

21 Q Okay. Would you agree that you have a marketing
22 time concept that you used in your conclusions
23 and a pretty big marketing time was a big, was
24 an important element of your analysis?

1 A I agree.

2 Q Okay. So 39 Haynes Road had a below average
3 days on market. You agree?

4 A Correct.

5 Q Would that be, would you agree that the days on
6 market is potentially more indicative of sales
7 price than HVTL?

8 A No.

9 Q Would you agree that looking across the
10 remainder of your categories, that there's a lot
11 that we don't know. That it's, in effect, as
12 you said yesterday, it's possible. It might and
13 it might not. There's no conclusive evidence.
14 Would you agree?

15 A That's correct. That's correct. It's
16 indeterminate. There's conflicting evidence,
17 and we can't draw a conclusion one way or the
18 other.

19 Q So back to the Appraisal Evidence. The property
20 as it was appraised away from the right-of-way
21 came up with it was worth less without the HVTL,
22 whereas the sale price of 245 with the actual
23 sale price, with the HVTL was a higher number.

24 A Correct.

1 Q So what does the HVTL bring to the sale price?
2 What is the HVTL adding to this property such
3 that it would reflect in or not reflect in the
4 Appraisal Evidence?

5 A Well, I think as I said yesterday, you've got to
6 be very, it wouldn't be wise to take these
7 appraisal sale price differentials too
8 literally. I mean, you've got to look at it in
9 the context of all of the information you have.
10 And I'm certainly not attributing, in general
11 you're not attributing a positive differential
12 to the HVTL.

13 Now, in a perfect world, if everything were
14 controlled for and that was the only difference,
15 and we had absolutely perfect comps, then that
16 would be the implication. But we don't have
17 perfect comps. I would say this appraisal at
18 254 is in the ballpark of 245 given the kind of
19 confidence interval you'd have around appraisals
20 in New Hampshire. And so then the Interview
21 Evidence becomes very important. The Appraisal
22 Evidence suggests an absence of HVTL effect. On
23 the other hand, the lot is heavily encumbered.
24 There's structures on the lot, the physical

1 relationship of property to the HVTL to the
2 existing lines is significant. And then the
3 broker's interview suggests that there was a
4 substantially improved kitchen which was not
5 taken account of which wasn't given a premium in
6 the appraisal. So kind of base, so there's
7 evidence on both sides there, and, ultimately,
8 we simply said it wasn't possible to conclude
9 one way or another which is going to happen in
10 these kinds of cases. I mean, it's just not
11 clear.

12 Q So back to the accuracy, we led your testimony
13 questions with the fact that you're responsible
14 for the accuracy and you're relying on the
15 accuracy of the data that you're given to in
16 order to draw meaningful and valid conclusions.
17 Correct?

18 A That's right.

19 Q And, you know, would you agree that this listing
20 is just one of the 23 listings along the
21 Corridor #2 right-of-way that we have available
22 to really dig into, and on every level of the --
23 would you agree that on the data, on the comps,
24 selection of comps, on the actual appraisal,

1 that there's significant lacking in order for
2 you to draw valid conclusions? Would you agree
3 with that?

4 A A significant lacking of?

5 Q Of accurate data of which to draw valid
6 conclusions.

7 A Well, I've managed a good number of these large
8 projects over the years, and, you know, my
9 greatest concern is the quality of the
10 underlying data which I don't personally, which
11 I'm typically not personally responsible for or
12 don't personally gather. But I worry about it a
13 lot. And I spend a lot of time doing as much
14 checking as I can. Some of it is pretty
15 complicated and pretty tortured, but I must say
16 your diligence yesterday in finding some errors
17 in the data I much appreciate. You know, we got
18 those, I looked at those last night. We
19 corrected them. The two case studies in
20 question, the conclusions on those case studies
21 wouldn't be affected by those corrections, and
22 the same is true of the two subdivision studies,
23 and my overall opinions aren't affected.

24 But the quality of the opinions ultimately

1 depend on the quality of the underlying data and
2 anything we can do to make it as clean and
3 useful is possible is our goal and is
4 worthwhile.

5 Q Thank you. No further questions.

6 PRESIDING OFFICER HONIGBERG: I think it
7 makes sense to take our morning break. When we
8 come back, Mr. Judge, I believe you'll be up.

9 (Recess taken 10:38 - 10:51 a.m.)

10 PRESIDING OFFICER HONIGBERG: Mr. Judge.
11 You may proceed.

12 MR. JUDGE: Thank you, Mr. Chairman.

13 **CROSS-EXAMINATION**

14 **BY MR. JUDGE:**

15 Q Can you hear me okay, Dr. Chalmers?

16 A I can.

17 Q My name is Stephen Judge. I'm with the law firm
18 of Wadleigh Starr & Peters, and I represent
19 McKenna's Purchase. Default position today on
20 your screens is something that's actually
21 Dr. Chalmers report and reads "failed to load."
22 I thought that was appropriate given the fact
23 that I'm looking at my 50th high school reunion
24 this year, and I'm only using one piece of

1 paper.

2 So I represent McKenna's Purchase, and I
3 want to explore your opinion regarding economic
4 consequences for the 148 unit owners.

5 First of all, if I ask you a question and
6 you don't understand it, please let me know.
7 Will you do that?

8 A I will.

9 Q So I'm going to look at McKenna's briefly. Then
10 I want to focus on your Original Testimony,
11 Report and data and then I want to return to
12 focus on McKenna.

13 Now, you've testified that you work for
14 Northern Pass, you work for Eversource, you work
15 for Devine Millimet. Who do you work for?

16 A I'm retained in the first instance by Devine
17 Millimet, but the ultimate client is Eversource.

18 Q But you're retained by Devine Millimet?

19 A Yes.

20 Q You testified yesterday in regard to the case
21 studies that you worked from the list they gave
22 you. Do you remember that testimony?

23 A Yes.

24 Q Who is they?

1 A In that particular instance, we're talking about
2 the list of properties that are within 100 feet,
3 and "they" would be the company. That request
4 was made to Eversource, to the members of, to a
5 member of the Project team.

6 Q And I want to go back to my question about who
7 you work for. So let's be a little more
8 specific. When you saw "the company," who do
9 you mean?

10 A Well, my principal contact with the company
11 would be Marvin Bellis.

12 Q I didn't mean a specific person. Is your
13 testimony that Eversource gave you the list or
14 is it Northern Pass gave you the list? Who gave
15 you the list of properties that you studied?

16 A That distinction is not one that -- I know there
17 are various entities that have various roles in
18 this, but, you know, whether it's Brian Bosse or
19 Marvin Bellis and exactly what their, you know,
20 how the entities are defined and so forth,
21 again, we're retained by Devine Millimet, but I
22 have frequent, have had frequent contact with
23 Burns & McDonnell people and with Eversource
24 people and with Northern Pass Transmission

1 whatever it is people. And frankly, I wouldn't,
2 I don't keep track of or is it relevant to me,
3 you know, which entity they're associated with.

4 Q This is supposed to be the easy questions. You
5 can't tell me who gave you the list?

6 A That's not what you were asking me. I thought
7 the question was who did I ask. I asked
8 Eversource as the company, okay? And then I
9 told you that my most common contact with the
10 company was Mr. Bellis. It's very likely that
11 that request was, went through Mr. Bellis.

12 Sometimes it would go through Mr. Bisbee to
13 someone, but in this, my recollection in this
14 case it would have gone directly to Mr. Bellis.

15 Q You're telling me where the request went from
16 you. I'm asking you who gave you the list. Who
17 did you receive the list from.

18 A That's a different question.

19 Q That's the same question I've been asking. Who
20 gave you the list?

21 A I asked for the list from Mr. Bellis, as I
22 recall, and I may have gotten the list directly
23 from Mr. Bellis or it could have been from a
24 subcontractor to the company. Cornerstone does

1 research on these kinds of matters, and it may
2 have come from a subcontractor who does property
3 value research for them.

4 Q All right. We'll move on. Would you agree that
5 you're responsible for the accuracy of your
6 Original Report and Testimony?

7 A Yes.

8 Q Do you want to correct anything in your Original
9 Report and Testimony?

10 A Yes. I think Ms. Menard pointed out yesterday 2
11 or 3 things that should be corrected, and I will
12 do that.

13 Q You testified yesterday, I believe, that you had
14 no opinion whether any properties within 100
15 feet were missed in your original report or in
16 that list. Is that your testimony?

17 A That's right.

18 Q What is McKenna's Purchase?

19 A It's a condominium complex in Concord.

20 Q Where is it in relation to the right-of-way? Is
21 it within 100 feet?

22 A Some of the units are. The development
23 certainly borders the right-of-way, and, yeah,
24 certainly within 100 feet.

1 Q When did you become aware of the existence of
2 McKenna's Purchase?

3 A I've heard it mentioned for a good while. I
4 didn't get heavily involved in it until
5 subsequent to my initial testimony. I'd have
6 trouble putting an exact date on it, but --

7 Q That's a good point. Let me make the question a
8 little more pointed.

9 Were you aware of McKenna's Purchase when
10 you submitted your Original Testimony and
11 Report?

12 A Again, I may have heard it discussed, but I
13 didn't know much about it at that point. It was
14 a condominium project, and our research didn't
15 address condominium projects so it wouldn't have
16 been an object of investigation or something
17 that I was really familiar with at that time.

18 Q Who decided that your project did not address
19 condominium projects?

20 A I did.

21 Q Were you aware of the condominium projects when
22 you made that decision?

23 A Certainly. I was aware that there were
24 condominium projects in New Hampshire that would

1 be perhaps adjacent to or, well, that would be
2 either encumbered or abutting or close to the
3 transmission lines we were studying. Yes.

4 Q Before your Original Testimony and Report, did
5 you enter McKenna's Purchase?

6 A I have never been inside McKenna's Purchase.

7 Q What I'm showing you is 4.1 from your
8 Supplemental Testimony. This is a plat that you
9 provided. Is this the closest that you've come
10 to looking inside McKenna's Purchase is to look
11 at this document?

12 A No. Subsequently when we were doing research, I
13 also inspected it from the right-of-way.

14 Q But you did not enter the property.

15 A I requested permission to enter it. It was
16 respectfully requested, I think by Mr. Getz, but
17 it was denied.

18 Q You did not enter the property?

19 A I did not enter the property.

20 Q And there were a number of occasions along the
21 way where you did not enter private property,
22 isn't that true?

23 A That's true.

24 Q There's a line here the cursor is on, you see

1 that?

2 A I do.

3 Q Is that the edge of the right-of-way?

4 A It is.

5 Q And if we go down, these are units within
6 McKenna's Purchase?

7 A They are.

8 Q This unit, see where the cursor is now, how
9 close is that to the edge of the right-of-way?

10 A That corner of that building, I would say, is a
11 couple feet.

12 Q If you go down to the farther end. This
13 building here. How close is that to the edge of
14 the right-of-way?

15 A Probably too close. It looks like it may be in
16 the right-of-way.

17 Q And when you filed your Supplemental Testimony,
18 you put the best evidence in there about the
19 distance between the units and the right-of-way,
20 isn't that true?

21 A No.

22 Q I'm sorry. Your testimony is that in
23 establishing the distance -- let me back up.
24 Strike that.

1 Is it important to you how close a piece of
2 property is, a residence is to the right-of-way.

3 A Yes. A distance measure was critical to the
4 investigation that I did.

5 Q Okay. And in your testimony, did you put in the
6 best evidence of the distance between the units
7 of McKenna's Purchase and the edge of the
8 right-of-way?

9 A Yes. I put in the evidence that I thought best
10 represented the relative distances of the
11 individual units from the right-of-way so that
12 we could analyze whether distance mattered.

13 Q Okay. Yesterday you had some testimony about an
14 assumption that the purchase of the right-of-way
15 was done for fair market value. Do you remember
16 that testimony?

17 A Yes.

18 Q Does your opinion change if the price was unfair
19 and did not represent market value?

20 A I'm not sure I understand your question.

21 Q Well, assume that PSNH purchased the
22 right-of-way in the 1950s based on residents
23 performing a public service to bring power to
24 the North Country and as a result the

1 right-of-way was purchased below market rates.
2 Would that change your opinion?

3 A I don't have an opinion as to whether, on sort
4 of the equity involved in that transaction.

5 Q Well, you testified yesterday that you were
6 assuming that the right-of-way was purchased
7 originally for fair market value. And now what
8 you're saying is you don't have an opinion about
9 that?

10 A I think I was probably talking in generalities
11 that when right-of-ways are purchased in the
12 market, presumably they're purchased for fair
13 market value. I mean, there's a market for
14 easements and easements transact. Now, there
15 may be extenuating circumstances certainly in a
16 lot of situations that would impact that, but
17 the general notion is that an easement has
18 value, and that value is determined in the
19 market.

20 Q And that was the general assumption that you
21 made in this case?

22 A Yes. I don't know anything about the history of
23 the easement purchases in this particular case,
24 but that would be, again, my assumption would be

1 that they were purchased for market value unless
2 there were extenuating circumstances which there
3 may have been.

4 Q And you've done a significant amount of work for
5 utilities across the nation?

6 A I have.

7 Q Are you aware that utilities are highly
8 regulated?

9 A I am.

10 Q And are you aware of any incentive in the 1950s
11 for a utility to purchase a right-of-way in
12 order to profit from passage of power to other
13 states? Would they even be allowed to do that?
14 Do you know?

15 A I don't have any -- I don't know.

16 Q You have no information that in the 1950s, the
17 right-of-way was purchased in order to put up a
18 transmission line from Quebec to Deerfield, do
19 you?

20 A Correct.

21 Q You testified that you went to various
22 properties and you eyeballed, I think is the way
23 that you put it, the properties and you looked
24 at where you believed that the, what would be

1 visible in terms of the Northern Pass
2 Transmission line. Is that correct?

3 A I'm sorry. Could you repeat that?

4 Q Sure. You testified on a number of occasions I
5 believe that you went to properties and you
6 eyeballed where you thought the Northern Pass
7 triangle would be, and based on that you
8 concluded whether or not it would have an effect
9 on the property, is that correct?

10 A Whether or not it would be visible.

11 Q Visible. Okay. Fair enough. So in your
12 Supplemental Testimony, you provided an existing
13 right-of-way configuration at 4.3 for the
14 right-of-way of McKenna's Purchase. Do you see
15 that in front of you?

16 A I do.

17 Q And is that what you used in trying to determine
18 whether or not the new line, the Northern Pass
19 line, would be visible?

20 A No.

21 Q So you provided it in your testimony, and you
22 suggested in your testimony that this is what
23 the Northern Pass is going to look like, but you
24 didn't use it to determine whether or not the

1 Northern Pass would be visible from the condo
2 association?

3 A This graphic is of the existing configuration.
4 Has nothing to do with Northern Pass.

5 Q Fair enough. Good point. Let's find one that
6 is.

7 Here we go. Attachment 4.5. Proposed
8 right-of-way configuration. All right. So is
9 this the document that you used in order to
10 eyeball where the Northern Pass Transmission
11 line would have an effect on McKenna's Purchase?

12 A No.

13 Q Why did you put it in your testimony?

14 A The cross-section is useful to understand sort
15 of what the typical heights and configuration
16 is.

17 Q So what was the purchase -- I'm confused. What
18 did you use in order to imagine where the
19 Northern Pass Transmission line was going to be?

20 A The plan sheets.

21 Q Are those in your testimony?

22 A No.

23 Q So what plan sheets?

24 A The, you know, I'm not sure what the official,

1 you know, they're the big 11-by-17 colored 158
2 or whatever it is number of sheets that show the
3 locations of the right-of-way boundary. They're
4 on an aerial photograph, and they show the
5 location of all the existing structures,
6 structures that are going to be relocated and
7 the locations, the proposed locations of the new
8 structures, and then they tell you the heights
9 of the structures basically.

10 Q Okay. I understand. Before we move off this
11 particular exhibit, would you agree with me that
12 in the bottom it's stamped Preliminary For
13 Design Only?

14 A Yes.

15 Q This is the, is this the document you were
16 talking about, the Northern Pass Project maps
17 preliminary designs as aerial maps for each
18 section?

19 A Right. And it's been updated over time so I've
20 been using the most recent version of that. I
21 presume that's what this is.

22 Q I believe it is. Subject to check. And will
23 you read for me the note that's in the lower
24 left-hand corner?

1 A Lower left-hand corner?

2 Q Yes.

3 A Exact structure heights and placement are
4 subject to change based on detailed design.

5 Q Right. So you can't rely on that document to
6 show you where particular structures are going
7 to be because it's subject to change, isn't that
8 correct?

9 A Certainly the best -- it's the only information
10 I have with respect to that. Sure. I
11 understand that things could change, but that's
12 the best thinking at the current time.

13 Q Well, the best thinking at the current time.
14 Don't you agree with me that it would be better
15 to have the exact identification of where the
16 structures are going to be?

17 A I can't argue with that. I mean, certainty
18 would be better than some uncertainty here, but
19 given the vagaries of the engineering and
20 planning process, that might not be possible.

21 Q All right. So this document which is
22 preliminary engineering, is this the document
23 that you relied on? This is Sheet 162.

24 A Right.

1 Q This is it. Do you recognize it?

2 A Yes.

3 Q You can see the right-of-way is in red?

4 A Correct.

5 Q And the yellow dots represent units?

6 A That's right.

7 Q And we had some discussion yesterday that those
8 yellow dots were not necessarily entirely
9 accurate, but you would agree with me that the
10 yellow dot that I'm showing with the cursor
11 right here as you testified previously is right
12 on the edge of the right-of-way?

13 A That's right.

14 Q And the one that's right here appears be
15 actually over the edge of the right-of-way?

16 A May be.

17 Q I'm sorry. Do you have some doubt about that?

18 A Well, I wouldn't come to that conclusion from
19 the yellow dot, but I do know that that
20 particular building is very close, if not over.
21 I just don't know one way or the other for sure,
22 but it's definitely close.

23 Q In your report and your testimony and I'm
24 focused on the October 16th, 2015, and let me

1 just stop for a minute. You have not corrected
2 your report. Right? You've made some
3 corrections to your testimony but none to your
4 report?

5 A Well, the report hasn't been reissued, and in my
6 Supplemental Testimony I corrected a couple of
7 items in my Original Testimony. There's been no
8 formal correction of anything.

9 Q You reviewed published literature in your
10 report, right?

11 A Yes.

12 Q And would you agree with me that the conclusion
13 of the literature is that property value effects
14 cannot be presumed? They have to be found.
15 They're in some studies and they're not in
16 others. So the literature kind of splits the
17 baby, so to speak?

18 A That's right.

19 Q And the analysis of trends in real estate sales
20 and survey data regarding installation of the
21 Project is not the same as assessing economic
22 consequences to an individual landowner; would
23 you agree with me about that?

24 A Yes.

1 Q And economic consequence depends upon a number
2 of factors and can only be determined at the
3 time of the sale. Do you agree with that?

4 A Right.

5 Q The specific circumstances of a particular
6 property in a particular market at a particular
7 time will always have to be given careful
8 consideration.

9 A I agree.

10 Q So the variables that we just talked about there
11 are the property, the market and the time. Is
12 that correct?

13 A I think there may have been other things
14 included in that, but those all matter.

15 Q Okay. In terms of one of the variables, and I
16 think you've hinted at this a couple of times,
17 and you may have come out and said it directly,
18 but would you agree with me that the direction
19 of the effect on real estate value as a result
20 of an HVTL is clearly negative?

21 A I don't know whether I'd say its clearly
22 negative. I would say it's generally negative
23 because I think there are some very clear cases
24 where it's had a positive impact, but I would

1 say that generally in the largest number of
2 cases or on average, certainly in the
3 residential context, it would generally be
4 perceived as a negative attribute of a property
5 or of an area surrounding a property.

6 Q Just a minute. All right. I'll come back to
7 that.

8 Would you disagree with me that in your
9 Montana report that you, this was a direct
10 quote, that the direction of effect on real
11 estate value is clearly negative? Do you
12 remember writing that?

13 A I'd like to see the context. I don't disagree
14 with that statement.

15 Q So you're using the market value perspective; is
16 that correct?

17 A Correct.

18 Q This is an objective concept based on market
19 data?

20 A Correct.

21 Q And it's the basis for the opinions that you've
22 offered here, correct?

23 A Correct.

24 Q The market value issue is an empirical question

1 that must be answered with market data, right?

2 A Yes.

3 Q And empirical means it's based on observation
4 rather than theory. Is that correct?

5 A Correct.

6 Q The only reliable method of assessing effects is
7 to observe the result of the interactions of all
8 the participants as they are revealed in actual
9 transactions, is that correct?

10 A It is.

11 Q So yesterday there was some testimony about the
12 distinction between market value and sales.
13 Isn't market value calculated based on sales?

14 A Yes. Sales are the principal input into an
15 opinion with respect to market value, but
16 appraisers are very sensitive to that
17 distinction. Appraisers deal in market value.
18 Brokers are forever going to an appraiser or
19 loan officers and saying well, gee, they're
20 willing to pay 300,000. That must be the market
21 value. And the appraiser says well, no, you
22 don't understand. That's not necessarily the
23 market value. I may go out and look at some
24 comps, and the market value may be 280, and

1 you've got someone who for some reason really
2 wants that property and they're willing to pay
3 300. That doesn't mean the market value, and,
4 again, this is a term of art. Doesn't mean that
5 there isn't a transaction in the market at 300.
6 Market value is a term of art which is, which
7 means what would you expect that property to
8 sell at given its characteristics and given what
9 other properties, what other similar properties
10 are selling at in the market. Price depends a
11 lot on the negotiating skills of the parties, on
12 the exigencies of the moment. You know. There
13 are all kinds of stories out there why price
14 could either be above or below market value.

15 Q Would you agree with me that if the sales
16 information is not reliable, you can't calculate
17 the market value?

18 A Well, as I say, sales data are the, you know,
19 along with the other real estate-related data, I
20 guess all the data is important, but sales data,
21 the prices at which these other comparable
22 properties have sold is the key input into it,
23 yes.

24 Q My question was if the sales data is not

1 reliable, you can't calculate the market value.

2 You need to have reliable sales data.

3 A Yes. I think that's a fair statement.

4 Q So it's important to have accurate evidence.

5 A Yes.

6 Q I believe you testified earlier today failure to
7 be accurate can lead to faulty conclusions. Is
8 that correct?

9 A That's right.

10 Q The case studies are structured around four
11 components. The facts of the sale, the physical
12 relationship of the HVTL to the property, the
13 improvements on the property and interviews with
14 participants in the sale, and an appraisal of
15 the property. Is that correct?

16 A Right.

17 Q And the appraisal value is as of the date of the
18 sale based on comparable sales with no HVTL
19 influence; is that right?

20 A That's what you're trying to do, yes.

21 Q Well, that's what you have to do, right? A
22 comparable has to have no HVTL influence.

23 A Yeah. You're doing that to the best extent you
24 can.

1 Q If you fail to do that, you're not following the
2 instructions that you put in the report?

3 A Yeah, it's not a zero one though. You've got
4 comparables. You don't always have the perfect
5 comps, but in any event, that's the objective,
6 that's the objective, and you do it as best you
7 can.

8 Q Yesterday and today, Mr. Pappas, Ms. Menard
9 outlined a number of inaccuracies. You agreed
10 that a number of things, different conclusions
11 were possible. That was your word. Do you
12 remember saying that?

13 A I'm not quite sure, I think I know what you're
14 making reference to. What are you making
15 reference to though?

16 Q What I'm trying to get at is what is the
17 standard that you use in determining whether or
18 not evidence is accurate. We agree that you
19 have to have accurate evidence, correct?

20 A Right.

21 Q So what is the standard that you use? Is it
22 just whether it's possible, is that a standard
23 that you use? It might happen?

24 A I'm confused.

1 Q Okay. Let me --

2 A There are two issues. One is the quality of the
3 underlying data, right? Which we addressed
4 yesterday in a couple of cases, and the standard
5 there is as good as you can get it
6 fundamentally. But then you had another part to
7 your question.

8 Q Well, that's the question I'm getting at. So
9 your standard is as good as you can get it. And
10 I'm trying to wrap that into my understanding of
11 how evidence is weighed. So your standard is as
12 good as you can get it. As good as you can get
13 it might be false. Isn't that correct?

14 A Might be what?

15 Q False. It might be inaccurate?

16 A Yeah. I mean that would not be a happy
17 circumstance if it were true and, you know, in
18 any number of cases, but, again, there's a
19 practical dimension to how one goes about doing
20 this. I've been doing it for a long time, and,
21 again, you do the best job you can in getting
22 the data as clean as you can get it. And you
23 base it and in some cases, should also be noted
24 that in some cases you've got great data that

1 addresses the question at issue. In other
2 cases, frankly, in the North Country, the
3 density of sales was so sparse that it was
4 really difficult to get good comparables, and,
5 therefore, you know, I would characterize that
6 data has being less clean, less reliable, and
7 you just have to take that into account, but
8 it's as good as you can get.

9 Q Okay. I understand. You were asked in your
10 Original Testimony on page 14 to provide your
11 ultimate opinion on the issue of the Project's
12 potential effect on real estate markets. You
13 can look at your testimony if you need. I'm
14 sorry I don't have a copy of this. I'll try to
15 read it slowly for the benefit of the
16 Commission. And your answer was, "In my
17 opinion, there is no basis in the published
18 literature or in the New Hampshire specific
19 research initiatives as described in the
20 Research Report to expect that the Project would
21 have a discernible effect on property values or
22 marketing times in local or regional real estate
23 markets."

24 Was that your ultimate opinion?

1 A Was that my ultimate aim?

2 Q The question was, "Please provide your ultimate
3 opinion on the issue of the Project's potential
4 effect on real estate markets. And the answer
5 was, in my opinion, and what I just read.

6 A Right. That was my opinion.

7 Q Okay. So what we're talking about here is risk
8 analysis. So you're saying there's no basis to
9 expect the Project would have discernible
10 effect. Is that the same thing as saying
11 there's no empirical evidence to support an
12 opposite conclusion?

13 A No.

14 Q Does your ultimate conclusion -- let me see if I
15 can paraphrase it this way. The Project will
16 have no discernible effect on property values or
17 marketing times in the real estate markets. Is
18 that what you're saying?

19 A No.

20 Q No. Okay. I didn't think so. You did not
21 research the effect on condominiums, right?

22 A Correct. Well --

23 Q At the time that you issued that opinion, you
24 did not research the effect on condominiums?

1 A That's correct.

2 Q There is no empirical data that proves at the
3 time that you issued that opinion that there
4 would be no effect on condominiums; isn't that
5 correct?

6 A That's right.

7 Q Now, your opinion uses the phrase, "There's no
8 basis for discernible effect." Do you remember
9 using that language?

10 A Yes.

11 Q Now, are you aware that Mr. Quinlan testified
12 that based on your studies that there will be
13 property value impacts and economic loss?

14 A You need to keep reading that sentence.

15 Q Well, was there a claim process developed for
16 properties that are within 100 feet of the
17 right-of-way, single-family residences, that
18 have no view today and will have a view in the
19 future?

20 A Yes.

21 Q So there was property that had, there was a
22 basis for a discernible effect on some
23 properties?

24 A Yeah, but that's not what that sentence says.

1 That sentence that you've been reading, and now
2 you're only reading half of it, is there will be
3 no discernible measurable effects on local or
4 real estate regional markets. That's very
5 different from saying there won't be any effects
6 on individual properties, and in fact, we've
7 identified a set of properties where we think
8 the probability of effect, not that any one of
9 those individuals will experience an effect, but
10 we've identified a set of properties where we
11 think should they go to market after the Project
12 is constructed where the probability of an
13 effect goes up significantly.

14 Q So I think we're saying the same thing. You
15 agreed with me that your ultimate conclusion was
16 not that there will be no discernible effect on
17 property values or marketing times, and what
18 Mr. Quinlan is talking about, and I'm reading
19 from his testimony, based on the research Dr.
20 Chalmers concluded that market value effects are
21 rare, but that the likelihood of an effect
22 appears to increase for a small number of
23 properties that are...conditions like that.
24 That's correct?

1 A That's well put.

2 Q You provided a spreadsheet identifying
3 residences within the 100 feet in order to put
4 this idea that those properties might be
5 affected on paper; is that correct?

6 A No. That's not how I would describe why I did
7 it.

8 Q Well, you see this document?

9 A Yes.

10 Q Can you describe why you did it?

11 A Did you ask me to?

12 Q Yes.

13 A I'm sorry.

14 Q Is this not a document that you created in your
15 Original Testimony and Report that describes
16 residences within 100 feet of the right-of-way,
17 and in particular, in this document, it shows
18 Concord?

19 A Correct. And my motivation here, which you
20 didn't state very clearly a minute ago, my
21 motivation here was to investigate the order of
22 magnitude number of properties that were both
23 proximate and that would experience a change in
24 visibility category associated with the Project.

1 Q And in this particular document, you've listed
2 the properties in Concord within 100 feet, you
3 have not listed any properties from McKenna's
4 Purchase?

5 A That's correct. These are exclusively
6 single-family detached units.

7 Q But you created this list because you expect
8 that the Project will have a discernible effect
9 on property values under some circumstances.

10 A The -- yes. I don't know quite, I mean, you're
11 taking that other sentence and you're applying
12 it now in a different context and I'm not
13 particularly comfortable with that. The overall
14 conclusion is are there going to be effects in
15 local or regional real estate markets. The
16 answer is no. Okay? Are there going to be
17 effects on individual property? The answer is
18 there could well be. Our research indicates
19 that the likelihood of effect for a small group
20 would increase.

21 Q That's what exactly what I was trying get at so
22 thank you.

23 PRESIDING OFFICER HONIGBERG: Mr. Judge,
24 before you continue. Some people in the room

1 are having trouble hearing you because you're
2 moving further away and then coming up to the
3 microphone. So it's kind of a wave effect for
4 people.

5 MR. JUDGE: I'll use my theater voice.

6 PRESIDING OFFICER HONIGBERG: I know you
7 have one, and it's a strong one.

8 Q Let's look at Exhibit 154. This is document
9 that was provided by the Applicant, and if you
10 review this, you'll see that it's about
11 McKenna's Purchase and that it lists contact
12 with McKenna's Purchase in 2013, 2012. So
13 McKenna's Purchase is -- 2011. So McKenna's
14 Purchase was not a surprise to the Applicant, is
15 that correct? They were well aware that it
16 existed.

17 A Apparently.

18 Q They didn't tell you that?

19 A No.

20 Q Let's turn to your Supplemental Testimony now.

21 Is there anything that you want to correct
22 in your Supplemental Testimony?

23 A No.

24 Q Okay. Moving on then. Is a condominium a

1 residence?

2 A Yes.

3 Q You didn't identify any condos on your
4 spreadsheet of residences within 100 feet as you
5 already testified, right?

6 A I thought I just made it clear that that list is
7 exclusively single-family detached residences.

8 Q And I think we've already, this is actually from
9 you Supplemental Testimony. I think you've
10 already testified about this, but in terms of
11 your report, you didn't study or address
12 potential effects of the Project on the value of
13 condominiums at all.

14 A Correct.

15 Q So just to beat the horse into the ground, you
16 reached your original ultimate opinion without
17 considering a 148-unit condo association with
18 units within 100 feet of the right-of-way?

19 A That's right.

20 Q According to your testimony, your case study
21 opinion is based on empirical data and contains
22 no data of the sale of condominiums. Is that
23 correct?

24 A Correct.

1 Q Do you agree that this was a serious omission?
2 148 units with over 200 residents?

3 A No.

4 Q Why did you fail to analyze McKenna's Purchase?

5 A Well, there are all kinds of things that we
6 didn't analyze.

7 Q If you could hold on for a second. So you've
8 just testified that there were a lot of things
9 that you didn't analyze?

10 A Right.

11 Q Perhaps we'll explore what those were, but my
12 question is, why did you fail to analyze
13 McKenna's Purchase?

14 A Because we chose, the literature review had a
15 broader scope, but the New Hampshire specific
16 research initiatives of which there were three
17 had to be prioritized in terms of their focus,
18 in terms of the issues that they dealt with.

19 Q Let me stop you there for a minute. Who decided
20 that they had to be prioritized?

21 A I did.

22 Q What was the basis for deciding that
23 condominiums would not be included?

24 A Because I had to come to an opinion with respect

1 to the possible effect of HVTL or the Northern
2 Pass ultimately on New Hampshire real estate
3 markets.

4 Q Is there a real estate market in New Hampshire
5 for condominiums?

6 A Yes.

7 Q Why did you ignore it?

8 A Because the single-family detached market will
9 be our single most significant indicator of
10 whether or not this would be the most sensitive
11 sector, and it's where you start, and this is an
12 expensive, difficult procedure, and that's where
13 you start.

14 Q Okay. I accept that that's where you start.
15 But don't you finish by analyzing all of the
16 real estate market?

17 A That's where I did finish.

18 Q How did you do that?

19 A That's what we did. And I think it's a
20 legitimate question, and if you've got the time
21 and the opportunity to do it, I think it's well
22 worthwhile.

23 Q What's well worthwhile?

24 A To look at condominiums.

1 Q And you didn't do that in your Original
2 Testimony.

3 A That's correct.

4 Q How was this failure brought to your attention?

5 A I guess largely in the testimony offered by
6 Intervenors, Ms. Kleindienst, and I had heard
7 discussion around the, with my colleagues here
8 at the law firm and at the company. I wasn't
9 particularly informed about it, didn't really
10 know where it was or exactly what it was, but I
11 had heard the name. And then when we got Ms.
12 Kleindienst's testimony, as well as observation
13 by other of the Intervenors' experts that this
14 was a significant omission, I had an opportunity
15 to address it and had the time to address it,
16 and I thought it was worthwhile to take a look
17 at it.

18 Q Did you have a conversation with anybody from
19 the company about this serious omission?

20 A Certainly would have been a topic of discussion.
21 It was an initiative that I proposed after,
22 again, after reviewing Ms. Kleindienst's rather
23 pointed statements with respect to what she
24 thought the impact might be, it piqued my

1 curiosity, and I thought it would be worth
2 taking a look.

3 Q Did you have a conversation with anyone at the
4 company that aided you or affected you in
5 supplementing your testimony?

6 A A conversation? With anyone?

7 Q I'm going to next ask you if you've got anything
8 in writing. So yes, a conversation with anyone
9 from the company who had an effect on your
10 Supplemental Testimony.

11 A I think, you know, basically as the testimony
12 came in from the Intervenors, it would all get
13 forwarded to me. I reviewed all that,
14 catalogued it, and then developed priorities in
15 terms of what I thought made sense in terms of
16 responding to it. At that point, I would have
17 been making suggestions to the client that I
18 think we ought to take a look at McKenna's
19 Purchase or I think we need to go up and look at
20 Lancaster's, some of the sales that Mr. Powell
21 has introduced into the proceedings. Make a,
22 essentially, that was the foundation for what
23 became my Supplemental Testimony which
24 represents 10 or 15 different work initiatives

1 that I undertook in kind of early 2016.

2 Q Now, I've let you run on quite a bit here, but
3 this will go a lot faster if you just answer my
4 question. My question did you have a
5 conversation with anyone at the company that
6 affected your Supplemental Testimony? Not what
7 did you do, who did you talk to, but did anyone
8 talk to you from the company and that
9 information made its way into your Supplemental
10 Testimony? Do you understand the question?

11 A Well, it's pretty vague. I mean, I obviously
12 had many conversations with people from the
13 company about my Supplemental Testimony.

14 Q What were they?

15 A I mean, we probably talked about, I mean, I've
16 talked with them a lot about pretty much
17 everything. You know, how are you going do it,
18 what are you -- we would have had discussions
19 about what I'm going to do, about how I'm going
20 to do it, about what I found.

21 Q All right. Now, we're talking about McKenna's
22 Purchase here. That's what I'm interested in.
23 Do you understand that?

24 A No. You've been framing it as Supplemental

1 Testimony.

2 Q Right. I'm sorry. Let me narrow the question
3 then.

4 I'm asking about McKenna's Purchase. So do
5 I understand that somebody from the company in
6 regard to McKenna's Purchase and your
7 Supplemental Testimony told you how you were
8 going to do it?

9 A No. Not at all. That's not even close.

10 Q Did you receive anything in writing from the
11 company about your Supplemental Testimony prior
12 to filing it in regards to McKenna's Purchase?

13 A Not to my recollection, no.

14 Q You mean you could have?

15 A They certainly saw a draft of my Supplemental
16 Testimony so there would have been editorial
17 kinds of comments, but that would be the extent
18 of those.

19 Q Did you preserve those drafts?

20 A I'm sorry?

21 Q Did you preserve those drafts?

22 A No.

23 MR. JUDGE: I'd like to make a Data Request
24 to see the drafts of the Supplemental Testimony.

1 PRESIDING OFFICER HONIGBERG: Mr. Walker,
2 you understand the request?

3 MR. WALKER: I understand the request.

4 Q Who was involved in drafting the Supplemental
5 Testimony?

6 A I was.

7 Q No one else?

8 A No.

9 Q You just said you got editorial comment.

10 A You asked me who drafted it. I drafted it.

11 Q And then you sent it off and people made edits
12 and those people also were involved in the
13 drafting process, correct?

14 A If that's the way you want to characterize it.
15 It's not the way I think of -- somebody asks me
16 who drafts something, I think I understand that
17 concept. I drafted it.

18 Q So your concept of drafting is the original
19 author and you ignore anyone else who added
20 words to it.

21 A No. I think I was clear. I said that I drafted
22 it, and I received editorial comments from my
23 friends here in Manchester and Concord.

24 Q Let's move on. You made corrections to your

1 testimony in your Supplemental Testimony.

2 A That's right.

3 Q Actually, I think you, yes. But you made no
4 corrections to your testimony regarding McKenna,
5 isn't that correct?

6 A Yes, McKenna wasn't addressed in my Original
7 Testimony.

8 Q Are you aware of any other mistakes in your
9 testimony you have not corrected?

10 A No.

11 Q Is there anything you want to correct?

12 A No.

13 Q Have you filed Supplemental Testimony in other
14 proceedings to address an issue you failed to
15 raise in your earlier testimony?

16 A In a litigation context which is slightly
17 different than this, certainly there have been
18 major revisions to testimony in the course of
19 deposition and production of documents. Sure.

20 Q And I think we've agreed that it's important for
21 empirical data provided to this Commission to be
22 complete and accurate, is that right?

23 A That's right.

24 Q Do you find the tax assessment practices in New

1 Hampshire are consistent with your opinion on
2 HVTL impacts on property value?

3 A I do, generally.

4 Q Did the Applicant include tax cards for McKenna
5 in its Application?

6 A In its Application to?

7 Q The Site Evaluation Committee?

8 A I don't know.

9 Q Let me show you a document that's page 8172 from
10 the Supplemental Tax Records submitted by the
11 company on July 11th, 2016. Can you see on the
12 top of this, the building name is McKenna's
13 Purchase?

14 A Okay.

15 Q You see the value?

16 A Can't really read it. It's pretty fuzzy. Why
17 don't you tell me what it is.

18 Q Zero.

19 A Oh.

20 Q You see that, net total appraised parcel value,
21 zero?

22 A Okay.

23 Q So as far as you know, first of all, I guess you
24 didn't even know about this document.

1 A Yes, I've had no occasion to look at the tax
2 card for McKenna's Purchase.

3 Q And as far as you know, the only evidence
4 submitted by the Applicant is that the units are
5 worth zero.

6 A I don't have any knowledge one way or the other
7 with respect to what the Applicant submitted
8 relative to McKenna's Purchase.

9 Q Let me represent to you that this is from the
10 Concord database, and that if you search for
11 Branch Turnpike, you find the listing of the
12 units for McKenna's Purchase. Would you be
13 surprised if there was a condominium association
14 in a city, and there was no tax assessment for
15 it? Or let me put it a different way.

16 Is it reasonable to believe that there is a
17 tax assessment for all of the units in McKenna's
18 Purchase?

19 A Again, I wouldn't have a presumption one way or
20 the other in terms of how a condominium
21 association in Concord is taxed or what the
22 history of that might be. It's not an area of
23 my investigation, and it's not an area I deal
24 with on a frequent basis.

1 Q You provided in your Supplemental Testimony 4.2.
2 Database and Tabulations.

3 A Correct.

4 Q And in that document, you've identified units
5 from McKenna's Purchase?

6 A That's right.

7 Q Their square footage.

8 A Yes.

9 Q Year they were built?

10 A Correct.

11 Q Sale date?

12 A Yes.

13 Q Sale price?

14 A Correct.

15 Q Distance to nearest tower?

16 A Correct.

17 Q Distance to right-of-way.

18 A Right.

19 Q Is it important for that information to be
20 accurate?

21 A Yes.

22 Q Now, we saw a moment ago what the company
23 provided to the SEC. Let me just pick out, for
24 example, Unit 18. Do you see Unit 18 where the

1 little hand is?

2 A I see Unit 18. Yes.

3 Q And the value of the same, the sale price of
4 that is 219,500?

5 A Correct.

6 Q That's a lot more than zero, isn't it?

7 A Correct.

8 Q Are they worth zero?

9 A No.

10 Q Has this omission been corrected by you?

11 A Has what?

12 Q The fact that the Application lists McKenna's
13 Purchase value as zero, have you corrected that
14 Application?

15 MR. WALKER: Objection as to the
16 characterization.

17 A I had nothing to do with the Application.

18 MR. JUDGE: I don't understand the
19 objection.

20 PRESIDING OFFICER HONIGBERG: He answered
21 the question.

22 MR. JUDGE: Okay.

23 Q Now, the distance from the right-of-way, you
24 would agree that the closer you get to the

1 right-of-way, economic consequences increase,
2 right?

3 A Economic consequences?

4 Q Yes.

5 A Well, yes. I mean, what we're testing is
6 whether there are consequences, and so we need a
7 measure of distance from each unit to, actually
8 made three. You missed one column here which is
9 this area 1, area 2, area 3 which is effectively
10 a distance, one distance measure where the units
11 are grouped into the ones that are adjacent to
12 the corridor, the next row of buildings which
13 are a little further, and then area 3 is the
14 most removed buildings. And then we have two
15 distance measures which reflect the relative
16 position of all 148 units to the right-of-way so
17 that we can compare them.

18 Q Now, you've testified that you did not go on the
19 property of McKenna's Purchase; is that correct?

20 A That's right.

21 Q How did you get these measurements?

22 A Brendan Hall who is my GIS guy with Amidon did
23 takeoffs. We looked at the plan and the units
24 are in buildings, and it's not clear where the

1 one unit ends and another unit begins. You just
2 get a barracks essentially. You have a square.
3 So we took, so he asked me where should I
4 measure from, and I said measure from the front
5 door because the front door shows on the plan.
6 And so the measurements are all taken from the
7 front door of each, which is a unique identifier
8 of each unit.

9 Q And the measurements are from the front door of
10 the unit to the edge of the right-of-way?

11 A Precisely, and that gives us a reliability
12 relative measure. You could try to measure them
13 from the back side, but, again, it's ambiguous
14 of where. As long as you have a reliable
15 relative measure so you know that Unit 71 is
16 twice as close as Unit 142 for the statistical
17 analysis, that will work.

18 Q Now, I provided to your counsel this particular
19 exhibit yesterday. It's Attachment 4.2, but
20 I've modified it. One of the points is that
21 Unit 18. That's taken from your 4.2. You have
22 the sale price as 219,500. Is that correct?

23 A Yes.

24 Q And Concord appraises that at 184,300. Is that

1 correct?

2 A Yes. Apparently.

3 Q Ms. Kleindienst and Pat Chaloux took your
4 document and went out and made some
5 measurements. So in your document, you show
6 that Unit 58 is 49 feet from the edge of the
7 right-of-way, is that correct? Top line here?
8 058, distance to edge of right-of-way.

9 A There's no column headings so that's what's
10 giving me a little trouble, but --

11 Q You see the column headings there?

12 A Yes.

13 Q Distance to right-of-way is the number all the
14 way to the right. 49 is the distance to the
15 right-of-way?

16 A Measured from what point?

17 Q It's your document, sir.

18 A What?

19 Q It's your document.

20 A Oh, that's my number?

21 Q That's your number.

22 A Oh, okay. So that's measured from the front
23 door.

24 Q Is that an accurate document?

1 A Yes.

2 Q Accurate measurement?

3 A Yes.

4 Q Ms. Kleindienst measured it at 2 feet, and we
5 looked at the aerial view and we looked at
6 several documents that show the units are right
7 exactly on the edge of the right-of-way. Isn't
8 that true?

9 A Yeah. From what point was that measured?

10 Q From the closest part of the building to the
11 edge of right-of-way.

12 A Okay. And that, yeah, both of those numbers
13 are, I suspect, quite close.

14 Q Okay. So what you did is you measured from the
15 far side of the building where the front door
16 is?

17 A That's right.

18 Q To the edge of the right-of-way, and you did
19 that without going on the property. Is that
20 correct?

21 A Right.

22 Q And you did that through asking somebody to
23 calculate it based on information that they had?

24 A Yes. We scaled it off the plan.

1 Q So when you did all of the residences that were
2 within 100 feet and throughout this whole thing,
3 is that the way that you did it? You took it
4 from the front door and measured to the edge of
5 the right-of-way?

6 A No. For the case study properties,
7 single-family detached, the measurements are all
8 from the closest portion of the house to the
9 right-of-way.

10 Q And that's the most accurate way to do it, isn't
11 it?

12 A No. No. That's the way it was done in the case
13 studies, and there's a good reason for that, but
14 our objective here was to, was not to apply the
15 case study research which is based on
16 single-family detached. It was to get a
17 relative distance, an accurate relative distance
18 measure for each of the 148 units. And it
19 struck me that the most reliable measure that
20 will give you a good relative measure is to
21 measure from the front door because I can see
22 the front door on the map.

23 Q So you used the front door because you couldn't
24 see where the edge of the building was, isn't

1 that correct?

2 A Right. It wouldn't have mattered. As long as
3 you had an accurate measure on the back, you're
4 going to get the same relative distance
5 relationships of the unit, and the statistical
6 analysis is, you know, it would come out the
7 same.

8 Q So in your methodology, as far as the
9 single-family houses are concerned, you chose to
10 measure from the closest part of the building to
11 the edge of the right-of-way, and then you
12 changed that methodology and in order to examine
13 McKenna's Purchase?

14 A Yeah. It's a different question, and it's a
15 different methodology.

16 Q It's certainly a different methodology. Do you
17 think there's a difference between representing
18 to the Site Evaluation Committee that Unit 58 is
19 49 feet from the edge of the right-of-way versus
20 2 feet from the edge of the right-of-way?

21 A That's not my purpose here in doing this
22 measurement. The purpose in doing this
23 measurement is very clear. It's to answer the
24 question are units that are differentially

1 located distance-wise from the right-of-way sell
2 at a different price. That's the question I'm
3 trying to answer and the answer to that is no,
4 they don't. Distance doesn't matter in the
5 distance measure that I have done here.

6 Now, it would be, if the Committee were to
7 interpret our distance measure as distance of
8 the unit from the right-of-way, that would be,
9 they would be misled in that respect, okay?
10 It's important for them to know that we are
11 measuring from the front door.

12 Q Sir, did you say that in your testimony?

13 A In the Supplemental?

14 Q Yes.

15 A I doubt if we addressed it one way or the other.
16 The question that I addressed in my testimony
17 would be is there any statistically significant
18 effect of distance of the unit to the
19 right-of-way, and the answer is no. And that's
20 a perfectly correct and supported statement.

21 Q So Unit 71 for a moment. You've said that it's
22 42 feet from the edge of the right-of-way. It's
23 actually negative two feet.

24 A I'm saying the front door is 42 feet from the

1 right-of-way, and the building may well, you
2 know, hang over the right-of-way a little bit.

3 Q Just again, to beat the dead horse into the
4 ground. You provided the SEC with information
5 that could readily be interpreted as the
6 distance between the building and the edge of
7 the right-of-way. And what you're telling us
8 now is that's not what it means. It means
9 something different. But you didn't put that in
10 your testimony; is that correct?

11 A I don't think I mischaracterized it in any way,
12 but I'm glad we've clarified now that we've got
13 two different distance measures.

14 Q Well, I'm glad we've clarified it also.

15 So faced with the fact that you didn't
16 provide any information about the condos in your
17 Original Testimony and faced with the fact that
18 Testimony had been filed pointing out that you
19 had failed to do that, you came up with a method
20 to calculate whether or not the condos would be
21 affected; is that correct?

22 A To study the question. I wouldn't call it
23 calculating it. But yes, to study the question.
24 To bring the data to bear and see what we found.

1 Q And the data that you used is the subject
2 properties were those that were close to the
3 edge of the right-of-way, one we just saw was
4 two feet, one is negative two feet, and you
5 compared those to other properties in McKenna's
6 Purchase that are not near the right-of-way.
7 Those were your comparables, is that correct?

8 A Yes. We have perfect comparables. We have 148,
9 and there are only two types. The first thing
10 we did was look at them simply and divide them
11 up into three areas and say are these units that
12 border the right-of-way, do they sell at any
13 discount relative to the units that are in the
14 next row which are further from the, which are
15 uniformly further from the right-of-way, do they
16 sell at a discount relative to the ones that
17 were furthest. That was the first thing.

18 And then we tested the distance of the unit
19 measured from the front door to the edge of the
20 right-of-way, and then we tested the distance to
21 the nearest structure, and in every case we
22 found that there was no association whatsoever
23 between the price at that time which the units
24 sold after we had controlled for a couple of

1 other variables and proximity to the
2 right-of-way measured in any of those three
3 fashions.

4 Q So we've learned that you changed how you
5 measured the distance in doing this calculation
6 or this analysis for condos. You also did not
7 conduct interviews with the purchasers or the
8 sellers; is that correct?

9 A That's right.

10 Q So we talked about four things that were
11 necessary in order to come up with your market
12 analysis, and one of this was interviews with
13 purchasers and buyers, and you didn't do that,
14 right?

15 A That's right.

16 Q And the other one was that the comparable could
17 not be encumbered by the HVTL; is that correct?

18 A Yes. You're talking about the case study
19 methodology. Now, the case study methodology
20 has these characteristics generally that you're
21 describing. Yes.

22 Q And those were important characteristics, aren't
23 they?

24 A Of a case study approach, yes. They're very

1 important.

2 Q In the approach that you used with the
3 condominium association, you didn't interview
4 anyone.

5 A Right.

6 Q And you used as comparables, property that's on
7 a condo association; is that correct?

8 A Precisely. This is statistical, and it's clean
9 as clean can be. I mean, you've got 148 units.
10 They're all the same. They sell. We can test,
11 you know, with a high level of certainty whether
12 proximity to those lines matters, and we've got
13 units, you know, there are units up by Branch
14 Turnpike that are quite a distance from the
15 lines. Probably the lines would be irrelevant
16 to those people. They hardly know they're
17 there. And yet, there's no difference in the
18 sale prices associated with the location within
19 the Project. But it's a totally different
20 methodology than the case studies.

21 Q When you were providing this Supplemental
22 Testimony and performing this analysis, were you
23 ever made aware that a condominium association
24 is made up of owners who have an

1 undifferentiated interest, that the entire
2 property is encumbered by the HVTL right-of-way?

3 A Yeah. I don't -- I'm not sure I knew whether
4 the underlying property is adjacent or whether
5 it's encumbered. I didn't know that one way or
6 the other.

7 Q Let me represent to you that that is a single
8 piece of property that is encumbered by the
9 right-of-way and that every unit on there is
10 encumbered by the right-of-way. Does that
11 change your analysis? Are you going to change
12 the modeling again?

13 A No. No. The question that I asked has been
14 answered very clearly by statistical analysis.
15 Does location within the community relative to
16 the transmission line corridor affect sale
17 price, and the answer is no.

18 Q And that's because you compared sales of units
19 that were next to the right-of-way with units
20 that were not next to the right-of-way but also
21 encumbered by the HVTL?

22 A Yes. Apparently, they, through the common
23 ownership, they all, apparently, if that's, what
24 you represent is correct, they would have a

1 shared ownership in an encumbered property.

2 Q You did another thing, too. You said in your
3 Testimony that the orientation of the units is a
4 factor. Did you ever use that with your case
5 studies? The way that the unit faced was a
6 factor in this?

7 A I believe that was, as I was concluding or
8 thinking about what this meant, that's an
9 observation you I meant that they are oriented
10 away from the corridor, away from the
11 transmission line. Orientation in the case
12 studies was something that was frequently a
13 consideration. Sometimes not.

14 Q Okay. So I'm going to represent to you that I
15 searched your Original Testimony and the
16 1700-page report for the word "orient," and it's
17 not in there. You didn't use it in that study,
18 did you?

19 A I don't know which pages. You went through all
20 the case studies and never found it?

21 Q You provided an electronic document that was
22 1700 pages long and you provided testimony that
23 was electronic, and I want to be clear about
24 this. What I did is I used the search function

1 and I looked for the word "orient," and it's not
2 in there.

3 A Well, it's entirely possible.

4 Q I did find it in your Montana report. It's used
5 several different ways there, but one of them it
6 says use, the more heavily oriented the property
7 to residential use, the more vulnerable it is to
8 transmission line impact. Do you agree with
9 that since you wrote it?

10 A I do.

11 Q Is McKenna oriented to residential use?

12 A Yes.

13 Q You also testified that -- Mr. Pappas did a
14 wonderful job on this the other day. I'm hoping
15 I'm following his lead. That effects are most
16 likely in the situation where there are similar
17 products except for the HVTL. This condition
18 seldom holds in New Hampshire due to variability
19 of terrain and the generally heterogeneous
20 housing stock.

21 Does heterogeneous mean that it's varied,
22 it's different? It's the opposite of
23 homogeneous, right?

24 A Right.

1 Q Are there condominium associations in Concord
2 without the HVTL?

3 A I'm sure. Or at least I presume there are.

4 Q You don't know.

5 A I don't know off the top of my head.

6 Q So before filing your Original Testimony and
7 Report, did you research whether there were
8 sales involving those homogeneous condominium
9 properties? I'm talking about your original.

10 A I didn't, right. And I did not.

11 Q You did not. And before providing your
12 Supplemental Testimony, you did not research
13 whether there were sales involving homogeneous
14 properties; is that correct?

15 A I'm not quite sure what you mean by homogeneous
16 properties, but the only condominium project
17 that I investigated was McKenna's Purchase.

18 Q So this is an important point. Let's go back.
19 Heterogeneous means there's different. What
20 you're saying in your report is that the
21 properties are so different that I can't really
22 compare them. Homogeneous means they're pretty
23 much exactly the same. There are homogeneous
24 condominium properties in Concord that you did

1 not research that you did not use in filing your
2 Supplemental Testimony. Is that correct?

3 A I mean, there could be. Again, I wouldn't call
4 them homogeneous properties.

5 Q What would you call them?

6 A Similar properties.

7 Q Okay. Similar is fine.

8 A And I'm sure there are some similar ones, and,
9 yes, if you wanted to study relative condominium
10 prices, it's a whole different question than the
11 one I was investigating.

12 Q That's exactly right. It is a whole different
13 question, isn't it? You didn't answer the
14 question as to whether or not sales of
15 condominiums would be affected by a high voltage
16 transmission line by comparing sales of
17 properties that are encumbered by it with sales
18 of properties that are not encumbered, that
19 happened to be in the same city. You did not do
20 that.

21 A That's correct.

22 Q I'm almost done.

23 I just want to go to the bottom line of
24 your testimony. This is on Page 10 of your

1 Supplemental Testimony. It's around line 21.
2 And you're asked a question on what the effect
3 would be on the units at McKenna's Purchase, and
4 your answer is would some potential buyers walk
5 away, now on line 22, certainly just as some
6 would walk away from the existing condition but
7 would enough walk away to cause a market value
8 effect, I see no evidence to support that
9 conclusion.

10 Let me unpack that a little bit. You admit
11 that some potential buyers will walk away, isn't
12 that true?

13 A Sure.

14 Q Isn't one buyer walking away an economic
15 consequence to the owner of that unit?

16 A I wouldn't represent it that way, no.

17 Q You predict some buyers will walk away. That's
18 more than one, right?

19 A Yeah, I'm just acknowledging, I think, the
20 obvious that some people would look at that
21 project and say I like it, but it's awfully
22 close to the transmission lines and I think I'll
23 look elsewhere.

24 Q Let me suggest to you that the most accurate

1 phrase in that particular piece of testimony is
2 "I see no evidence." You have no empirical
3 evidence, only theories regarding economic
4 consequences to condo sales; isn't that true?

5 A No.

6 Q All right. So you said there you see no
7 evidence, and in very next sentence you say, in
8 sum, the evidence squarely contradicts Ms.
9 Kleindienst's conjecture of a 30 to 50 percent
10 diminution in value, a conjecture in my opinion
11 that is not even a remote possibility.

12 So your opinion is that there's not even a
13 remote possibility that there will be a 30 to 50
14 diminution in value; is that your opinion?

15 A Yes, it is.

16 Q And that is all you are stating. The diminution
17 in value won't be 30 to 50 percent, it could be
18 29 percent.

19 A No. My opinion is --

20 Q I'm looking at your opinion, sir. It's based on
21 your opinion.

22 A Give me a page and line reference. You did. I
23 just didn't pick it up.

24 Q It's at the very end of your testimony. I'll

1 pull it up for you.

2 A I've got a copy here. You can just give me a
3 page and line.

4 Q Sure. It's on page 10. I've got that up in
5 front of you here.

6 A Okay.

7 Q So your testimony is that there's not even a
8 remote possibility for a diminution of value of
9 30 to 50 percent. That is all that you are
10 saying in your testimony, isn't that true?

11 A No. That's not true. Read the preceding
12 sentence.

13 Q Would enough walk away to cause a market value
14 effect. I see no evidence to support that
15 conclusion. We've talked about your evidence.

16 A But keep reading.

17 Q In sum, the evidence squarely contradicts Ms.
18 Kleindienst's --

19 A No, no. You missed the one sentence that's key
20 here. "But would enough walk away to cause a
21 market value effect, I see no evidence to
22 support that conclusion." That's my conclusion.

23 Q I got it.

24 A And would there be a market value effect? Could

1 be, but I don't see any evidence that would
2 support that conclusion.

3 Q But we've talked about the evidence that you
4 relied upon, and the only evidence you relied
5 upon is sales within McKenna's Purchase.

6 A That's correct.

7 Q So going down, you say the evidence, and we can
8 argue about the value and accuracy of the
9 evidence, squarely contradicts Ms. Kleindienst's
10 conjecture of a 30 to 50 percent diminution in
11 value, a conjecture in my opinion that is not
12 even a remote possibility.

13 That's what you testified to, right?

14 A And that's essentially secondary conclusion or
15 secondary opinion. A second opinion.

16 Q So at bottom, what you're doing is risk
17 analysis. You can't predict the future of a
18 variable, can you?

19 A I don't know what the future is going to be. I
20 can offer opinions about it.

21 Q Have you ever offered an opinion that there is a
22 100 percent possibility of a variable happening?

23 A I don't know. Maybe.

24 Q So the opinion you're offering here is that it

1 is impossible, right?

2 A I said that, you know, with all due respect, the
3 conjecture of a 30 to 50 percent diminution, I
4 think, I presume Ms. Kleindienst is respected by
5 the members of this community. I would think
6 there would be some people in that community who
7 may not have a great deal of sophistication in
8 real estate matters could be very concerned by
9 that kind of testimony. And there's certainly,
10 there's just absolutely no evidence to support
11 that. And I don't see it as even a remote
12 possibility.

13 Q So the sentence says, "In sum, the evidence
14 squarely contradicts Ms. Kleindienst's
15 conjecture of a 30 to 50 percent diminution in
16 value." You could have shut a period there.
17 But you didn't. You went on to say, "a
18 conjecture in my opinion that is not even a
19 remote possibility."

20 What I'm focusing on, sir, is your idea of
21 what does it mean to not even have a remote
22 possibility. You understand?

23 A Right.

24 Q It means it will never happen. Is that right?

1 A Very close to that.

2 Q It is impossible.

3 A No. I wouldn't say that. It would say
4 everything's possible, right? So maybe we're,
5 you know, 99.8.

6 Q Not even a remote possibility is zero. Isn't
7 it?

8 A Maybe.

9 Q Did you consider all the possible scenarios when
10 you wrote that?

11 A Yes. I think I thought very long and hard about
12 it.

13 Q So under all possible scenarios your testimony
14 is that it will never happen, right?

15 A I'll go with 100 percent. I think 30 to 50,
16 there's no chance.

17 Q Do you agree that there is not even a remote
18 possibility that a football team playing poorly
19 at the end of the third quarter will overcome a
20 deficit of 28 to 3?

21 A So I'd be more comfortable with 99.8.

22 Q That's all I have.

23 PRESIDING OFFICER HONIGBERG: Ms. Lee,
24 you're up next.

1 (Discussion off the record)

2 PRESIDING OFFICER HONIGBERG: Ms. Lee, you
3 may proceed.

4 MS. LEE: Thank you.

5 **CROSS-EXAMINATION**

6 **BY MS. LEE:**

7 Q Good afternoon. I know it's before lunch. I'll
8 try to make everything into a question.

9 I am Mary Lee. Hello, Dr. Chalmers. And I
10 live in Northfield. And I understand from the
11 previous testimony that you haven't actually
12 visited the sites that are part of your
13 testimony?

14 A No. I have visited.

15 Q Have you visited in Northfield?

16 A Yes.

17 Q And what address did you visit in Northfield?

18 A I visited, I have driven up and down the
19 corridor, you know, the proposed route, from top
20 to bottom to the extent it's successful from
21 public roads.

22 Q All right.

23 A So I've driven through Northfield and looked at
24 the corridor as it passes through the town.

1 Q All right. I have a map that I was using in the
2 Construction Panel to delineate my property, and
3 it's a very unusual property. It's not a condo,
4 it's not multiple housing, it's a single-family
5 residence.

6 A Okay.

7 Q This is a preliminary map, and the date on this
8 map is July 10, 2013. As I understand it from
9 talking to Northern Pass, the current version
10 is -- this is all we have to go on. And I was
11 wondering when you were visiting the properties
12 and you were using design plans to plot your
13 itinerary, what year were your maps?

14 A I think I've only had two versions that I've
15 been using. And one -- I can better describe
16 when I took the trips and one of them would have
17 been in 2014 and so I would have been using the
18 version that existed at that time. This is an
19 October 2015. So I presume this wouldn't have
20 been available at that time.

21 Q Right. As I understand it, we were due to
22 receive as landowners more current updated maps.
23 There was an instrument for map making that I
24 understand from talking to Sam Johnson, an

1 engineer from Burns & McDonnell that was hired,
2 that by the end of June, we would receive such
3 maps, but I looked on the map today, just now,
4 and we don't have anything more recent than what
5 I'm using right here. And as you say, it's
6 October 2015. So I'm going to rely on this one.
7 Are you familiar with this type of map,
8 preliminary ones?

9 A Yes.

10 Q Is this what you were looking at besides the
11 real estate property maps and the tax assessment
12 maps?

13 A That's right.

14 Q I was intrigued by your report and what you just
15 said a few minutes ago. That distance doesn't
16 matter as far as the property values. And
17 you're concentrating on the 100-foot properties
18 were more relevant as far as the view of the
19 power lines and the transmission poles.

20 A Well, what we found was, you know, we looked at
21 every sale that had occurred over the period
22 basically 2010 through 2014 that were close to
23 these, to the existing lines, both this
24 corridor, the PSNH corridor and then also the

1 Phase II corridor that's a little further to the
2 west in the state. And we looked at every sale.
3 And a result of that was that the properties
4 where we saw an effect were very close to the
5 property line. We didn't restrict our study to
6 that, but that was a result of the study. And
7 the properties where we found an effect, where
8 there was clearly an effect, were on average
9 only 30, the homes were only 33 feet from the
10 right-of-way boundary so the homes were very
11 close. And then that has some implications for
12 thinking about the effects of the Project. But
13 that distance conclusion was a result of our
14 research.

15 Q What does that mean? If you live 33 feet away
16 from the edge of the right-of-way that it
17 wouldn't be impacted adversely in a real estate
18 property valuation?

19 A No. Because we found that -- 33 was the
20 average. We had, there is a property actually
21 at 106 feet and then there was one at 90 and 70,
22 but the majority of the properties that were
23 affected were very close. So all we know is
24 that based on the data that we've studied is

1 that the properties with a, what I would call a
2 likelihood or a probability of effect, we don't
3 know whether properties will be affected or not
4 until they're, should they be sold at some point
5 in the future, but I think our study indicates
6 that if a property is close and structures are
7 clearly visible to that property and if that
8 property is actually encumbered by the
9 right-of-way, the probability of an effect,
10 should that property be sold, goes up
11 significantly.

12 If the house, not the property line, but if
13 the house is more than 106 feet, we didn't find
14 any occasions where there was an effect. Now,
15 there certainly could be at a greater distance,
16 but we, in 36 cases, we didn't find anywhere
17 that was the case. So that's the basis for my
18 conclusions and opinions in this matter.

19 Q All right. What is your opinion of looking at
20 this property where, if you look at 7405?

21 A Okay.

22 Q The lot number. I have the transmission line.
23 Transmission line is going right through the
24 corner here.

1 A Right.

2 Q This is such an unusual lot. And I understand
3 from listening to your testimony that I'm
4 surrounded by a flag shape right here. And if
5 you look at the lot, this is my property. Your
6 access is on Fiddlers Choice Road right here,
7 and as you come in, you see you're surrounded in
8 this aerial view by trees. And this is an
9 embankment, it's rather sandy because we're
10 going down towards the Merrimack over here, and
11 it's riverine soils.

12 If you're standing here, you'd be at my
13 mailbox, and this morning as I drove here, I
14 stood -- actually I stopped the car. At the end
15 of my usual, I walk, it's two tenths of a mile
16 from this mailbox all the way through what I
17 call the dunes. It's all sand. And then you
18 kind of slip through the trees here, and here is
19 my house. And there's an outbuilding, too. So
20 I'm captivated by the trees or captured by the
21 trees all around. So did you say you were an
22 appraiser?

23 A Yes.

24 Q How would you appraise this property just at

1 first look since it is your first look, right?

2 A Right.

3 Q How would you appraise this property as far as
4 valuation and looking at the line here and this
5 is my frontage, and you have to slip through all
6 these trees, and I have had over the years a
7 number of people turn back because they figured,
8 gosh, you have to go under the power lines?
9 Nobody could live here. And they turn back into
10 town.

11 MR. WALKER: Objection as to the testimony
12 here. Is there a question?

13 PRESIDING OFFICER HONIGBERG: I think the
14 question was how would you appraise this
15 property. Is that the question you would like
16 him to answer?

17 MS. LEE: Exactly.

18 PRESIDING OFFICER HONIGBERG: Why don't we
19 let him take a shot at that?

20 A Okay. I'm not sure if I understand the access
21 to your property. So you own this
22 trapezoid-shaped 7405?

23 Q Yes.

24 A What about the -- is that the extent of your

1 ownership?

2 PRESIDING OFFICER HONIGBERG: Do you own
3 any other parcels near there?

4 Q No.

5 A Is your access then on this Fiddlers Choice
6 Road?

7 Q Yes.

8 A So in order to get to your property, you drive
9 under the transmission lines, right, as you're
10 going west, and then you make this 90-degree
11 turn and come down, and then you'd go into your
12 property?

13 Q Exactly.

14 A Right. So you have to drive under the lines as
15 you're coming down Fiddlers Choice Road, but
16 that's the last time you'd be in the
17 right-of-way or under the lines?

18 Q It's not the last time. As I'm heading down
19 Fiddlers Choice right now all the way down, I
20 come to what I call the power line corridor or
21 the cut, and as you're coming down my dirt road,
22 all of a sudden you see the sunlight is like
23 this spot of light. Because it's the corridor
24 cut. So you bang a right here, and you would

1 actually be following the power line, you're
2 actually at this purple spot right here that's
3 an existing pole. It has a sign on it that says
4 danger. It's on an embankment.

5 As you slip through here, you're captivated
6 by the trees on both sides. A canopy. And then
7 you come to this open area, I call the dunes.

8 A But you're talking about walking -- excuse me.
9 But you're talking about walking down the
10 right-of-way now, right? Not driving? Or is
11 there --

12 Q Both.

13 A You can drive through there?

14 Q You can actually drive. By the way, it's also
15 the access road that's going to be shared by
16 NPT, Northern Pass, when they plan construction.
17 And I'll show you a second map?

18 PRESIDING OFFICER HONIGBERG: Wait. Wait.

19 MS. LEE: I have to ask a question.

20 PRESIDING OFFICER HONIGBERG: Well, no. I
21 think there's still a pending question about how
22 he would appraise this property.

23 MS. LEE: Yes.

24 PRESIDING OFFICER HONIGBERG: And I think

1 he needed a little clarification.

2 MS. LEE: Okay.

3 PRESIDING OFFICER HONIGBERG: Do you feel
4 like you've gotten the clarification you need,
5 Dr. Chalmers?

6 A I'm close enough, I think.

7 PRESIDING OFFICER HONIGBERG: Okay. Why
8 don't you take a crack at that answer then.

9 A Okay. So apparently there are two ways to get
10 to your property, right? On the Fiddlers Choice
11 Road or there is a way you can kind of take a
12 shortcut down the right-of-way? Down the
13 transmission line?

14 Q No.

15 A Oh.

16 Q Maybe I can expand this and zoom it up?

17 A Right here is my mailbox. So I'm coming down
18 Fiddlers Choice Road here from Oak Hill Road
19 which is a boundary line between Northfield and
20 Franklin. So when you're coming down here by
21 car, or you could walk it, but I drive my car
22 down here, I bang a right, and I am following
23 this dirt road. It's only wide enough for me to
24 park the car. I have a small SUV.

1 PRESIDING OFFICER HONIGBERG: Stop. You're
2 talking about how you get to your house,
3 correct?

4 Q Right.

5 PRESIDING OFFICER HONIGBERG: That's
6 essentially your driveway.

7 Q And it's only wide enough for one car.

8 PRESIDING OFFICER HONIGBERG: So you
9 continue to drive along that narrow driveway.

10 Q Yes. And I come over to the widest part right
11 here. This is the widest part right here. I
12 call it the dunes. And you continue. All this
13 while, you're under the power lines. The
14 existing poles are here. And then you slip
15 through the trees right here. And you can't see
16 the really very shaded path. But it's only wide
17 enough for one car.

18 PRESIDING OFFICER HONIGBERG: Just to
19 clarify, Ms. Lee. Where is your house? Is it
20 in relationship to --

21 Q Right here. This is the house. And this is my
22 outbuilding. And so this is the only access.
23 There's no two lanes or anything like that.

24 PRESIDING OFFICER HONIGBERG: Okay. So

1 you've got it now, Dr. Chalmers?

2 A That clarifies. I thought perhaps it was road
3 access around the other way, but the only way is
4 by this, what Montana would call a two-track.

5 Q It's not a two-track. It's only one vehicle
6 can --

7 A I'm sorry. Two wheels. Never mind. So okay.
8 The question is how would I appraise it?

9 Q Yes.

10 A I would first want to be on the property with
11 you and to fully understand the extent to which
12 this existing corridor impacts the property. I
13 think given the access to the parcel, if that's
14 the only access, you know, that's going to be a
15 significant issue. In order to quantify that,
16 it's not easy, but I would follow basically the
17 procedure we've followed in this study.
18 Franklin has quite a few sales of properties
19 along the existing corridor. And I would cross
20 my fingers and go to the MLS and hope I could
21 find some sales of a similar property located
22 along that transmission line corridor. And then
23 I would make adjustments based on the relative
24 strengths and weaknesses of those sales relative

1 to your property and come to a conclusion.

2 Q Would your conclusion be that it would be easy
3 or hard to sell such a property?

4 A Well, I don't know, you know, what my conclusion
5 would be until I did it. So I would say that
6 given the access that you've got here, that's
7 something of a problem. To have the access come
8 down the utility corridor is an issue that would
9 make it more difficult to sell that property.

10 Q Well, that's some news.

11 The other thing I want to point out is that
12 actually I made an appointment with an
13 appraiser. My town of Northfield had a townwide
14 appraisal, and I had gone through all the
15 details of the work sheet for the increased
16 value to my home. And the person who did the
17 appraisal said there's nothing that would
18 devalue my assessment of your property. It went
19 up. So I went over all the details, and finally
20 he said I can take a look at your outbuilding
21 because that was built in 1970s, but the house
22 was built in 1987. So there was an older
23 devaluation on an older outbuilding. And that
24 might give me some decrease in value. Of

1 course, I'm trying to argue for a decreased
2 assessment because of taxes. And finally, as a
3 last straw, I said oh, by the way, I'm going to
4 have Northern Pass proposal if they are
5 permitted coming through, and they're going to
6 put up H-Frames and monopoles made of steel.
7 They're not friendly little tree trunk looking
8 lines. Poles. And he said well, that would be
9 a reason to file an abatement if and when
10 construction happens. So that was just Friday
11 on July 28th. So it's an impact that's pretty
12 significant, and he hasn't seen anything at all
13 of what I just showed you which is the
14 preliminary part.

15 And the other thing I want to point out is
16 there's another map. Sheet 149. This is right
17 on the Northern Pass website. If you look up
18 Northfield, this will come up. On this
19 schematic, it says S1-1. This shows all of the
20 structure heights for the proposed monopoles and
21 H-Frames. And this is all I have, and I
22 understand from speaking to Sam Johnson from
23 Burns & McDonnell, the engineer, I met with him
24 on June 1st, and he assured me that this was as

1 current a map as I will see at that date. June
2 1st, '17. And I understand they have a special
3 plan design map that they use, and I believe its
4 called OneTouch. It's more current. And I
5 believe they're still working on it. And it was
6 end of June I was supposed to get that map. And
7 I don't have it.

8 PRESIDING OFFICER HONIGBERG: So what is
9 your question?

10 Q My question is do you have any ideas of when you
11 were assessing for market value the height of
12 the new relocated 115 lines which is this one
13 here. Relocated. And in my case, this
14 relocation here is going to move over and go to
15 an existing edge of right-of-way. I had the
16 engineer from Eversource walk the line and put a
17 stake at the edge of the right-of-way. If they
18 move this, if the Project ever goes through, and
19 it's permitted, this relocated line would be 30
20 feet away from my well. The edge of the
21 right-of-way. This would be 30 feet away. And
22 it would be a pole that is going to be -- I'll
23 show you the map again. Right here is an
24 opening, and over here is my well. And this

1 F139-275 is going to be much taller, and I will
2 see it from my kitchen window as I'm washing my
3 dishes, and there's a buffer of trees that has
4 been very judiciously left in place by nature
5 and by Eversource trimming and clearing crew,
6 and there's one line that would go up. I don't
7 know why they planned this so well. It's 100
8 feet. It's going to be 100 feet. This one
9 here. I will be look at that as I wash dishes.

10 PRESIDING OFFICER HONIGBERG: What is the
11 question?

12 Q So my question is do you take it into, do you
13 take it into consideration when you're looking
14 at these maps, do you look at plan maps that
15 actually have the increased heights of towers
16 and have you that information on your maps?

17 A Yes.

18 Q You do.

19 A Yes. I have these same maps that show the
20 anticipated heights of each of the structures
21 that show on these maps.

22 Q All right. And I'll show you another view. As
23 you go out my driveway and go through the trees
24 here, you walk down two tenths of a mile to my

1 mailbox. And you will see that as you stand
2 right here, my mailbox is right here, you will
3 be able to count down going south. Here's the
4 legend. We're going south. Right here. So as
5 you go down the line, and I did this this
6 morning as a test, just to get real data, I'm
7 standing here, and I can see one, two. Here I
8 am standing here. One, two, three, four. And
9 this is on the east side. They're going to
10 leave that in place. On this west side, this is
11 the proposed relocation. So they're moving this
12 closer to the yard and toward my house and
13 toward my well. And by the way, I'm in a
14 protection, groundwater protection district and
15 a conservation zone. So with my naked eyes,
16 well, with my --

17 MR. WALKER: Mr. Chairman, I'm trying to be
18 patient here, but there's still no question.

19 MS. LEE: Of course. Thank you.

20 PRESIDING OFFICER HONIGBERG: What is the
21 question, Ms. Lee?

22 Q The question is when you assess from a plan
23 design that you're looking at for market value,
24 do you check what you can see beyond that

1 100-foot number?

2 A Yes.

3 Q As to the impact on --

4 PRESIDING OFFICER HONIGBERG: The answer is
5 yes. He does check beyond 100 feet.

6 Q Okay. So you do check. How do you check?

7 A We carefully, actually, using this kind of
8 information measure the distances to the nearest
9 structure, and then we measure the distances to
10 the most visible structure, and we also take
11 account of the number of structures that might
12 be located on the property. So, and then we
13 characterize how visible those structures are.

14 So that before we form an opinion on an
15 individual property, we know how close, what's
16 the closest structure, and what's the most,
17 what's the structure that you can see the most
18 easily, and then that one that you can see most
19 easily, do you have an unobstructed view of it,
20 or perhaps only a partial view of it or perhaps
21 no view of it at all.

22 Q Well, as I'm standing here this morning I saw 8
23 poles. One, 2, 3, 4 --

24 PRESIDING OFFICER HONIGBERG: Ms. Lee,

1 where were you standing when you saw those 8
2 poles? Where on the map?

3 A Right here at my mailbox. Right here.

4 PRESIDING OFFICER HONIGBERG: Show me where
5 your property is again.

6 Q My property is right here.

7 PRESIDING OFFICER HONIGBERG: That
8 trapezoidal four-sided area?

9 Q Yes.

10 PRESIDING OFFICER HONIGBERG: So you were
11 not standing on your property. You were
12 standing at your mailbox?

13 A Yes, but that's my -- I don't know how you would
14 term it. Is it deeded right-of-way? And it's
15 through this owner is who is the "deedor," I
16 guess. But I use this driveway and anybody
17 who's ever owned this property has always used
18 this driveway.

19 PRESIDING OFFICER HONIGBERG: So standing
20 at your mailbox you can see 8 poles or towers or
21 whatever.

22 Q Right.

23 PRESIDING OFFICER HONIGBERG: So what's
24 your question for him?

1 Q My question is how do you account for the
2 perspective view, the perspective view, I mean,
3 if you're looking down and you're standing at
4 the --

5 PRESIDING OFFICER HONIGBERG: How do you
6 account for the perspective view. That's the
7 question.

8 Q Yes. How do you account for that?

9 A Really don't account for perspective view per
10 se. It's really a question of can you see it or
11 can't you see it from your property is the --
12 it's not a sophisticated virtual analysis. It's
13 really just can you see structures or not, and
14 if you can see them, how much can you see.
15 That's what we focus on in our research.

16 Q But if I go daily to and fro and I see that each
17 time I come down to approach and go home, and
18 then I come on to the property, I see this on
19 the embankment, and then I see another one in
20 the middle of the drive, and then I see another
21 one through my kitchen window, and then if I
22 walk out to blueberry pick I see this one, too.
23 An H-Frame. But how do you account for that
24 heterogeneous topological, topographical, and I

1 would say kind of typical very private property
2 in New Hampshire, how do you consider for that
3 in your market valuation?

4 A Well, those, I think there's an important sort
5 of perspective that there are a lot of aspects
6 of this property that are important to you, and
7 some of those may be affected, are affected by
8 the transmission line and could be affected by
9 the Project. But we have to take a simpler
10 approach. We can't take those kind of
11 characteristics into account for every property
12 that we look at. So as I say, we just focus on
13 the visibility of the structures. And in
14 particular, the visibility from the house
15 because we think that's what really drives
16 market value. It may not be what determines the
17 value of the property to you. But we think
18 that's the significant thing. If you put your
19 house on the market, people would get to your
20 house, and they'd walk around your house, and we
21 think the most important thing is is how close
22 are there structures and how visible are they.

23 Q So you would look at this property and you would
24 say I'm not really close to power lines?

1 A No. No. You're pretty close.

2 Q I am very close. I'm under it, and my approach
3 to the house, would you agree that is, you're
4 right under it. You're --

5 A Right.

6 Q You're captivated by it.

7 A Right.

8 Q The other question I have is if you do get a
9 permit to build this thing, and you were showing
10 houses, would you say that the market, I
11 understand, is almost hot right now for
12 single-family houses. Would you say that would
13 hold true for property such as this?

14 A I can't really speculate about the individual
15 market conditions as it results to this kind of
16 a property in Franklin. I just don't have that
17 kind of information.

18 Q The other question I had, as we were reviewing
19 the view sheets, the Project maps, with the
20 Construction Panel, we did discuss the fact that
21 you have to cut, when you move those 115 lines
22 over closer, let me zoom this up. Very dark
23 shadowy area, this is a buffer of trees. And
24 you can hardly see through, this line of trees

1 is a buffer. As I understand it, Eversource
2 reserves a zone that they call, I believe the
3 word is peripheral zone. I picked up one of
4 those brochures at the open houses. This
5 peripheral zone is a buffer. And when they
6 moved this light green relocated line over, they
7 have to clear 25 to 30 feet, 30 feet if you
8 count to the edge of the right-of-way. But
9 they're going to cut all those trees. That is a
10 buffer. That's a screen. So did you take into
11 account that kind of clearing also for the
12 Project as proposed?

13 A We tried to, yes, because that would affect the
14 visibility of the structures.

15 Q So that was taken into account with the market
16 assessment that you did?

17 A To the extent that we're, that there are
18 definite, that we have that information, we
19 would definitely take it into account.

20 Q Do you know what they do for mitigation if you
21 clear out, cut and trim and clear your buffer?

22 A I think that's generally worked out on a
23 property specific basis. They would work with
24 individual property owners.

1 Q Are you familiar with any kind of restoration
2 mitigation that's happened with your work in
3 your experience?

4 A Well --

5 PRESIDING OFFICER HONIGBERG: This is not
6 Dr. Chalmers' area of expertise. So why don't
7 you move on to another topic, if you have one,
8 that's within his area of expertise.

9 Q Okay. So you don't have a buffer, that was
10 taken into account when you did your study.

11 A Yes. That would affect visibility. Again, if
12 we know what the clearing plan is.

13 Q Okay. The other thing I want to show you is on
14 the map. All these replacement lines once the
15 115 kV line is moved over, toward the west side,
16 they're all going to be taller, and the typical
17 height of the current Northfield poles and
18 they're all wooden poles. The improved poles
19 are laminated poles. They have a square
20 crosscut. They're going to be steel. I
21 understand they're going to be dark brown. Have
22 you ever seen any of those steel monopoles?

23 A Yes.

24 Q Where have you seen them?

1 A I've seen lots of them over the years. Many
2 difference places.

3 Q Have you seen them in New Hampshire?

4 A Yes.

5 Q Where?

6 A I've seen them in Concord.

7 Q Where in Concord have you seen them?

8 A In the vicinity of McKenna's Purchase.

9 Q Do you know how tall they are?

10 A They vary.

11 Q The ones proposed for all of these F139-274 up
12 to 279, 269, they're all going to be 88 feet, 88
13 feet, 92.5 feet, 92.5 feet, 92.5 feet, and 92.5
14 feet. The one that's closest to my home is
15 going to be 100 feet.

16 PRESIDING OFFICER HONIGBERG: And what is
17 your question?

18 Q My question is if such a Project were to go
19 through and is permitted, do you think I would
20 ever have a chance to sell this property?

21 A You'd certainly have a chance to sell it. I
22 can't, you know, it's going to depend on market
23 conditions and condition of the property. I'm
24 really not familiar with your property. And

1 that would require careful consideration of the
2 market and careful consideration of your
3 property before it would be appropriate for me
4 to render any kind of opinion on it.

5 Q I'd like to go through --

6 PRESIDING OFFICER HONIGBERG: How much more
7 do you have, Ms. Lee?

8 Q One more item. Thank you. I just want to show
9 you. This is a engineering map and it's the
10 USACE, Corps of Army Engineers, map for the
11 engineering, and this is the same -- let me blow
12 this up. This shows the Route 4 proposed
13 construction. Here's Fiddlers Choice Road.
14 They're going to build, what I learn, this shape
15 here, is called an apron for construction
16 vehicles. And this is, the dashed line here
17 represents the access road existing and then the
18 dark solid red line would be the new access. So
19 they're going to use Fiddlers Choice Road,
20 approach it by doing a new apron here, wide
21 enough for more than just my small SUV, and then
22 they're going to use the widest part and call it
23 already-built access. And then put in more
24 new-built access.

1 So if I'm correct, yesterday you used the
2 word that some properties would be virgin. And
3 I think you meant, can you describe what you
4 mean by that?

5 A That's simply a brand-new corridor. This would
6 be a, we'd call this an upgrade of an existing
7 corridor. A virgin corridor would be one that's
8 never been a transmission line corridor before
9 but would now have a brand-new transmission line
10 in it.

11 Q So this would not be considered a virgin
12 corridor, even though they're putting in a new
13 apron on both sides of our road, which is a dirt
14 road, and then using the widest part which is
15 already-built access.

16 A That's right. This is an upgrade of an existing
17 corridor.

18 Q Okay. And in the market assessment, once they
19 do this, and they widen for vehicles and then
20 they have to restore and repair and build in or
21 plant new screen, does the value go up or does
22 it go down?

23 A The value of your house? It's going to depend
24 on the market. It's going to depend on the

1 condition of your house. The value of your
2 house may not be affected at all by this. On
3 the other hand, it could be. Can't say.

4 Q So you can't say for sure. It's an appraisal
5 item that you would consider doesn't really
6 enter any equation for market value?

7 A I'd be speculating about it. It would be
8 something in the future that would depend on a
9 lot of conditions that we just don't know at
10 this point. And I haven't assessed your
11 particular property and exactly what the
12 visibility is and what the distances are. And
13 your property has some unique characteristics,
14 and all of those things would have to be taken
15 into account, together with market conditions at
16 the period that you're talking about.

17 Q I just would like also, are you aware that once
18 they put up these 88-feet all the way up to
19 100-feet as I approach my property and as I look
20 out my window, the current most common height, I
21 believe, in Northfield is 43 feet for the wooden
22 poles. Is that your experience in going around
23 with the drive-bys looking at the power lines as
24 they currently are configured?

1 A That's right. Yes. They're generally 40 to 50
2 feet, in that ballpark.

3 Q And if you compare it to a tree line, a typical
4 tree line, in such an area, where would that 43
5 feet fall?

6 A I can't say in this particular context. I'm
7 really not the person to answer that. I'm
8 sorry.

9 Q You went through a drive-by of how many
10 properties?

11 A Yeah, but that varies by the vegetation type. I
12 mean, I'd ballpark the veg line at maybe 40
13 feet, something like that. But I wouldn't
14 really want to offer an opinion on that without
15 looking at your property or understanding more
16 about exactly what's there. There is quite a
17 bit of variability around the state.

18 Q Right. Right now you will not really see these
19 going above the tree line, and most of these
20 heights for the steel towers, the poles, not the
21 towers, I was assured that it would be an
22 H-Frame only for aesthetic views. So we're
23 going from 88 feet, the lowest one as I read the
24 maps for the F139-276 which is, it was at the

1 corner of my property, I'm sorry I didn't bring
2 it up, but it's going to be changed
3 substantially as far as the height of the towers
4 and the way that they're manufactured with
5 steel. And the only accommodation to make it
6 aesthetically bearable is that they're dark
7 brown. Sometimes the tree trunks are dark
8 brown.

9 MR. WALKER: Objection, Mr. Chairman.

10 PRESIDING OFFICER HONIGBERG: And the
11 question is?

12 Q Do you have any idea of what that might look
13 like once you put up steel towers? As you
14 travel around the drive-bys and you only see --

15 PRESIDING OFFICER HONIGBERG: Stop talking.
16 Stop talking. You asked the question. Let him
17 answer it.

18 A I have a general understanding of what the steel
19 towers look like, and I have a general
20 understanding of what the existing wood poles
21 look like, but I don't have an understanding of
22 the context on, you know, in this particular
23 location.

24 Q Thank you.

1 PRESIDING OFFICER HONIGBERG: ALL right.
2 We're at the lunch break. We will break for an
3 hour. When we come back, we'll be to the
4 Municipal Groups.

5 MR. WHITLEY: Mr. Chair?

6 PRESIDING OFFICER HONIGBERG: Mr. Whitley?

7 MR. WHITLEY: I think I'm up first for the
8 Municipalities, and I have about 5 minutes of
9 confidential material. So I didn't know if it
10 would be better for me to do that right out of
11 the gate or do it towards the end of my
12 questioning or some other time.

13 PRESIDING OFFICER HONIGBERG: Don't anybody
14 move. Would it make sense to do it now?

15 MR. WHITLEY: I could do it now actually.
16 Yes, I can, Mr. Chair.

17 PRESIDING OFFICER HONIGBERG: Is there any
18 objection to doing that?

19 MR. WALKER: No objection.

20 PRESIDING OFFICER HONIGBERG: Why don't we
21 then have the people who can't be here for the
22 confidential sections leave, and then we'll have
23 Mr. Whitley do the confidential portion.

24

1 MR. WHITLEY: Just to clarify, it's not the
2 historic property or archeological confidential.
3 It's the confidential as designated by the
4 Applicant.

5 PRESIDING OFFICER HONIGBERG: Right. We're
6 off the record.

7 (Discussion off the record)

8 PRESIDING OFFICER HONIGBERG: Mr. Whitley,
9 you may proceed.

10 MR. WHITLEY: Thank you, Mr. Chair.

11 *(Pages 158 through 163 of the*
12 *transcript are contained under*
13 *separate cover designated as*
14 *"Confidential and Proprietary.")*

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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 6th day of August, 2017.

Cynthia Foster, LCR